

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of November 20, 2024. The MD&A provides readers with an understanding of the vision of Titan Logix Corp. ("Titan" or "the Company"), its business strategy and core purpose and compares Titan's 2024 financial results with the previous year. The following MD&A of the consolidated results of operations, financial position, and changes in cash flows should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended August 31, 2024. The Company prepares and files its consolidated financial statements in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements and MD&A, as well as additional information regarding Titan Logix Corp., are available at www.sedar.com and on the Company's website at www.titanlogix.com. Titan Logix Corp.'s board members and its audit committee have reviewed and approved this MD&A narrative.

NOTICE TO READER – FORWARD LOOKING INFORMATION

Information contained in this MD&A may contain forward-looking statements. These forward-looking statements may include, among others, statements regarding our plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing. Forward-looking statements are based on information available at the time they are made, on the date of this report, and should not be read as guarantees of future performance or results as they are subject to risks and uncertainties, many of them beyond our control. We do not undertake any obligation to publicly update or to revise any forward-looking statements except as expressly required by applicable securities laws.

CORPORATE OVERVIEW

Founded in 1979, Titan Logix Corp. ("Titan" or "the Company") is a public company listed on the TSX Venture Exchange and its shares trade under the symbol TLA.

For over 25 years, Titan Logix Corp. has designed and manufactured mobile liquid measurement solutions to help businesses reduce risk and maximize efficiencies in bulk liquids transportation. Titan is a market leader in mobile liquid measurement, known for their high level of accuracy, rugged design, and solid-state reliability. Our solutions are designed for hazardous and non-hazardous applications, and we serve customers in a wide range of applications including petroleum, environmental solutions, chemical, and agriculture. We proudly deliver our mobile tanker solutions to market through partnerships with Original Equipment Manufacturers (OEMs), dealers, and private fleets across Canada, the United States, and Mexico.

Titan currently serves the petroleum, chemical, and water markets with the TD100™ series products (transmitter, probe and display), offering fleet operators accurate level measurement, reliable overfill protection, and a variety of automation, integration, and control capabilities for their tanker truck operations. Titan's CORE markets include crude oil, used oil and aviation fuel. Building on our years of success in the crude oil market, our strategy is to grow our business into other liquid commodity verticals through investment in market, product, and channel partner development.

NON-IFRS MEASURES

The Company uses certain measures in this MD&A that do not have a standardized meaning as prescribed by IFRS and thus are prohibited from being disclosed in the consolidated financial statements. These measures, which are derived from information reported in the Company's consolidated financial statements, may not be consistent to similar measures presented and disclosed by other reporting issuers. However, management believes that this information provides increased insight into the Company's execution of its strategic plan to address the broader mobile liquid markets.

Management believes that presenting these measures in this MD&A are important to help illustrate underlying trends in its business and its current and past operating performance on a more consistent basis, by excluding the impact of certain, non-cash, non-operating or non-recurring balances that it believes does not have a material impact on the Company's CORE operations. The non-IFRS measures described and presented in this MD&A are EBITDA, Operating EBITDA and Product research and development expenses.

EBITDA and Operating EBITDA

EBITDA and Operating EBITDA is described and presented to assess the operating performance of the Company more clearly excluding the affect of specific non-cash and non-operating items as well as items which are either non-recurring or not directly related to the Company's CORE operations in management's estimation. Management's measure of EBITDA excludes from the Company's net earnings, the affect of; finance income and interest on leases, income taxes, depreciation and amortization expenses, gains and losses on disposal of assets, unrealized gains and losses on marketable securities and limited recourse capital notes, and non-cash stock-based compensation. Management's measure of Operating EBITDA includes the same adjustments in calculating EBITDA, plus the exclusion of specific product research and development expenses to support strategic growth initiatives.

EBITDA and Operating EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of liquidity or cash flows. The Company's method of calculating EBITDA and Operating EBITDA will likely differ from methods by which other companies calculate it and, accordingly, the measure used herein may not be comparable to measures used by other companies.

