SOLO GROWTH CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three months ended March 31, 2019 and April 30, 2018

Expressed in Thousands of Canadian Dollars

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("MD&A") of Solo Growth Corp. ("Solo Growth" or the "Company") has been prepared by management as of May 22, 2019 and provides a comparison of the performance of the Company for the three months ended March 31, 2019 and April 30, 2018. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 and April 30, 2018 (the "interim financial statements"), audited consolidated financial statements for the eleven months ended December 31, 2018 and year ended January 31, 2018 (the "annual financial statements") and the Annual Information Form ("AIF") for the eleven months ended December 31, 2018 each of which is filed on SEDAR at www.sedar.com. The information in this MD&A is current to May 22, 2019, unless otherwise noted.

In this MD&A, unless the context otherwise requires, all references to "we", "us", "our", "Solo Growth" or "the Company" refer to Solo Growth Corp., or its subsidiaries, and all references to "Management" refer to the directors and executive officers of the Company.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as set out in the Handbook of the Chartered Professional Accountants – Part I, for financial statements. Certain dollar amounts have been rounded to the nearest million dollars, hundred thousand dollars or thousand dollars, as noted.

In 2018, the Company changed its year end to December 31, from January 31, and as such the three month periods for the first quarter of 2019 and 2018 are not the same three calendar months for each of the respective years. In this MD&A, the three month period ended March 31, 2019 may be referred to as "the quarter ended March 31, 2019", "the first quarter of 2019", "the current quarter" or "Q1-2019", and the three month period ended April 30, 2018 may be referred to as "the quarter ended April 30, 2018", "the first quarter of 2018", "the comparative quarter in 2018" or "Q1-2018", respectively.

On January 1, 2019, the Company adopted the new accounting standard, IFRS 16, Leases ("IFRS 16") using the modified retrospective approach and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The adoption of IFRS 16 had a significant effect on our reported results which are discussed in the 'Critical Accounting Estimates and Accounting Policies' section of this MD&A.

Additional information relating to Solo Growth can be found at www.sologrowth.ca. The Company's continuous disclosure materials, including its annual and quarterly MD&A, audited annual and financial statements, Information Circulars, Annual Information Form and various news releases issued by the Company are also available through SEDAR at www.sedar.com.

BUSINESS UPDATE AND OUTLOOK

On March 20, 2019, Solo Growth closed the acquisition of a licensing agreement for an established operating retail cannabis store in Red Deer, Alberta (the "Red Deer Acquisition") currently operating under the brand Greentown (the "Red Deer Store"). Readers are reminded that the Company's Q1 2019 results reflect only nine days of operations from the Red Deer Store during the quarter. The Red Deer Store will be rebranded and commence serving customers under the YSS banner in the third quarter of 2019.

Operational Update

- Operations at the Red Deer Store continue to meet expectations and are on track to generate approximately $4.5 million in sales and approximately $1.2 million of store-level adjusted cash flow on annualized basis.
- Rebranding to YSS Red Deer and expansion from 980 square feet to 1,960 square feet is underway and the Company expects to hold a grand re-opening early in the third quarter of 2019.
- The Company also has six constructed locations that have been inspected by the Alberta Gaming, Liquor and Cannabis Commission ("AGLC") in Calgary (Woodbine), Vermilion, Lloydminster, Stony Plain, Vegreville and Spruce Grove which are in-queue for licensing and opening, the timing of which remains subject to the supply dynamic and AGLC.
- The Company's first Edmonton location is expected to be complete and ready for AGLC inspection in early June.
- Planning has begun on three additional Alberta locations prioritized for construction.
- The Company has an incremental 12 AGLC retail cannabis license applications with associated secured or prospective locations and developments permits that will be prioritized for future construction capital.
- In April, AGLC granted an additional 26 cannabis retail licenses, bringing the total to 101 across the province. Management views this development as a positive indicator that the supply dynamic is improving allowing AGLC to continue to issue new licenses.
- In addition to building out physical retail stores, the Company has focused resources on establishing the critical components to deliver an exceptional retail experience in store including understanding of customer demands, implementation of standardized procedures, investment in brand and retail design, creation of a robust product catalogue, as well as the development of staff training, development and sales tools. Investments in our customer's experience align with the Company's stated goal of becoming the trusted destination for cannabis in Canada and are expected to help drive customer loyalty, brand recognition and ultimately future business.

Q1 2019 Financial Highlights

- Revenue was $159 thousand over the nine open days in the period following closing of the Red Deer Acquisition to March 31, 2019, representing average daily sales of $18 thousand per open day.
- Cost of goods sold and operating costs for Q1 2019 totaled $108 thousand resulting in store-level adjusted cash flow of $51 thousand over the nine open days between closing of the Red Deer Acquisition and March 31, 2019.
- Net income and comprehensive income of $208 thousand was recorded in Q1 2019, attributable to net margin from the newly acquired Red Deer Store, a deferred income tax recovery as well as interest and other income from cash on hand raised through the 2018 private placement and rights offering, offset by G&A costs, depreciation and terminated lease asset costs.
- Approximately $3.3 million was directed to investing activities during Q1 2019, of which $2.5 million ($2.817 million net of $317 thousand cash acquired) was used for the acquisition of the Red Deer Store, with the balance for additional leasehold improvements and equipment for the Company's YSS retail stores in Alberta.
- The Company exited the quarter with $14.9 million in cash.
- The adoption of IFRS 16 during the quarter ended March 31, 2019 has resulted in the recognition of a portion of principal lease payments as cash used for financing payments.
- The Company believes it has sufficient capital, supported by the newly acquired revenue stream from the Red Deer Store, to sustain the short-term licensing suspension in Alberta and is funded for forecasted capital investments, initial inventory expenditures and ongoing operations well past 2021.

PERFORMANCE OVERVIEW

Revenue

Revenue of $159 thousand for the first quarter of 2019 was up $159 thousand over the comparative quarter in 2018. The Company generated revenue commencing on March 20, 2019, being the acquisition date of 2102012 Alberta Ltd. (the "Red Deer Store Acquisition") operating in Red Deer, AB (the "Red Deer store") (see *Business Combination* of 'Business Overview'). The Red Deer store was open 9 days during the period from March 20, 2019 to March 31, 2019 and generated $155 thousand in cannabis sales and $4 thousand in accessories sales for the period, representing an average of $17 thousand in cannabis sales and $0.5 thousand in accessories sales per day.

Cost of Goods Sold

Cost of goods sold of $98 thousand for the first quarter of 2019 was up $98 thousand over the comparative quarter in 2018, due to operations from the Red Deer store which was acquired on March 20, 2019. During the 9 days the Red Deer store was open, it incurred $96 thousand in cost of goods sold relating to cannabis sales and $2 thousand in cost of goods sold relating to accessories sales for the period, representing an average of $11 thousand in cannabis cost of goods sold and $0.2 thousand in accessories cost of goods sold per day.

Gross Margin

Gross margin of $61 thousand for the first quarter of 2019 was up $61 thousand over the comparative quarter in 2018, due to operations from the Red Deer store which was acquired on March 20, 2019. The Red Deer store earned $59 thousand (38%) in gross margin on cannabis sales and $2 thousand (64%) in gross margin on accessories sales for the period, representing an average of $6.5 thousand in cannabis gross margin and $0.3 thousand in accessories gross margin per day during the 9 days it was open.

Operating Costs

Operating costs of $10 thousand for Q1-2019 was up $10 thousand over Q1-2018. Operating costs are direct store costs relating to the Red Deer store operations and represent approximately 6% of sales for the period.

Evaluation and Exploration ("E&E") Expenses

For the first quarter of 2019, E&E expenses of $nil compared to a recovery of ($6) thousand for the comparative quarter in 2018. The Company exited the mining business during the second quarter of 2018 and as such there was no such expense in the first quarter of 2019.

