



Citation Growth Corporation Announces Restatement of Previously Issued Financial Statements

Kelowna, British Columbia – July 26, 2019 – Citation Growth Corp. (formerly, Liht Cannabis Corp.) (CSE: CGRO) (OTCQX: CGOTF) ("Citation" or the "Company"), a licensed cannabis cultivator and producer, announced today that its audited consolidated financial statements for the year ended March 31, 2019 (the "2019 Annual Financial Statements") include amended and restated comparative figures for the year ended March 31, 2018 (the "2018 Annual Financial Statements") to correct certain material classification errors in its prior filing (the "Restated Financial Statements"). The full effects of the restatement are outlined in Note 6 to the 2019 Annual Financial Statements filed on Sedar on July 26, 2019.

The Restated Financial Statements reflect corrections for errors related to:

- (a) the investments in private placements of units and warrant offering. In the 2018 annual financial statements, the value of the warrants in the warrant offering was included in investment in associates and no value was assigned to the warrants from the unit private placements. The warrants are derivative financial instruments under IAS 39, and as a result, the warrants in the unit private placements should have been subsequently measured at FVTPL and the warrant from the offering should have been initially and subsequently measured at FVTPL and excluded from investment in associates.

The material impact of the correction was to increase derivative asset and decrease deficit by \$2,472 to recognize the fair value of the warrants, to record an unrealized loss on derivative assets of \$933 and to decrease share of loss in investment in associate by \$239.

- (b) the US convertible bonds (the "Bonds"). In the 2018 annual financial statements, the Company classified the Bonds as a compound instrument and recognized a liability component and an equity component related to the conversion feature of the Bonds. Under IAS 39, since the Bonds were denominated in US dollars which is not the functional currency of the Company, the conversion feature embedded in the Bonds should have been classified as a derivative liability. The overall instrument should have been classified as a financial liability and an embedded derivative conversion feature instead of a compound instrument as originally reported.

The material impact of the correction was to decrease the fair value of the Bonds and decrease deficit by \$337 to recognize the fair value of the Bonds and to record an unrealized gain on derivative liability of \$661.

- (c) the fair value of the warrants issued pursuant to a private placement. Given that the quoted market price of the Company's common shares was less than the unit offering price of on the date the unit price was fixed by a resolution of the directors of the Company, a value should have been assigned to the warrants under the residual method instead of \$nil. The impact of the correction was to increase warrants reserves by \$279 and decrease share capital by \$279.

The Restated Financial Statements replace and supersede the previously filed 2018 Annual Financial Statements. The 2018 Annual Financial Statements should be disregarded and no longer be relied upon.

About Citation Growth Corp.

Citation Growth Corp. is a publicly-traded company that has been investing in the medical and recreational cannabis space since 2014. Citation has rapidly expanded its operating portfolio to include cultivation, production, and dispensary locations in key North American state-legal jurisdictions and is seeking expansion opportunities worldwide.

For Further Information:

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