The table below provides a reconciliation of the Company's EBITDA and Operating EBITDA to the Operating income (loss) before other items per the interim consolidated financial statements for the periods presented:

Fiscal Period Ended	Q4 2024	Q4 2023	2024F	2023F
Operating income (loss) before other items	(181)	(383)	(425)	(165)
Add back: Depreciation and amortization	96	86	380	345
Add back: Non-cash stock-based compensation	24	27	78	96
EBITDA	(61)	(270)	33	276
Add back: Product research and development expenses (1)	317	199	1,115	373
Operating EBITDA	256	(71)	1,148	648

Product Research and Development Expenses

In distinguishing between EBITDA and Operating EBITDA, Management excludes the impact of specific product research and development expenses included in the Company's engineering, product research and development expense line reported in its financial statements. The table below separates recurring engineering expenses(required to maintain the current core product line from product research and development expenses on activities to support the Company's diversification and growth into new markets, which are excluded in Management's calculation of Operating EBITDA:

Fiscal Period Ended	Q4 2024	Q4 2023	2024F	2023F
Engineering, product research and development expenses	(366)	(308)	(1,314)	(803)
Add back: Recurring engineering expenses	49	109	199	431
Product research and development expenses	(317)	(199)	(1,115)	(373)

BUSINESS OUTLOOK

The conclusion of fiscal 2024 saw another year of growth for Titan, with topline revenue growing 10% from the previous year. Our market share in the crude and used oil segments remains steady, and our CORE business provides a healthy baseline for the business and our strategic growth plan. Tanker OEM (Original Equipment Manufacturer) data is signaling a retraction in growth for our CORE market segments, as the backlog and build times have normalized to pre-COVID rates. However, inflationary pricing is still putting pressure on fleet operators, who continue to look for efficiencies to optimize their bulk liquid transport fleets. The

execution of our strategic growth plan positions the company to meet the needs of fleet operators, and we expect to see an increase in market share for our CORE business in the coming years.

We continue the execution of our strategic growth plan, which focuses on deploying Titan's resources in 3 key areas:

- Product and market development to diversify Titan's business into identified, addressable, mobile liquid markets outside of the crude and used oil segments.
- Develop a cloud-connected product offering to bring new value to existing customers of the TD series products, and a differentiated offering to adjacent markets.
- Evaluate investment, and acquisition opportunities that align with Titan's strategic roadmap.

Our strategic growth plan to diversify the company into new markets is on track, and Titan closed its sixth pilot trial, as planned, in the fourth quarter of 2024. Our brand reputation for reliable overfill protection and accurate level measurement provide fleet operators with an opportunity to address key safety issues and make more informed decisions during the loading process. Specifically, customers are looking for:

- Accurate liquid level across multiple compartments in real time, thereby eliminating the need for operators to climb the tanks to manually measure retained product, and
- Reliable and flexible overfill protection, for loading on and off the rack.

The traction we have seen in new markets, with current, and prospective pilot customers is a strong sign for Titan. We are confident in our strategy to diversify the company, and we are committed to continuing the investments in product R&D to penetrate new markets. These investments include a new product line that is expected to launch this fiscal year and will support our goal of reaching 20 pilot trials per year, with fleet conversions in subsequent years. The new product line is built on our existing TD series technology, with modifications that specifically address the unique challenges that customers face in the refined fuels market.

Our technology modernization strategy is a key component of the success of our pilot trials, and customers are actively seeking solutions to maximize efficiencies and monitor safety risks for their fleets from a centralized operations team or dispatch group. Over the last 2 fiscal years Titan has developed a strategic software plan that builds on our best-in-class hardware solutions, aimed at:

- Developing cloud-connected software solutions for fleet operators, dealers, and OEMs to track, manage, and support hardware in the field.
- Developing value-added software for fleet operators to maximize efficiencies in their liquid transport business, leveraging our measurement and overfill protection solutions.