General and Administrative ("G&A") Expenses

Total G&A expenses of $520 thousand for the current quarter were up $507 thousand over the comparative quarter in 2018. In Q1-2019, G&A expenses were comprised of wages and consulting costs of $153 thousand; audit and legal fees of $143 thousand; insurance costs of $68 thousand; and other general costs of $156 thousand (compared to $9 thousand; $2 thousand; $nil; and $2 thousand, respectively for Q1-2018). The increase is attributable to head office expenses associated with the Company's cannabis retail business, as compared to winding down and exiting the mining business in the prior year.

Depreciation on Property and Equipment

Depreciation of $3 thousand related to head office computer equipment and leasehold improvements on the Red Deer store has been recorded for first quarter of 2019, compared to $nil for the first quarter in 2018. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset and commences once the asset is 'in use'. In the case of retail store leasehold improvements, the assets are considered 'in use' once the stores have been inspected, applicable licensing issued and are open for operation. The Company owned no property and equipment during Q1-2018 and as such no depreciation was recorded during the comparative period.

Depreciation on Right-of-Use Assets

Right-of-use asset depreciation of $2 thousand was recorded for the first quarter of 2019 (Q1-2018 $nil) on the right-of-use assets that were recorded on the adoption of IFRS 16 (see 'Critical Accounting Estimates and Accounting Policies').

Operating Loss

The operating loss of $474 thousand for the first quarter of 2019 ($7 thousand for the first quarter of 2018) is mainly

attributable to the head office expenses associated with the Company's cannabis retail business, as compared to exiting the mining business in the prior year.

Finance Costs

Finance costs were $109 thousand for the three months ended March 31, 2019 as compared to $2 thousand for the three months ended April 30, 2018. The increase is due to the adoption of IFRS 16 in which lease accretion charges of $109 thousand were recognized as finance costs for the current quarter (see 'Critical Accounting Estimates and Accounting Policies'). Finance costs in the comparative quarter of 2018 relate to interest on a loan from Ragged Range Mining Pty Ltd. which was repaid in full on June 28, 2018.

Terminated Leased Asset Costs

For the first quarter of 2019, the terminated leased asset costs of $10 thousand is attributable to the early termination of certain of the Company's retail lease spaces, due to the significant changes in the Alberta and Ontario government cannabis retail license processes in the latter part of 2018. The costs represent forfeited lease deposits. No amounts for terminated leased asset costs were recorded during the comparative quarter in 2018.

Interest and Other Income

Interest and other income is comprised of interest earned on cash in the amount of $73 thousand for Q1-2019 and $nil for Q1-2018. Cash increased due to the funds raised on the June 28, 2018 private placement and December 18, 2018 rights offering, where the Company held any excess funds not used for current operations in short-term (less than 90 day) term deposits with financial institutions.

Loss on Fair Value Adjustments

The loss on fair value adjustments of $173 thousand for the first quarter of 2019 is a result of the remeasurement of the warrant liabilities to fair value at March 31, 2019 using the *Black-Scholes Option Pricing Model.* The main factor in the change in the fair value was the increase in share price at March 31, 2019 versus December 31, 2018. No gain or loss on fair value adjustments was recorded for the comparative quarter in 2018 as no such warrant liabilities existed during that period.

Deferred Income Tax Recovery

A deferred income tax recovery of $901 thousand was recorded during the first quarter of 2019 as a result of recognizing a deferred income tax liability associated with the Red Deer Store Acquisition and a corresponding previously unrecognized deferred income tax asset. At December 31, 2018 the Company had unrecognized deferred income tax assets of approximately $20 million as it was not considered probable at that time that sufficient future taxable profits would be available against which the temporary differences could be utilized. With the Red Deer Store Acquisition, a portion of these previously unrecognized deferred income tax assets have been recognized, offsetting the deferred income tax liability acquired, resulting in a deferred income tax recovery during the first quarter.

Net Income (Loss) and Comprehensive Income (Loss)

The net income and comprehensive income of $208 thousand for the three months ended March 31, 2019 is attributable to an increase in gross margin from its newly acquired Red Deer store, the deferred income tax recovery

and an increase in interest and other income from increased cash on hand raised on its private placement and rights offering in 2018, offset by an increase in general and administrative costs, terminated leased asset costs and depreciation associated with the Company's cannabis retail business, which commenced June 28, 2018. Comparatively for the first quarter of 2018, the Company had a net loss and comprehensive loss of $9 thousand as the Company's mining business was winding down.

LIQUIDITY AND CAPITAL RESOURCES

Analysis of Cash Flows

The Company held cash of $14.9 million as at March 31, 2019 compared to $15 thousand as at April 30, 2018. The increase in cash from April 30, 2018 is attributable to the private placement on June 28, 2018 and the associated rights offering of December 31, 2018.

The Company used cash of $510 thousand in its operations for the first quarter of 2019 compared to $17 thousand for the comparative quarter of 2018. The increase in cash used for operations is attributable to the Company's retail cannabis operations which commenced June 28, 2018, whereas the Company's mining operations wound down during the first quarter of 2018.

The Company used cash of $4 million (Q1-2018 $nil) in investing activities during Q1-2019 of which $2.5 million ($2.817 million net of $317 thousand cash acquired) was used for the acquisition of the Red Deer store and the balance was used for additional leasehold improvements and equipment for the Company's other retail stores. The Company had no investing activities during the first quarter of 2018 as the Company was winding down its mining business.

The Company used cash of $233 thousand in its financing activities for the first quarter of 2019, compared to generated cash of $20 thousand for the comparative quarter in 2018. The Company used cash to pay for share issue costs relating to the rights offering and change of business filings in the latter part of 2018 and early 2019. The adoption of IFRS 16 has also resulted in the recognition of a portion of principal lease payments as cash used for financing payments in the quarter ended March 31, 2019, whereas the Company had no such comparable costs during the quarter ended April 30, 2018. The cash generated from financing activities in Q1-2018 of $20 thousand related to loan advances from Ragged Range, which were subsequently repaid on June 28, 2018.

Working Capital[1]

The Company's working capital position of $14.2 million decreased by $4.5 million at March 31, 2019 versus December 31, 2018 attributable primarily to a decrease in cash used for the acquisition of the Red Deer store and additional leasehold improvements and equipment for the Company's other retail stores as well as an increase in the current portion of lease liabilities which were recognized upon the adoption of IFRS 16 on January 1, 2019. The Company believes it has sufficient capital to sustain the licensing suspension and is funded for the forecasted planned capital and initial inventory expenditures, once licensing resumes.

1 Working capital is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Investors are cautioned that this measure should not be relied on as an indicator of the Company's financial performance, of its cash flows from operating, investing and financing activities or be relied on as a measure of its liquidity and cash flows. The Company's method of calculating the aforementioned non-IFRS financial measure, being current assets less current liabilities, may differ from the methods used by other issuers. Therefore, this measure may not be comparable to similar measures presented by other issuers.

Capital Resources

The Company is prudent with commitments and the rate of capital expenditure to ensure that it is able to meet liabilities as they come due given the current suspension of cannabis retail licensing in Alberta. As of the date of this report, the Company's operating cash flow is derived solely from its operating cannabis retail location in Red Deer, Alberta, effective March 20, 2019. This newly acquired revenue stream will allow the Company to fund its forecasted operations well past 2021.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION

Financial Performance

The discussion below analyzes certain changes in the Company's consolidated financial position as at March 31, 2019 compared to December 31, 2018:

The Company has cash of $14.9 million at March 31, 2019 compared to $19.6 million (including restricted cash of $4.9 million) at December 31, 2018. The Company's cash position decreased primarily due to cash paid for the Red Deer Store Acquisition, additional leasehold improvements and equipment for the Company's other retail stores and to fund ongoing start-up operations (see 'Liquidity and Capital Resources'). The Company's restricted cash at December 31, 2018 was restricted pending the approval of the Change of Business by the Toronto Stock Exchange – Venture which occurred on January 3, 2019.