The first of our cloud-connected software solutions is the T-Connect software, a tablet-based product that enhances the performance of our TD series products in the field and serves as the connection point to mobilize field data from the truck. In the fourth quarter of fiscal 2024, Titan added another 2 customers to our pilot trials, for a total of 16. The second cloud-connected solution, scheduled for release in fiscal 2025 is a tablet-based solution that replaces SensorLink, a desktop-based tool used to program and configure every TD series product in the market today. This solution will allow Titan to track and support the installation of its products across the dealer and OEM network, providing ease of installation, on-demand support, and store installation data into the TDS (Titan Data Services) database.

The development of these solutions serves as the foundation for our future software development, which will bring value-added services to fleet customers and open new growth opportunities for the company through software as a service (SaaS). We have invested in the engineering capabilities to execute our SaaS strategy and expect to begin development later in the fiscal year.

Our investment strategy is to commit the necessary resources to penetrate new mobile liquid market segments, and the development of value-added products and software solutions to these market segments. The Company invests its non-operating cash reserves in conservative interest-bearing accounts and marketable securities. Acquisition opportunities are considered where it complements our growth strategy or enables the monetization of our connected strategy.

SELECTED ANNUAL FINANCIAL INFORMATION

Years ended August 31 (audited)	2024 \$	2023 \$	2022 \$
Revenue	6,857	6,214	4,329
Operating loss before other items	(425)	(165)	(226)
Net earnings (loss) before income taxes	(88)	83	1,126
Net earnings (loss)	546	83	1,126
EPS – Basic and diluted	0.02	0.00	0.04
Total assets	19,022	18,347	17,499
Long-term liabilities	600	681	117
Dividends	nil	nil	nil

FISCAL 2024 OPERATING RESULTS

	Three months ended				Twelve Months Ended			
	2024	2023	Increase (Decrease)		2024	2023	Increase (Decrease)	
	\$	\$	\$	%	\$	\$	\$	%
Revenue	1,666	1,561	105	7	6,857	6,214	643	10
Cost of sales	(810)	(891)	82	9	(3,394)	(3,131)	(263)	8
Gross profit	857	670	187	28	3,463	3,084	379	12
Gross margin (%)	51%	43%		9	51%	50%		1
Operating EBITDA (1)	256	(71)	328	460	1,148	648	500	77
Product research and development expenses (1)	(317)	(199)	(118)	(60)	(1,115)	(373)	(743)	199
EBITDA (1)	(61)	(270)	209	78	33	275	(242)	(88)
Net earnings (loss)	924	(10)	934	9,337	546	83	463	559
EPS – Basic and Diluted	0.03	(0.00)	0.03		0.02	0.00	0.02	

SUMMARY OF OPERATING RESULTS

Revenues and Gross Profit

Revenues increased by \$105 in the current fiscal quarter or 7% to \$1,666 as compared to \$1,561 in the same fiscal quarter of 2023. Year-to-date, revenues have increased by \$643 or 10% to \$6,857 compared to \$6,214 in fiscal 2023. Revenues from the US market increased by \$508 accounting for 67% of the total revenue for the fiscal year, with revenues from the Canadian market increasing by \$134 accounting for 33% of total revenues for the current fiscal year which is consistent with the allocations for the 2023 fiscal year. Sales of the Company's CORE product line represented 99% of total revenues for the current fiscal year. The Company's increased revenues are driven by its direct efforts to penetrate new markets and increasing its engagement with end customers in addition to its traditional focus on dealers and OEMs.

Cost of sales as a percentage of revenues decreased by 2% to 55% of revenues in the current quarter compared to 57% in the same period of fiscal 2023. Year-to-date, cost of sales decreased by 1% to 49% of revenues compared to 50% of revenues in the comparative period. Starting in the third quarter of fiscal 2023, the Company began to incur higher input costs on key manufacturing

components with these cost increases continuing into fiscal 2024. Since that time, these increased input costs have gradually started to decrease accounting for the 2% increase in gross profit margin to 45% of revenues in the current quarter compared to 43% in the same period in fiscal 2023. The impact of higher component costs in the first half of the current fiscal year offset by gradual declines in the latter half of the fiscal year, resulted in a 1% increase in gross profit to 51% of revenues when compared 50% for the fiscal year ended August 31, 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses consist of general and administrative expenses and sales and marketing expenses directly associated with the Company's current core business. In the fourth quarter of fiscal 2024, selling, general and administrative expenses decreased by \$81 to \$595 or 12% compared to \$676 in the same period of fiscal 2023. For fiscal 2024, selling, general and administrative expenses increased by \$42 to \$2,318 or 2% compared to \$2,277 in fiscal 2023. The full year increase is due to increased employee compensation costs in the current quarter while the fourth quarter variance related to the timing of recognition of expenses related to a key executive transition in the comparative period.

Product research and development expenses

In 2023, the company unveiled a strategic growth plan focused on updating its CORE product line and diversifying its business beyond the crude and used oil market segments. This initiative targets identified, addressable mobile liquid markets. Throughout fiscal 2023, the Company commenced these growth initiatives and began to incur costs, which has increased in fiscal 2024.

Product research and development expenses increased by \$118 to \$317 in the fourth quarter, compared to \$199 in the fourth quarter of fiscal 2023. In fiscal 2024, product research and development expenses increased by \$743 to \$1,115 compared to \$373 in prior fiscal year. The increases are primarily from staffing additions, both permanent and contract, to support the product research and development initiatives which include modernization efforts of its existing CORE product line and the development of new products to diversify its product offering for entry and sustained presence in new mobile liquid markets. In the fourth quarter, in addition to the product research and development expenses, the Company capitalized \$141 of development costs, relating to new product development, increasing the total costs capitalized for the current fiscal year to \$384. No amounts were capitalized in fiscal 2023.

As the Company continues to progress on these initiatives, eligible development costs will be capitalized when the Company concludes that the required capitalization criteria have been met.

Foreign exchange gains (losses)

Changes in the value of the Canadian dollar during the period and management of conversion of receipt from U.S. revenue resulted in a loss of \$2 on foreign exchange in the fourth quarter of fiscal 2024 compared to a loss of \$4 recorded in the fourth quarter of fiscal 2023. For fiscal 2024, the Company has recorded a gain of \$37 compared to a gain of \$91 recorded in fiscal 2023.

Operating EBITDA and EBITDA

Operating EBITDA increased by \$328 in the fourth quarter of fiscal 2024 or 462% to \$256 compared to an Operating EBITDA loss of \$71 in the fourth quarter of fiscal 2023. For fiscal 2024, Operating EBITDA has increased by \$500 or 77% to \$1,148 compared to \$648 for fiscal 2023. The increase in the fiscal quarter and year-over year was due to higher revenues and gross profit as well as lower selling, general and administrative expenses and recurring engineering expenses in the current quarter when compared to the same period in fiscal 2023.

The Company's EBITDA loss decreased by \$209 in the fourth quarter of fiscal 2024 or 77% to a loss of \$61 compared to an EBITDA loss of \$270 in the fourth quarter fiscal 2023. This improvement was largely driven by increased revenues and gross profit and partially offset by increased product research and development expenses. For fiscal 2024, the Company's EBITDA decreased by \$242 or 88% to \$33 compared to EBITDA of \$275 in fiscal 2023, due to increased product research and development expenditures necessary to execute its strategic growth initiatives.

Other non-operating items

Other non-operating items consist of unrealized fair value gains and losses from marketable securities and limited recourse capital notes, finance income from investments in GICs and LRCNs, interest expense on leased assets and losses from the disposal or impairment of items of property plant and equipment.