Receivables of $327 thousand, primarily consisting of federal sales taxes receivable and accrued interest on short-term term deposits, can fluctuate from period to period depending on expenditures incurred net of taxes collected from customers during the period and the balance of excess cash invested in short-term term deposits. The Company does not have traditional trade accounts receivable from customers as payment for sales is collected at the time of sale.

Inventories of $342 thousand, consisting of cannabis, accessories and supplies, increased $122 thousand during the period primarily due to the cannabis inventory on hand on March 31, 2019 at the Red Deer store. As at December 31, 2018, the Company did not have any stores in operation and as such did not have any cannabis inventory on hand.

Prepaid expenses and lease deposits of $437 thousand have decreased by $217 thousand primarily due to lease deposits applied against rent due in the quarter and expensing of various prepaid expenses such as insurance.

The Company spent $851 thousand on property and equipment consisting of retail store leasehold improvements under construction and computer equipment during the current quarter, with a carrying value of $4.1 million, as at March 31, 2019 compared to $3 million as at December 31, 2018. As at March 31, 2019, the Company had substantially completed construction on 7 stores with 6 of those stores inspected and ready for AGLC licensing and has an 8th store completed and operating in Red Deer as a result of the Red Deer Store Acquisition. The Company has an incremental 15 Alberta Gaming, Liquor and Cannabis ("AGLC") applications and is prioritizing the next construction phase in Alberta.

The right-of-use assets of $6.2 million resulted from the adoption of IFRS 16 on January 1, 2019. IFRS 16 using a modified retrospective approach with no restatement of prior periods and as such, was included as part of the

Company's commitments, not as a right-of-use asset at December 31, 2018 (see 'Critical Accounting Estimates and Accounting Policies').

Intangible assets of $7.6 million consisting of retail branding, website development, acquired leases and license, increased $3.4 million during the quarter ended March 31, 2019 due to the fair value attributed to the license acquired from the Red Deer Store Acquisition. The license, which has a finite useful life, is carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the term of the lease. Amortization on the Company's definite life intangibles, website development and acquired leases, will commence once the assets are considered "in use", in accordance with Company's accounting policy.

Trade and other payables of $1.3 million at March 31, 2019, decreased from $2.1 million at December 31, 2018 primarily due to the decrease in the leasehold improvement construction related costs as stores were completed and inspected by AGLC during the current quarter as well as the payment of share issue costs relating to the rights offering and change in business filings in the latter part of 2018 and early 2019.

Warrant liabilities of $553 thousand increased $173 thousand during the period due to the remeasurement of the warrant liabilities to fair value at March 31, 2019. The main factor in the change in the fair value was the increase in share price at March 31, 2019 versus December 31, 2018.

Lease liabilities of $6.2 million were recognized at March 31, 2019 ($0.4 million short term and $5.8 million long-term) (December 31, 2018 – $nil) upon the adoption of IFRS 16 (see 'Critical Accounting Estimates and Accounting Policies').

SHARE CAPITAL

Authorized

An unlimited number of common shares.

Issued and outstanding

As at March 31, 2019 and as at May 22, 2019, there were 670,064,847 issued and fully paid common shares outstanding (December 31, 2018 – 670,064,847).

Changes during the three months ended March 31, 2019

The Company incurred additional share issue costs of $31 thousand in conjunction with the Change of Business filing that was finalized on January 4, 2019. There were no other share capital transactions during the three months ended March 31, 2019.

Stock options

There were no changes in the Company's stock options during the three months ended March 31, 2019.

WARRANTS AND PERFORMANCE WARRANTS

Warrants

There were no changes in the Company's warrants during the three months ended March 31, 2019.

Performance warrants

Pursuant to the Rights Offering that closed on December 18, 2018, 13,000,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. The Company valued the warrants on the date of issuance using the *Black-Scholes Option Pricing Model* and then remeasured the warrants to fair value of $380 thousand on December 31, 2018. On March 31, 2019, the warrants were subsequently remeasured using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 75%; dividend yield 0% and the remaining expected lives of 4.72 years, resulting in a fair value at March 31, 2019 of $553 thousand. The resultant loss on fair value adjustments of $173 thousand has been recorded in the statements of net income (loss) and comprehensive income (loss) in the period.

CONSOLIDATED QUARTERLY INFORMATION

	Quarter ending							
	March 31 2019	**December 31 2018**	**October 31 2018**	**July 31 2018**	**April 30 2018**	**January 31 2018**	**October 31 2017**	**July 31 2017**
REVENUE	$ 159	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cost of goods sold	(98)	-	-	-	-	-	-	-
GROSS MARGIN	$ 61	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EXPENSES								
Operating costs	(10)	-	-	-	-	-	-	-
Exploration and evaluation expenses	-	-	-	(11)	6	(5)	-	(49)
Property investigation costs	-	-	-	-	-	(16)	-	-
General and administrative	(520)	(358)	(694)	(127)	(13)	(10)	(22)	(36)
Depreciation on property and equipment	(3)	(1)	-	-	-	-	-	-
Depreciation on right-of-use assets	(2)	-	-	-	-	-	-	-
Stock based compensation	-	(204)	-	(13,326)	-	2	(20)	-
OPERATING LOSS	$ (474)	$ (563)	$ (694)	$ (13,464)	$ (7)	$ (29)	$ (42)	$ (85)
OTHER INCOME (EXPENSES)								
Finance costs	(109)	-	-	(1)	(2)	(2)	(1)	(1)
Write off of terminated leased assets	(10)	(1,360)	-	-	-	-	-	-
Write off of exploration and evaluation assets	-	-	-	(160)	-	-	-	-
Interest and other income	73	68	66	-	-	-	-	-
Gain (loss) on fair value adjustments	(173)	32	-	-	-	-	-	-
	$ (219)	$ (1,260)	$ 66	$ (161)	$ (2)	$ (2)	$ (1)	$ (1)
LOSS BEFORE INCOME TAXES	$ (693)	$ (1,823)	$ (628)	$ (13,625)	$ (9)	$ (31)	$ (43)	$ (86)
INCOME TAXES								
Deferred income tax recovery	901	-	-	-	-	-	-	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ 208**	**$ (1,823)**	**$ (628)**	**$ (13,625)**	**$ (9)**	**$ (31)**	**$ (43)**	**$ (86)**
EARNINGS (LOSS) PER SHARE - BASIC	**$ 0.00**	**$ (0.00)**	**$ (0.00)**	**$ (0.06)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**
EARNINGS (LOSS) PER SHARE - DILUTED	**$ 0.00**	**$ (0.00)**	**$ (0.00)**	**$ (0.04)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**
Total assets	$ 33,925	$ 28,135	$ 24,575	$ 23,927	$ 182	$ 173	$ 185	$ 86
Total liabilities	$ 8,107	$ 2,494	$ 1,706	$ 391	$ 196	$ 177	$ 155	$ 131
Total shareholders' equity (deficit)	$ 25,818	$ 25,641	$ 22,869	$ 23,536	$ (14)	$ (4)	$ 30	$ (45)

Explanation of significant variances between the quarters is provided as follows:

Revenue, cost of goods sold and gross margin for Q1-2019 represent operations from the Company's newly acquired Red Deer store from the acquisition date of March 20, 2019 to March 31, 2019 (see *Business Combination* of 'Business Overview'). The Red Deer store was open 9 days during March 20, 2019 to March 31, 2019 and generated $159 thousand in sales, $98 thousand in cost of goods sold and $61 thousand or 38% in gross margin.

Operating costs are direct store costs relating to the Red Deer store operations and represent approximately 6% of sales for the period.

Exploration and evaluation costs relate to the Gowganda Gold Project. Rights to the Gowganda licenses were terminated June 4, 2018 as the Company pursued a cannabis retail business which commenced June 28, 2018.

Property investigation costs relate to the prior mining business and ceased in the quarter ending January 31, 2018.

General and administrative ("G&A) costs for the current quarter through from October 31, 2018 relate solely to the head office costs associated with the Company's cannabis retail business, and will vary according to the level of activity within the Company, financial reporting and other head office staffing requirements, professional fees, insurance and other G&A costs incurred during the period. G&A costs in the quarter July 31, 2018 include both the startup costs related to the development of the cannabis retail business and the wind down of the mining business. Prior to April 30, 2018 G&A relates solely to the Company's the mining business.

Depreciation on property and equipment represents deprecation calculated on a straight-line basis over the estimated useful lives of the assets that are considered 'in use'. No depreciation charge related to the retail stores was taken prior to the current quarter as none of the stores were licensed or available for use. The Company owned no property and equipment during the year ended January 31, 2018.

Depreciation on right-of-use assets is depreciated on a straight-line basis over the term of lease, which commenced in the first quarter of 2019 upon adoption of IFRS 16 on January 1, 2019 (see 'Critical Accounting Estimates and Accounting Policies').

Stock-based compensation for the quarter ended July 31, 2018 relates to the value of the performance warrants issued to the new management team and board concurrent with the June 28, 2018 private placement. The market price vesting requirements of the performance warrants were met during the period ending July 31, 2018 and accordingly, the full value related to the management team and board under the *Black-Scholes Option Pricing Model* has been expensed immediately.

Stock-based compensation for the quarter ended December 31, 2018 relates to the value of the performance warrants issued with the December 18, 2018 rights offering. The market price vesting requirements of the performance warrants with respect to the Performance Incentive were not met during the period ending December 31, 2018 and accordingly, the full value under the *Black-Scholes Option Pricing Model* has been recognized as warrant liabilities. The fair value of the warrants was calculated on the date of issuance, and subsequently remeasured at the balance sheet date resulting in a gain on fair value adjustments of $31,918 recorded in the two month period ended December 31, 2018. No stock options have been granted under the new stock option plan to the new management team and board. Stock options were declared in the quarter ending October 31, 2017 resulting in stock-based compensation expense. All options issued to the former management team and board were exercised or expired prior to the change of business.

Finance costs in the current quarter related to lease accretion charges under IFRS 16 adopted January 1, 2019 (see 'Critical Accounting Estimates and Accounting Policies'). Finance costs reported in the quarters ended July 31, 2018 and prior related to the outstanding Ragged Range loan. The amount of expense fluctuated with the principal outstanding during each period. The principal and all accrued interest were paid in full to Ragged Range on June 28, 2018 and the Company has no other debt.

The terminated leased asset costs are attributable to the early termination of certain of the Company's retail lease spaces, due to the significant changes in the Alberta and Ontario government cannabis retail license processes. The costs represent forfeited lease deposits, lease termination fees and a provision for estimated future lease costs to maintain the premises over the remaining lease term where the Company will receive nominal economic benefit.

Concurrent with the change of business, the previously capitalized E&E assets of $160,000 were written off when the rights to the Gowganda licenses were terminated on June 4, 2018.

Interest and other income is attributed to interest earned on cash during the quarters ended March 31, 2019, December 31, 2018 and October 31, 2018, where the Company held any excess funds not used for current operations in short-term (less than 90 day) term deposits with financial institutions. Previously, the Company had no significant cash available for earning interest.

The gain (loss) on fair value adjustments is a result of the remeasurement of the warrant liabilities to fair value at each reporting period using the *Black-Scholes Option Pricing Model*.

The deferred income tax recovery is a result of the recognition of previously unrecognized deferred income tax assets in conjunction with the deferred income tax liability recognized regarding the Red Deer Store Acquisition.

BUSINESS OVERVIEW

Corporate Overview

Solo Growth is a publicly traded corporation dual-listed on the Exchange under the trading symbol SOLO and on the Frankfurt Stock Exchange ("FSE") under the trading symbols "WKN:A2PBMC" and "FSE:2LK. The Company's head office is located at Suite 1000, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9. The registered office of the Company is located at Suite 4300 Bankers Hall West, 888 – 3rd Street SW, Calgary, Alberta, T2P 5C5. The Company changed its year end to December 31 (from January 31) during the prior year.

The Company has three wholly-owned subsidiaries: (i) Solo Cannabis Corp., incorporated on May 4, 2018 in Alberta; (ii) Aldershot Holdings Ltd., incorporated on October 6, 2016 in British Columbia (inactive); and (iii) Royal USA Inc., incorporated on October 23, 2007 in Colorado (ceased operations in 2016), as well as its other controlled entity, being 2102012 Alberta Ltd. (see *Business Combination*).

Business Combination

On March 20, 2019, the Company entered into and closed a definitive agreement with respect to a call right on all of the voting shares of a licensed operating retail cannabis store 2102012 Alberta Ltd. operating as Greentown in Red Deer, Alberta, (the "Red Deer store") for aggregate cash consideration of $2.8 million (the "Call Right"). Concurrent with the acquisition of the Call Right, the Company entered into a perpetual licensing agreement to rebrand and operate the store under the YSS™ banner (together with the Call Right, the "Red Deer Store Acquisition"). All required regulatory approvals, including approvals from AGLC, were obtained in advance of the closing date. The Company may exercise the Call Right in its sole and absolute discretion at any point in time for no additional consideration. See Note 4 to the interim financial statements for further information.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

Significant accounting judgements, estimates and assumptions

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

In preparing the condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied as described in Note 2(d) of the Company's annual financial statements as at and for the eleven month period ended December 31, 2018. There have been no changes or new estimates and judgements made in the current period, with the exception of the new significant judgements and estimates described below:

a) Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the lease will be extended. The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

b) Business combinations

The Company applies judgement when evaluating whether the Company controls an entity and meets the criteria as a subsidiary of the Company for the purposes of consolidation. Control is established when the Company is exposed, or has the rights, to variable returns from its involvement with an investee. The Company applies judgment on the recognition and measurement of assets acquired and liabilities assumed at fair value, and estimates are used to calculate and measure such amounts.

In measuring the fair value of the acquiree's assets and liabilities, management uses estimates about future cash flows and discount rates.

Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the condensed interim consolidated financial statements are the same as described in the Company's annual consolidated financial statements as at and for the eleven month period ended December 31, 2018. There have been no changes to those policies except for the policies described below:

a) Business combinations and goodwill

i) Acquisitions

Acquisitions of businesses and subsidiaries that meet the definition of a business are accounted for using the acquisition method. The consideration of an acquisition is measured as the fair value of the identifiable assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition in exchange for control of the acquired business. Acquisition-related costs are recognized into net earnings as incurred, other than those associated with the issue of debt or equity securities. Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable net assets acquired.

ii) Goodwill

Goodwill is not amortized but is assessed for impairment at least annually or when events and circumstances indicate that the carrying value may not be recoverable as described in the "Impairment of non-financial assets" policy.

b) IFRS 16 Leases – New accounting pronouncement adopted in 2019

Effective January 1, 2019, the Company adopted IFRS 16, "Leases", which supersedes previous standards for leases (IFRS IAS 17, "Leases" and IFRIC 4, "Determining whether an Arrangement contains a Lease"). IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The adoption of IFRS 16 has resulted in changes in assets and liabilities due to the recognition of right-of-use assets and associated lease liabilities, as well as a decrease to operating expenses (for the removal of base rent and common area maintenance expenses for leases), an increase to depreciation (due to the depreciation of the right-of-use assets), and an increase to finance costs (due to accretion of the lease liabilities).

The Company adopted IFRS 16 using the modified retrospective method and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

Accounting policy

The Company's leasing activities consist primarily of retail store leases. Lease contracts are negotiated on an individual basis and contain a wide range of contract terms and conditions, with typical lease terms for a fixed period of 10 years with varying extension options.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

i) The contract involves the use of an identified asset;
ii) The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use; and
iii) The Company has the right to direct the use of the asset.