The Company's marketable securities consist entirely of shares of Bri-Chem Corp. (BRY) which the Company owns 2,425,000 shares. In fiscal 2024, the Company recorded an unrealized fair value loss on the shares of BRY of \$449 an increase of \$109 or 32% from loss recorded in fiscal 2023 of \$340. The market value of shares of BRY decreased by \$0.185 per share in fiscal 2024 as opposed to the decrease of \$0.14 per share in fiscal 2023. The Company recorded an unrealized fair value gain of \$126 in fiscal 2024 on the LRCNs, which is a year-over-year increase of \$173 when compared to the unrealized fair value loss of \$47 in the 2023 fiscal year.

Finance income increased by \$69 or 11% to \$716 in fiscal 2024 compared to \$647 recorded in fiscal 2023. The sustained increase in interest rates in fiscal 2024 was the main factor in the increase from the comparative period. Interest on leased assets increased by \$46 to \$55 in fiscal 2024 compared to \$9 recorded in fiscal 2023. The Company renewed the lease on its operating facility at the end of fiscal 2023 which resulted in a reset allocation of principal and interest for the monthly payment schedule beginning in fiscal 2024.

Current income tax expense

In fiscal 2024, the Company has recorded current tax expense of \$90 for the year versus \$nil recorded in fiscal 2023. Included in the current year tax expense, was prior period charge for \$45 that was re-assessed in the current year, with the balance of the expense relating to the current fiscal year.

Deferred income tax recovery

In fiscal 2024, the Company reviewed its previously unrecorded deferred income tax assets and concluded that it was probable that the Company would utilize the remaining loss carry forwards and investment tax credits in upcoming years against taxable income from the company's operations. In doing so, the Company recognized deferred tax assets of \$724 in the fourth quarter of fiscal 2024 and corresponding recovery of deferred income taxes in the statement of comprehensive earnings.

SELECTED QUARTERLY INFORMATION

Fiscal year	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	1,666	1,926	1,751	1,514	1,561	1,628	1,522	1,503
Gross profit	856	1,004	823	780	670	778	799	837
Gross margin	51%	52%	47%	52%	43%	48%	52%	56%
Operating EBITDA	256	410	275	206	(71)	125	235	360
EBITDA	(61)	125	28	(60)	(270)	(1)	200	346
Net earnings (loss)	924	(218)	245	(404)	(10)	(412)	90	415
EPS – Basic and Diluted	0.03	(0.00)	0.01	(0.02)	(0.00)	(0.01)	0.00	0.01

FINANCIAL CONDITION AND LIQUIDITY

The Company's principal cash requirements are for ongoing operating costs, working capital and product development costs. The Company intends to fund its liquidity needs primarily from cash flow from operations and when necessary, from cash on hand. Management continues to work on maintaining an optimal inventory level and the timely collection of accounts receivable to minimize its working capital requirements. As well, the Company will continue to focus on cost management and control programs.

The Company expects that current cash balances and funds from operations will be sufficient in the near-term to meet anticipated obligations and to fund intended capital expenditures and product development. As needed, the Company will assess and select funding mechanisms for long term growth including additional R&D projects, expansion of the distribution channels and corporate development activities.

Total assets of the Company were \$19,022 on August 31, 2024, as compared to \$18,347 on August 31, 2023. Cash and cash equivalents decreased by \$6,480, of which \$5,960 was used to increase the Company's short-term investments during the year. Accounts receivable increased by \$409 and inventories increased by \$293. Total liabilities increased by \$50 due to the addition of a new lease. At August 31, 2024, Titan had positive working capital (current assets less current liabilities) of \$14,139 compared to \$14,536 at August 31, 2023.

Summary of Cash Flows

Operating Activities

Net cash flows used in operating activities totalled \$718 in fiscal 2024, compared to \$112 generated in fiscal 2023. This decrease in cash flows generated in operating activities is primarily due to the increase in the operating loss and the changes in non-cash operating working capital accounts.