Lessee accounting:

Effective January 1, 2019, leases are recognized as right-of-use assets with corresponding lease liabilities at the date at which the leased assets are available for use. Lease payments are allocated between the lease liabilities and finance costs. The finance costs are charged to net income (loss) and comprehensive income (loss) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liabilities for each period. The right-of-use assets are depreciated over the shorter of the asset's useful lives and the lease term on a straight-line basis.

Lease payments included in the measurement of the lease liabilities include the net present value of the following:

i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
ii) Variable lease payments that are based on an index or a rate;
iii) Amounts expected to be payable by the lessee under residual value guarantee;
iv) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
v) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the lessee would have to pay to borrow at prevailing interest rates, market precedents and the Company's specific credit spread, on similar terms and security.

Right-of-use assets are initially measured at cost, which is comprised of the following:

i) The amount of the initial measurement of the lease liability;
ii) Any lease payments made at or before the commencement date less any lease incentives received;
iii) Any initial direct costs; and
iv) Restoration costs.

The right-of-use assets are typically depreciated on a straight-line basis over the term of lease, unless the Company expects to obtain ownership of the leased asset at the end of the lease.

The lease term consists of:

i) The non-cancellable period of the lease;
ii) Periods covered by options to extend the lease, where the Company is reasonably certain to exercise the option; and
iii) Periods covered by options to terminate the lease, where the Company is reasonably certain not to exercise the option.

If the Company expects to obtain ownership of the leased asset at the end of the lease, the right-of-use assets are depreciated over the underlying asset's estimated useful life. The right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Company recognized lease assets and liabilities in relation to leases previously classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the related incremental borrowing rate as of January 1, 2019. The incremental borrowing rates applied to the lease liabilities on January 1, 2019 was 7.95%, based on the relevant facts and circumstances, geographical location, and lease term duration of the leased property. The associated right-of-use assets were measured as if the standard has been applied since the commencement date, discounted using the incremental borrowing rates as of January 1, 2019.

A reconciliation of lease commitments as at January 1, 2019, outlining the effect of the transition to IFRS 16 is outlined below:

	January 1, 2019
	$
Operating lease commitments disclosed as at December 31, 2018	19,008
Leases commencing after the period end	(8,799)
Incremental borrowing rate at January 1, 2019	7.95%
Discounted using the incremental borrowing rate at the date of initial application being lease liabilities recognized as at January 1, 2019	**5,267**
Represented by:	
Current portion of lease liabilities	291
Lease liabilities	4,976
	5,267

A reconciliation of the effect of transition to IFRS 16 on select accounts on the Company's condensed Interim Consolidated Statements of Financial Position as at January 1, 2019 is outlined below:

Selected Accounts	**As originally reported as at December 31, 2018**	**IFRS 16 adjustments**	**January 1, 2019**
	$	**$**	**$**
Assets			
Right-of-use assets	-	5,267	5,267
Total assets	**28,135**	**5,267**	**33,402**
Liabilities and shareholders' equity			
Current portion of lease liabilities	-	291	291
Lease liabilities	-	4,976	4,976
Total liabilities	**2,494**	**5,267**	**7,761**
Total liabilities and shareholders equity	**28,135**	**5,267**	**33,402**

Below is a summary of the activity related to the right-of-use assets for the three-month period ended March 31, 2019:

	Three months ended March 31, 2019
	$
Right-of-use assets, beginning of period	5,267
Net additions	821
Business combination	200
Depreciation on right-of-use assets	(137)
Right-of-use assets, end of period	**6,151**

Below is a summary of the activity related to the lease liabilities for the three-month period ended March 31, 2019:

	Three months ended March 31, 2019
	$
Lease liabilities, beginning of period	5,267
Net additions	821
Business combination	200
Accretion of lease liabilities	109
Lease payments	(159)
Lease liabilities, end of period	**6,238**
Represented by:	
Current portion of lease liabilities	452
Lease liabilities	5,786
	6,238

Practical expedients applied

The Company has taken the following elections on practical expedients on adoption of IFRS 16:

i) the Company has elected to use a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;
ii) the Company has elected to exclude initial direct costs incurred in obtaining leases in the measurement of the right-of-use asset on transition;
iii) the Company has elected to use hindsight to determine the lease term where the lease contracts contain options to extend or terminate the lease;
iv) the Company has elected not to account for leases for which the lease term ends within 12 months of January 1, 2019 as short-term leases or leases that meet the low-value exemption.

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying IAS 17 and IFRIC 4.

RISK FACTORS

There are no updates to the Company's Risk Factors. For further discussion, refer to the Company's Annual Information Form dated April 29, 2019 and the annual MD&A.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements and information, other than statements of historical fact contained in this MD&A, are forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, without limitation, the Company's future financial position, capital and liquidity, business strategy, including organic growth and strategic activities, the execution and impact of the strategic plan on the Company's business, the future performance of the operating retail cannabis store in Red Deer, Alberta and revenue generated therefrom, the ability to build, own and operate retail cannabis stores, the receipt of necessary permits and licenses to open stores; the ability to capitalize on potential opportunities that may arise and the ability to exercise thereon, results of operations and financial condition, adult-use retail cannabis strategy, budgets, government regulation and laws, projected costs, sufficiency of current capital to sustain the licensing suspension, and sufficiency of cash flow derived from the Red Deer store location to fund the Company's forecasted operations well past 2021. Shareholders and prospective investors can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words and the negative thereof.

Forward-looking statements reflect the Company's current plans, intentions and expectations, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's plans, intentions and expectations are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this MD&A and in the MD&A and AIF for the period ended December 31, 2018. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and such forward-looking statements included in this MD&A and in the MD&A and AIF for the period ended December 31, 2018 should not be unduly relied upon.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to: risks relating to government regulation and laws and changes thereto (including with respect to cannabis); permits, licenses and regulatory and third party approvals not being obtained in the manner or timing anticipated by the Company; competition; the state of the economy including general economic conditions in Canada (including Alberta and Ontario) and the U.S.; the unpredictability and volatility of the price of the common shares; restrictions on potential growth; availability of sufficient financial resources to fund the Company's capital expenditures; changes in tax rates and government mark-ups; risks relating to future acquisitions, construction and development of new stores; the ability of management to execute the strategic plan; the Company's ability to locate and secure acceptable store sites and to adapt to changing market conditions; dependence on key personnel; labour costs, shortages and labour relations including the Company's ability to hire and retain staff at current wage levels and the risk of possible future unionization; the availability of cannabis-retail products from licensed producers; supply interruption or delays; dependence on suppliers; reliance on information and control systems; income tax changes; credit risks arising from operations; dilution and future sales of common shares; and the potential lack of an active trading market for the common shares. The information contained in this MD&A and as disclosed in other filings made by the Company with Canadian securities regulatory authorities and available on SEDAR at www.sedar.com, identifies additional factors that could affect the operating results and performance of the Company. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities legislation.

Additional disclosures pertaining to Solo Growth including material change reports, press releases and other information are available at www.sedar.com.

SOLO GROWTH CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2019 and April 30, 2018

Expressed in Thousands of Canadian Dollars

SOLO GROWTH CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of Canadian dollars - unaudited)

	Notes	March 31, 2019	December 31, 2018
ASSETS		**$**	**$**
Current assets			
Cash		14,858	14,689
Restricted cash		-	4,936
Receivables		327	313
Inventories		342	220
Prepaid expenses and lease deposits		437	654
Total current assets		15,964	20,812
Non-current assets			
Long-term lease deposits		115	111
Property and equipment	5	4,063	2,967
Right-of-use assets	3(b)	6,151	-
Intangible assets	6	7,632	4,245
Total non-current assets		17,961	7,323
TOTAL ASSETS		**33,925**	**28,135**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables		1,316	2,114
Current portion of lease liabilities	3(b)	452	-
Total current liabilities		1,768	2,114
Warrant liabilities	8	553	380
Lease liabilities	3(b)	5,786	-
Total liabilities		8,107	2,494
EQUITY			
Equity attributable to the owners of the Company			
Share capital		44,230	44,261
Warrant reserve		17,029	17,029
Share-based payment reserve		7,839	7,839
Accumulated deficit		(43,280)	(43,488)
Total shareholders' equity		25,818	25,641
TOTAL LIABILITIES AND EQUITY		**33,925**	**28,135**

See accompanying notes to the condensed interim consolidated financial statements

Nature of operations and subsequent event (Note 1)

On behalf of the Board:

"James Miller"	*"Theo Zunich"*
James Miller, Director	Theo Zunich, President, CEO & Director

SOLO GROWTH CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in thousands of Canadian dollars, except for per share amounts - unaudited)

	Notes	Three months ended March 31, 2019	Three months ended April 30, 2018
		$	$
REVENUE		159	-
Cost of goods sold		(98)	-
GROSS MARGIN		61	-
EXPENSES			
Operating costs		(10)	-
Exploration and evaluation expenses		-	6
General and administrative		(520)	(13)
Depreciation on property and equipment	5	(3)	-
Depreciation on right-of-use assets	3(b)	(2)	-
OPERATING LOSS		(474)	(7)
OTHER INCOME (EXPENSES)			
Finance costs	9	(109)	(2)
Terminated leased asset costs		(10)	-
Interest and other income		73	-
Loss on fair value adjustments	8	(173)	-
		(219)	(2)
LOSS BEFORE INCOME TAXES		(693)	(9)
INCOME TAXES			
Deferred income tax recovery	4	901	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		208	(9)
EARNINGS (LOSS) PER SHARE - BASIC	10	$ 0.00	$ (0.00)
EARNINGS (LOSS) PER SHARE - DILUTED	10	$ 0.00	$ (0.00)

See accompanying notes to the condensed interim consolidated financial statements

SOLO GROWTH CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of Canadian dollars - unaudited)

		Attributable to Owners of the Company					
		Share Capital		Warrant Reserve	Share Based Payment Reserve	Accumulated Deficit	Equity (Deficit)
	Note	Number of Shares	$	$	$	$	$
Balance, January 31, 2018		53,697,733	15,453	431	7,962	(23,851)	(5)
Net loss		-	-	-	-	(9)	(9)
Balance, April 30, 2018		53,697,733	15,453	431	7,962	(23,860)	(14)
Balance, December 31, 2018		670,064,847	44,261	17,029	7,839	(43,488)	25,641
Share Issue Costs	7	-	(31)	-	-	-	(31)
Net income		-	-	-	-	208	208
Balance, March 31, 2019		670,064,847	44,230	17,029	7,839	(43,280)	25,818

See accompanying notes to the condensed interim consolidated financial statements

SOLO GROWTH CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of Canadian dollars - unaudited)

	Note	Three months ended March 31, 2019	Three months ended April 30, 2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) for the period		208	(9)
Adjustments to net income (loss) for:			
Non-cash finance costs		-	2
Depreciation on property and equipment		3	-
Depreciation on right-of-use assets		2	-
Loss on fair value adjustments		173	-
Deferred income tax recovery	4	(901)	-
Net changes in non-cash working capital items	11	5	(10)
Net cash flows used in operating activities		(510)	(17)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in property and equipment	5	(851)	-
Cash paid on acquisition of 2102012 AB Ltd. (net)	4	(2,506)	-
Net changes in non-cash working capital items	11	(667)	-
Net cash flows used in investing activities		(4,024)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments	3(b)	(50)	-
Increase in loans payable		-	20
Share issue costs	7	(31)	-
Net changes in non-cash working capital items	11	(152)	-
Net cash flows from (used in) financing activities		(233)	20
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(4,767)	3
CASH AND CASH EQUIVALENTS, BEGINNING		19,625	12
CASH AND CASH EQUIVALENTS, ENDING		**14,858**	**15**

See accompanying notes to the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

The full name of the Company is Solo Growth Corp., (the “Company”). The Company's head office is located at Suite 1000, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9. The registered office of the Company is located at Suite 4300 Bankers Hall West, 888 – 3rd Street SW, Calgary, Alberta, T2P 5C5. The Company is a reporting issuer in British Columbia and Alberta.

These condensed interim consolidated financial statements include the results of the Company, its 100% owned subsidiaries Solo Cannabis Corp., Aldershot Holdings Ltd. and Royal USA Inc. and its other controlled entity, being 2102012 Alberta Ltd. (Note 4).

The Company was incorporated under the British Columbia Business Corporations Act (“BCBCA”) on September 8, 1987 as “Quattro Resources Ltd.”. The Company changed its name to “Aldershot Resources Ltd.” on July 31, 2001. Until June 2018, the Company’s principle business operations were in the acquisition and exploration of mining properties. In June 2018, the Company and Transition Metal Corp. entered into an agreement to terminate the Option Agreement and the Company no longer had any rights with respect to the gold discovery project.

On June 28, 2018, the former Management and Board of Directors of Solo Growth Corp. resigned concurrent with the closing of a Private Placement for gross proceeds of $25.6 million. At that time, a new management team and Board of Directors was appointed in order to change the business from that of acquisition and exploration of mining properties to that of retail operations, focusing on the adult-use cannabis market concurrent with the enactment of Bill C-45, the Cannabis Act, which received Royal Assent on June 7, 2018 and came into force on October 17, 2018.

The Shareholders of the Company approved the name change from Aldershot Resources Ltd. to Solo Growth Corp., the continuance of the Company under the Alberta Business Corporation Act, the change in trading symbol to “SOLO” and a change in year end to December 31 (from January 31) at the September 5, 2018 Annual General Meeting.

The Company received final approval for the Change of Business from the Toronto Stock Exchange – Venture on January 3, 2019, changed its name to “Solo Growth Corp.” on January 4, 2019 and was continued under the Alberta Business Corporation Act (“ABCA”). The common shares are listed on the TSX-V Exchange (the “Exchange”) under the trading symbol “SOLO”.

On April 11, 2019, the Company’s common shares were also listed on the Frankfurt Stock Exchange (“FSE”) under the trading symbols “WKN:A2PBMC” and “FSE:2LK”, resulting in the Company’s common shares being cross-listedon both the Exchange and the FSE.

2. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim consolidated financial statements of the Company, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim consolidated financial statements comply with International Accounting Standard ("IAS") 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all of the information required of a complete set of financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and the performance of the Company since the end of its last annual reporting period. It is therefore recommended that these condensed interim consolidated financial statements be read in conjunction with the annual consolidated financial statements of the Company as at and for the eleven month period ended December 31, 2018, which were prepared in accordance with IFRS as issued by the IASB.

In 2018, the Company changed its year end to December 31, from January 31, and as such the periods in these condensed interim consolidated financial statements are shown in a more detailed manner to document the equivalent periods for comparative purposes.

The condensed interim consolidated financial statements were authorized for issue on May 22, 2019 by the Board of Directors of the Company.

b) Basis of measurement

The condensed interim consolidated financial statements, presented in thousands of Canadian dollars ("CAD") unless otherwise indicated, have been prepared on an accrual basis and are based on historical costs, modified where applicable.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of acquisition, which is the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases to exist.

The Company's subsidiaries include its cannabis retail operating companies and its inactive holding companies. The financial statements of the subsidiaries are prepared under the same reporting period as the Company, using consistent accounting policies. All intercompany balances, income and expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

d) Significant accounting judgements, estimates and assumptions

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied as described in Note 2(d) of the Company's annual financial statements as at and for the eleven month period ended December 31, 2018. There have been no changes or new estimates and judgements made in the current period, with the exception of the new significant judgements and estimates described below:

i) Leases (Note 3 (b))

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the lease will be extended. The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

ii) Business combinations (Note 4)

The Company applies judgement when evaluating whether the Company controls an entity and meets the criteria as a subsidiary of the Company for the purposes of consolidation. Control is established when the Company is exposed, or has the rights, to variable returns from its involvement with an investee. The Company applies judgment on the recognition and measurement of assets acquired and liabilities assumed at fair value, and estimates are used to calculate and measure such amounts.