Non-cash working capital generated or consumed is largely a result of the timing of cash receipts and payments in the normal course of business. Non-cash working capital used in the amount of \$631 in fiscal 2024, resulting largely from an increase in inventory to meet anticipated demand and an increase in accounts receivables consistent with increased overall sales. This compares with non-cash working capital used in fiscal 2023 in the amount of \$218, driven by the same factors.

Investing Activities

Net cash flows used in investing activities for fiscal 2024 totalled \$5,655 compared to net cash flows generated from investing activities of \$528 in fiscal 2023. In fiscal 2024, the Company invested \$5,960 in short-term investments, \$384 in deferred development costs and \$27 in property, plant and equipment offset by \$716 of finance income generated from its investments in GICs and LRCNs. In fiscal 2023, the Company generated net cash flows from investing activities of \$528 by reducing its investment in short-term investments by \$1,680 and generating finance income of \$647 while investing \$1,781 to acquire the LCRNs and \$18 on property, plant and equipment.

Financing Activities

Net cash flows used in financing activities in fiscal 2024 amounted to \$103 for principal payment of lease obligations as compared to \$136 in fiscal 2023.

CONTRACTUAL OBLIGATIONS

The Company has no commitments for future capital assets and its only financial obligations are operating leases for office equipment, office spaces and its manufacturing facility.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the current or comparable reporting period.

OUTSTANDING SHARE DATA

Titan Logix Corp. has authorization to issue an unlimited number of common shares with no par value. The common shares of the Company trade on the TSX Venture Exchange under the symbol "TLA"

Issued and Outstanding

	November 20, 2024	August 31, 2024	August 31, 2023
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	1,350,000	1,350,000	1,300,000

On November 21, 2023, 200,000 stock options were granted at an exercise price of \$0.50, with vesting over a period from 1 year to 4 years, provided defined performance metrics and certain share price targets are achieved, and expire on November 24, 2027. The weighted average grant date fair value of \$0.20 was estimated on November 21, 2023, using the Black-Scholes pricing model.

The Company recorded stock-based compensation of \$78 in respect of the stock options granted and vested (2023 - \$96). During the year ended August 31, 2024, 150,000 stock options that had a weighted average exercise price of \$0.57 were forfeited. On October 31, 2024, 316,667 stock options vested as the criteria for the options to vest was met.

BUSINESS RISKS AND UNCERTAINTIES

Titan Logix Corp. faces a number of risks that have the potential of affecting its financial condition, results of operations and cash flow. In addition to risks described elsewhere in this MD&A, the Company is exposed to various business risks which include but are not limited to the following:

Industry Factors

Titan is highly dependent upon exploration and development activity in the oil and gas industry and therefore is exposed to all of the risks associated with the uncertainties of that industry. The demand and price for Titan products depend on the activity level in the oil and gas sector, which is influenced by numerous factors over which Titan has no control, including: commodity prices; expectations about future commodity prices; the ability of oil and gas companies to raise equity capital or debt financing; supply and demand; and local and international economic, regulatory and political conditions. Global demand for hydrocarbon related products such as gasoline and natural gas impacts the worldwide drilling activity. Reduction in drilling activity results in lower demand for Titan's products.

The primary catalysts to expenditures and activity levels in the energy industry are oil and gas prices which, in turn, are influenced by supply and demand expectations. The ability to forecast the price of crude oil or natural gas is extremely difficult as many global factors affecting commodity prices are beyond the control of the Company. The Company attempts to mitigate the risk factor by assessing current drilling activity reports and future predictions from the industry associations and reporting bodies when creating product demand forecasts. OEM production levels will vary in accordance with market demand. Reduced production levels may result in a reduced demand for Titan's products.

Economic Downturns

Economic downturns can have a negative impact on Titan's business since customers may reduce capital expenditure programs or may experience difficulty in paying for products purchased. The demand for the products distributed by the Company can vary in accordance with general economic cycles. Downturns in the North American economy, a primary market for the Company's future growth, or lack of continued improvement in the economy could have a material adverse effect on the Company's financial condition and on the results of operations.