In measuring the fair value of the acquiree's assets and liabilities, management uses estimates about future cash flows and discount rates.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these condensed interim consolidated financial statements are the same as described in the Company's annual consolidated financial statements as at and for the eleven month period ended December 31, 2018. There have been no changes to those policies except for the policies described below:

a) Business combinations and goodwill

i) Acquisitions

Acquisitions of businesses and subsidiaries that meet the definition of a business are accounted for using the acquisition method. The consideration of an acquisition is measured as the fair value of the identifiable assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition in exchange for control of the acquired business. Acquisition-related costs are recognized into net income (loss) as incurred, other than those associated with the issue of debt or equity securities. Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable net assets acquired.

ii) Goodwill

Goodwill is not amortized but is assessed for impairment at least annually or when events and circumstances indicate that the carrying value may not be recoverable as described in the "Impairment of non-financial assets" policy.

b) IFRS 16 Leases – New accounting pronouncement adopted in 2019

Effective January 1, 2019, the Company adopted IFRS 16, "Leases", which supersedes previous standards for leases (IFRS IAS 17, "Leases" and IFRIC 4, "Determining whether an Arrangement contains a Lease"). IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The adoption of IFRS 16 has resulted in changes in assets and liabilities due to the recognition of right-of-use assets and associated lease liabilities, as well as a decrease to operating expenses (for the removal of base rent and common area maintenance expenses for leases), an increase to depreciation (due to the depreciation of the right-of-use assets), and an increase to finance costs (due to accretion of the lease liabilities).

The Company adopted IFRS 16 using the modified retrospective method and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

Accounting policy

The Company's leasing activities consist primarily of retail store leases. Lease contracts are negotiated on an individual basis and contain a wide range of contract terms and conditions, with typical lease terms for a fixed period of 10 years with varying extension options.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

i) The contract involves the use of an identified asset;
ii) The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use; and
iii) The Company has the right to direct the use of the asset.

Lessee accounting:

Effective January 1, 2019, leases are recognized as right-of-use assets with corresponding lease liabilities at the date at which the leased assets are available for use. Lease payments are allocated between the lease liabilities and finance costs. The finance costs are charged to net income (loss) and comprehensive income (loss) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liabilities for each period. The right-of-use assets are depreciated over the shorter of the asset's useful lives and the lease term on a straight-line basis.

Lease payments included in the measurement of the lease liabilities include the net present value of the following:

i) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
ii) Variable lease payments that are based on an index or a rate;
iii) Amounts expected to be payable by the lessee under residual value guarantee;
iv) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
v) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used. The incremental borrowing rate is the rate that the lessee would have to pay to borrow at prevailing interest rates, market precedents and the Company's specific credit spread, on similar terms and security.

Right-of-use assets are initially measured at cost, which is comprised of the following:

i) The amount of the initial measurement of the lease liability;
ii) Any lease payments made at or before the commencement date less any lease incentives received;
iii) Any initial direct costs; and
iv) Restoration costs.

The right-of-use assets are typically depreciated on a straight-line basis over the term of lease, unless the Company expects to obtain ownership of the leased asset at the end of the lease.

The lease term consists of:

i) The non-cancellable period of the lease;
ii) Periods covered by options to extend the lease, where the Company is reasonably certain to exercise the option; and
iii) Periods covered by options to terminate the lease, where the Company is reasonably certain not to exercise the option.

If the Company expects to obtain ownership of the leased asset at the end of the lease, the right-of-use assets are depreciated over the underlying asset's estimated useful life. The right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Company recognized lease assets and liabilities in relation to leases previously classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the related incremental borrowing rate as of January 1, 2019. The incremental borrowing rates applied to the lease liabilities on January 1, 2019 was 7.95%, based on the relevant facts and circumstances, geographical location, and lease term duration of the leased property. The associated right-of-use assets were measured as if the standard has been applied since the commencement date, discounted using the incremental borrowing rates as of January 1, 2019.

A reconciliation of lease commitments as at January 1, 2019, outlining the effect of the transition to IFRS 16 is outlined below:

	January 1, 2019
	$
Operating lease commitments disclosed as at December 31, 2018	19,008
Leases commencing after the period end	(8,799)
Incremental borrowing rate at January 1, 2019	7.95%
Discounted using the incremental borrowing rate at the date of initial application being lease liabilities recognized as at January 1, 2019	**5,267**
Represented by:	
Current portion of lease liabilities	291
Lease liabilities	4,976
	5,267

A reconciliation of the effect of transition to IFRS 16 on select accounts on the Company's condensed Interim Consolidated Statements of Financial Position as at January 1, 2019 is outlined below:

Selected Accounts	As originally reported as at December 31, 2018	IFRS 16 adjustments	January 1, 2019
	$	$	$
Assets			
Right-of-use assets	-	5,267	5,267
Total assets	**28,135**	**5,267**	**33,402**
Liabilities and shareholders' equity			
Current portion of lease liabilities	-	291	291
Lease liabilities	-	4,976	4,976
Total liabilities	**2,494**	**5,267**	**7,761**
Total liabilities and shareholders equity	**28,135**	**5,267**	**33,402**

Below is a summary of the activity related to the right-of-use assets for the three-month period ended March 31, 2019:

	Three months ended March 31, 2019
	$
Right-of-use assets, beginning of period	5,267
Net additions	821
Business combination	200
Depreciation on right-of-use assets	(137)
Right-of-use assets, end of period	**6,151**

Below is a summary of the activity related to the lease liabilities for the three-month period ended March 31, 2019:

	Three months ended March 31, 2019
	$
Lease liabilities, beginning of period	5,267
Net additions	821
Business combination	200
Accretion of lease liabilities	109
Lease payments	(159)
Lease liabilities, end of period	**6,238**
Represented by:	
Current portion of lease liabilities	452
Lease liabilities	5,786
	6,238

Practical expedients applied

The Company has taken the following elections on practical expedients on adoption of IFRS 16:

i) the Company has elected to use a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;
ii) the Company has elected to exclude initial direct costs incurred in obtaining leases in the measurement of the right-of-use asset on transition;
iii) the Company has elected to use hindsight to determine the lease term where the lease contracts contain options to extend or terminate the lease;
iv) the Company has elected not to account for leases for which the lease term ends within 12 months of January 1, 2019 as short-term leases or leases that meet the low-value exemption.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying IAS 17 and IFRIC 4.

4. BUSINESS COMBINATION

On March 20, 2019, the Company entered into and closed a definitive agreement with respect to a call right on all of the voting shares of a licensed operating retail cannabis store 2102012 Alberta Ltd. operating as Greentown in Red Deer, Alberta, (the “Red Deer store”) for aggregate cash consideration of $2.8 million (the “Call Right”). Concurrent with the acquisition of the Call Right, the Company entered into a perpetual licensing agreement to rebrand and operate the store under the YSS™ banner (together with the Call Right, the “Red Deer Store Acquisition”). All required regulatory approvals, including approvals from AGLC, were obtained in advance of the closing date. The Company may exercise the Call Right in its sole and absolute discretion at any point in time for no additional consideration.