Pandemics

The occurrence of pandemics, such as the outbreak of the novel coronavirus COVID-19 in any of the areas in which the Company, its customers or its suppliers operate could cause interruptions in the Company's operations. In addition, pandemics, natural disasters or other unanticipated events could negatively impact the demand for, and price of, oil and natural gas which in turn could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Supply Shortages

Titan manufactures products using components supplied by a number of major suppliers. It is not customary in the industrial products distribution industry to have long-term contracts with major suppliers. Supply shortages can occur at times because of production difficulties, unanticipated demand or delivery delays and may have a short-term adverse material effect on Titan's results of operations and subsequent financial condition.

Environmental and Insurance Risk

Titan manufactures and sells products that have an impact on the environment. The Company maintains high quality standards at its production facilities and uses only reputable suppliers for raw materials and other products. Titan also maintains insurance coverage for its assets and operations, including general liability, product pollution, property, business interruption, boiler and machinery, automobile, directors and officers and other insurance. However, product failures could result in warranty and liability claims and the loss of customers. Correcting such failures or paying for such claims could require significant capital resources and have an adverse effect on operating results.

Key Employees

Future success depends on the continued efforts and performance of Titan's executive team, management team and key employees. Failure to attract and retain key employees with the necessary skills could have an adverse material impact upon the future of the business, its operating results, and its financial condition. Labour shortages may limit the growth of the Company's business and could negatively affect margins and profitability.

Employee Safety and Health

The Company's employees may face health and safety risks and hazards in the workplace, which could result in injury or lost time in the course of their employment. Alternatively, the Company could be exposed to civil and/or statutory liability to employees arising from injuries or deaths because of inadequate health and safety policies and practices. The Company cannot fully protect against all these risks, nor are all these risks insurable. The Company may become liable for damages arising from these events against any non-insured risks.

Entering New Business Lines

The Company may enter into new business lines with new acquisitions or other opportunities for growth. There is no guarantee that these new business lines will be successful in the marketplace to which they are directed. Management makes its best efforts to research and forecast future profitability of any new business ventures prior to commencing in any new endeavor, however there are underlying risks at the time of entry. The success of a new venture is also dependent on the areas of sales and marketing, customer demand, market stability, existing barriers to entry, and other factors of product introduction.

Markets and Competition

Titan is continually pursuing new customers and markets in a highly competitive environment. The market is expected to remain competitive. Titan's competition varies by product line, customer classification and geographic market. Certain companies that compete with Titan have more established and larger sales and marketing organizations, larger technical staff and significantly greater financial resources than Titan. There can be no assurance that the Company's marketing strategy will be successful.

A significant portion of the Company's revenue is derived from one product line. Consequently, a sudden decline in demand for, or production of, the product could have a material adverse effect on the Company's financial condition and results of operations.

Credit Risk

Credit risk arises from the possibility that the entities to which the Company provides services may experience financial difficulty and be unable to fulfill their obligations. Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents, and accounts receivable. The Company's cash on deposit and short-term investments are held with reputable financial institutions, from which management believes the risk of loss is low. The Company's maximum exposure to credit risk is as indicated by the carrying amount of its cash, cash equivalents, accounts receivable and investment in secured loan. The Company has a credit policy and regularly monitors its credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss. The Company carries out credit evaluations of its customers who receive credit and carries adequate provisions for possible losses arising from credit risk associated with financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due or to fund the programs and commitments that the Company has planned. The Company manages liquidity risk through management of its capital structure in conjunction with cash flow forecasting including anticipated investing and financing activities. The Company believes that internally generated cash flows and current cash balances will be sufficient to cover its normal operating and capital expenditures for the current fiscal year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash and cash equivalents. The Company manages interest rate risk by maximizing the interest earned in excess funds while maintaining the liquidity necessary to maintain day-to-day operating cash flow requirements.