The following table summarizes the purchase consideration and estimated provisional purchase price allocation for the acquisition, subject to finalization of the valuation of the fair value of the acquired assets and liabilities at the date of acquisition:

Balance at acquisition date	**March 20, 2019**
	$
Total cash consideration	**2,817**

Assets and liabilities acquired	**March 20, 2019**
	$
Cash	311
Prepaid expenses and lease deposits	3
Inventories	103
Receivables	6
Long-term lease deposits	8
Property and equipment (Note 5)	113
Right-of-use assets (Note 3(b))	200
Intangible assets (Note 6)	3,387
Trade and other payables	(213)
Current portion of lease liabilities	(41)
Lease liabilities	(159)
Deferred income tax liability	(901)
Total assets and liabilities assumed	**2,817**

The acquisition has been accounted for using the acquisition method and the results of operations from the Acquisition have been included in the Company's financial statements since the acquisition date. Had the Red Deer store been acquired at the beginning of the period, the Company's revenue would have increased by $925 thousand and the net income and comprehensive income would have increased by $170 thousand for the three month period ended March 31, 2019. The Company incurred costs related to the acquisition of $24 thousand relating to due diligence and external legal fees. These costs have been included as professional fees in general and administrative expenses in the condensed interim consolidated statements of net income and comprehensive loss.

Concurrent with the recognition of the deferred income tax liability on acquisition, the Company recognized a deferred income tax asset of $901 thousand as the Company had approximately $9.8 million of non-capital losses as at December 31, 2018 for which no deferred income tax asset had previously been recognized. The result of the recognition of the deferred income tax asset is a deferred income tax recovery charge to net income during the period.

5. PROPERTY AND EQUIPMENT

	Computer Equipment	Leasehold Improvements	Leasehold Improvements Under Construction	Total
	$	$	$	$
Cost				
Balance, January 31, 2018 and April 30, 2018	-	-	-	-
Additions	108	-	2,860	2,968
Balance, December 31, 2018	**108**		**2,860**	**2,968**
Additions	106	-	880	986
Additions from business combinations and asset acquisitions (Note 4)	10	103	-	113
Balance, March 31, 2019	**224**	**103**	**3,740**	**4,067**
Accumulated Depreciation				
Balance, January 31, 2018 and April 30, 2018	-	-	-	-
Depreciation	1	-	-	1
Balance, December 31, 2018	**1**	**-**	**-**	**1**
Depreciation	2	1	-	3
Balance, March 31, 2019	**3**	**1**	**-**	**4**
Net Book Value				
December 31, 2018	**107**	**-**	**2,860**	**2,967**
March 31, 2019	**221**	**102**	**3,740**	**4,063**

Concurrent with the change of business of the Company to a cannabis retailer during 2018, the Company began securing leases, applying for development permits and Alberta Gaming, Liquor & Cannabis licenses and commenced construction on certain retail stores. These costs of $3.7 million are classified as leasehold improvements under construction and are considered work in progress at March 31, 2019 as none of the associated retail stores are licensed and considered “in use” as at the financial statement date. Once construction is complete, inspected and licensed, the retail stores are considered “in use” and the applicable costs will be transferred to leasehold improvements and depreciated in accordance with the Company’s accounting policy. Of the $224 thousand computer equipment, $37 thousand is considered “in use” during the period which has been depreciated in accordance with the Company’s accounting policy.

6. INTANGIBLE ASSETS

	Retail branding	Website development	Acquired Leases	License	Total
	$	$	$	$	$
Cost					
Balance, January 31, 2018 and April 30, 2018	-	-	-	-	-
Additions	207	38	4,000	-	4,245
Balance, December 31, 2018	**207**	**38**	**4,000**	**-**	**4,245**
Additions from business combinations and asset acquisitions (Note 4)	-	-	-	3,387	3,387
Balance, March 31, 2019	**207**	**38**	**4,000**	**3,387**	**7,632**
Accumulated Amortization					
Balance, January 31, 2018 and April 30, 2018	-	-	-	-	-
Balance, December 31, 2018	**-**	**-**	**-**	**-**	**-**
Amortization	-	-	-	-	-
Balance, March 31, 2019	**-**	**-**	**-**	**-**	**-**
Net Book Value					
December 31, 2018	**207**	**38**	**4,000**	**-**	**4,245**
March 31, 2019	**207**	**38**	**4,000**	**3,387**	**7,632**

The Company acquired a license valued at $3.4 million as part of the Red Deer Store Acquisition (Note 4). The license, which has a finite useful life, is carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the term of the lease.

Amortization on the Company's definite life intangibles, website development and acquired leases, will commence once the assets are considered "in use", in accordance with Company's accounting policy.

7. SHARE CAPITAL

Authorized

An unlimited number of common shares.

Issued and outstanding

As at March 31, 2019 there were 670,064,847 issued and fully paid common shares outstanding (December 31, 2018 – 670,064,847).

Changes during the three months ended March 31, 2019

The Company incurred additional share issue costs of $31 thousand in conjunction with the Change of Business filing that was finalized on January 4, 2019. There were no other share capital transactions during the three months ended March 31, 2019.

Stock options

There were no changes in the Company's stock options during the three months ended March 31, 2019.

8. WARRANTS AND PERFORMANCE WARRANTS

Warrants

There were no changes in the Company's warrants during the three months ended March 31, 2019.

Performance warrants

Pursuant to the Rights Offering that closed on December 18, 2018, 13,000,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. The Company valued the warrants on the date of issuance using the *Black-Scholes Option Pricing Model* and then remeasured the warrants to fair value of $380 thousand on December 31, 2018. On March 31, 2019, the warrants were subsequently remeasured using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 75%; dividend yield 0% and the remaining expected lives of 4.72 years, resulting in a fair value at March 31, 2019 of $553 thousand. The resultant loss on fair value adjustments of $173 thousand has been recorded in the statements of net income (loss) and comprehensive income (loss) in the period.

9. FINANCE COSTS

Finance costs are comprised of the following:

	Three months ended March 31, 2019	**Three months ended April 30, 2018**
Interest expense:	**$**	**$**
Loan interest	-	2
Lease liabilities (Note 3(b))	109	-
	109	**2**

10. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share amounts are calculated by dividing the net income (loss) for the period by the weighted average number of shares outstanding during the period.

	Three months ended March 31, 2019	**Three months ended April 30, 2018**
Net income (loss) attributable to equity holders of the Company	$ 208	$ (9)
Weighted average number of common shares outstanding	670,064,847	53,697,733
Effect of stock options, warrants and performance warrants	198,470,618	16,950,000
Weighted average number of fully diluted common shares outstanding	868,535,465	70,647,733
Earnings (loss) per share - basic	**$ 0.00**	**$ (0.00)**
Earnings (loss) per share - fully diluted	**$ 0.00**	**$ (0.00)**

11. SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION

Changes in non-cash working capital items are comprised of the following:

	Three months ended March 31, 2019	Three months ended April 30, 2018
	$	$
Net changes in non-cash working capital items from:		
Operating activities		
Receivables	(8)	(1)
Inventories	(19)	-
Prepaid expenses and lease deposits	220	(5)
Long-term lease deposits	4	-
Trade and other payables	(192)	(4)
	5	(10)
Investing activities		
Trade and other payables	(667)	-
	(667)	-
Financing activities		
Trade and other payables	(152)	-
	(152)	-

There were no non-cash transactions not reflected in the statement of cash flows for the three months ended March 31, 2019 and April 30, 2018.

12. FINANCIAL INSTRUMENTS

Measurement of Financial Instruments

a) Fair value hierarchy

Financial instruments recognized on the consolidated statements of financial position at fair value are classified in a hierarchy based on the significance of the estimates used in their measurement, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Warrant liabilities, being the Company's only financial instruments measured at fair value, are classified as a Level 2 hierarchy instrument where fair values are calculated using the methods described in Note 15.

There have been no transfers of instruments between levels in the hierarchy.

b) Financial instruments measured at other than fair value

Financial assets that are valued at other than fair value on the consolidated statements of financial position include cash, restricted cash and receivables. The carrying value of receivables approximates fair value due to the short-term nature of the instruments.

Financial liabilities that are valued at amortized cost are comprised of trade and other payables. The carrying value of trade and other payables approximates fair value due to the short-term nature of the instruments.