Currency Risk

Foreign currency risk arises from fluctuations in the value of foreign currencies and the degree of volatility of these currencies relative to the Canadian dollar. The Company is subject to foreign currency risk in that it has both current assets and liabilities denominated in foreign currencies. It is management's opinion that a change in foreign currency exchange rates could affect the Company's results of operations and cash flows but would not materially impair or enhance its ability to pay its foreign exchange obligations. The Company does not use hedging tools to reduce its exposure to foreign currency risk.

Equity Price Risk

The Company is exposed to equity price risk as the result of changes in market conditions and fluctuations in market prices that may affect the market value of its securities held mainly for investment purposes. These securities are classified and accounted for as fair value through profit and loss and carried at fair value. The Company is required to measure the fair value of its investment at the end of each reporting period. This process could result in significant write-downs of the Company's portfolio investment over one or more reporting periods, particularly during periods of overall market instability. The Board of Directors is responsible for the management and oversight of its investments. As part of its risk management strategy, extensive corporate governance policies and practices have been applied. The primary investment objective is to optimize the return on surplus cash while preserving the Company's capital.

Product and Technology Enhancements

The Company's future growth depends on its ability to enhance its existing products, to develop new proprietary technology that addresses the varied needs of its prospective customers and to respond to technological advances, emerging industry standards and practices in a timely and cost-effective manner. The development of technology involves significant technical and business risks. There can be no assurance that Titan will be successful in meeting customer demands in respect of performance and costs through continuous improvements in products or that Titan will have the resources available to meet continuing demands. No assurances can be given that Titan's competitors will not achieve technological advantages. The Company may fund additional research and development activities; however, there is no guarantee of return.

Cyber Risk

In the ordinary course of business Titan collects and stores sensitive data, including intellectual property, proprietary business information and identifiable personal information of its employees and customers. Unauthorized access to the Company's computer systems could result in the theft or publication of confidential information or the deletion or modification of records or could otherwise cause interruptions in the Company's operations. In addition, despite the Company's implementation of security measures, its systems are vulnerable to damages from computer viruses, natural disasters, unauthorized access, cyber-attack and other similar disruptions. Any such system failure, accident or security breach could disrupt the Company's operations, decrease performance, increase costs, damage Titan's reputation, and we could be subject to liability. Any of these consequences could have an adverse effect on the Company's business, financial condition, results of operations and cash flow.

Proprietary Protection

Titan relies on confidentiality procedures and other measures to protect its proprietary information (intellectual property). There are risks inherent in maintaining proprietary advantage and efforts to protect it may not prevent attempts to copy aspects of the technology or to obtain and use information, that Titan regards proprietary, by others. Litigation may be necessary to enforce its intellectual property rights or defend against claims of infringement or invalidity. Intellectual property laws provide limited protection.

The laws of some foreign countries do not protect proprietary rights as fully as do the laws of Canada. If necessary or desirable, we may seek licenses under the patents or other intellectual property of others. However, there are no assurances that such licenses will be obtained or that the terms of any offered licenses would be acceptable.

Foreign Exchange and Foreign Sales

The Company's products are marketed and sold in the U.S. and some other foreign countries which expose the Company to currency exchange risks. Foreign currency risk arises from fluctuations in the value of foreign currencies and the degree of volatility of these currencies relative to the Canadian dollar. The Company is subject to foreign currency risk in that it has both current assets and liabilities denominated in foreign currencies. It is management's opinion that a change in foreign currency exchange rates could affect the Company's results of operations and cash flows, but would not materially impair or enhance its ability to pay its foreign exchange obligations. The Company does not use hedging tools to reduce its exposure to foreign currency risk. In addition to exchange risk, international sales are subject to inherent risks such as regulatory requirements, delays from custom brokers or government agencies, or other trade barriers. The Company is also subject to risks related to cultural, political, legal and economic factors.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2024 Audited Financial Statements, is available on SEDAR at www.sedarplus.ca or on its website, www.titanlogix.com.