TITAN LOGIX CORP.

FISCAL 2024 SECOND QUARTER FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three- and six-month periods ended February 29, 2024

Notice of Reader of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements and related notes for the period ended February 29, 2024, have been prepared by and are the responsibility of management of Titan Logix Corp. The auditors of Titan Logix Corp. have not audited or reviewed these interim condensed consolidated financials.

Condensed Consolidated Interim Statements of Financial Position

(unaudited)

	February 29 2024 $	August 31 2023 $
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	**7,154,944**	9,771,382
Short term investments (note 5)	**4,500,000**	1,820,425
Accounts receivable	**1,166,319**	935,702
Inventories	**1,267,640**	1,432,323
Prepaid expenses	**147,207**	200,742
Marketable securities (note 6)	**860,875**	1,164,000
Total current assets	**15,096,985**	15,324,574
Non-current assets		
Limited recourse capital notes	**1,800,687**	1,733,870
Property, plant and equipment	**162,164**	167,176
Right-of-use assets	**758,485**	768,169
Intangible assets	**401,047**	353,528
Total assets	**18,219,368**	18,347,317
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**674,868**	685,606
Income tax payable	**6,421**	6,421
Current portion of lease obligations	**111,370**	96,265
Total current liabilities	**792,659**	788,292
Non-current liabilities		
Lease obligations	**677,679**	681,476
Total liabilities	**1,470,338**	1,469,768
Shareholders' equity		
Share capital	**5,730,279**	5,730,279
Contributed surplus	**942,876**	911,500
Retained earnings	**10,075,874**	10,235,770
Total shareholders' equity	**16,749,029**	16,877,549
Total liabilities and shareholders' equity	**18,219,368**	18,347,317

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

On behalf of the Board

"Helen Cornett" Director

"Grant Reeves" Director

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Condensed Consolidated Interim Statement of Net and Comprehensive Earnings (Loss)

(unaudited)

	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Revenue	**1,750,979**	1,521,908	**3,264,837**	3,025,028
Cost of sales	**928,433**	722,756	**1,662,272**	1,389,255
Gross profit	**822,546**	799,152	**1,602,565**	1,635,773
Expenses				
Selling, general and administrative expenses	**534,759**	532,768	**1,128,563**	1,056,967
Engineering, product research and development expenses	**301,526**	140,104	**616,133**	221,465
Depreciation of property, plant and equipment	**8,543**	7,798	**16,900**	16,145
Depreciation of right-of-use assets	**16,124**	13,287	**28,676**	26,576
Amortization of intangible assets	**50,783**	43,585	**94,362**	87,039
(Gain) loss on foreign exchange	**(554)**	(25,580)	**(35,182)**	(102,403)
Total expenses	**911,181**	711,962	**1,849,452**	1,305,789
Operating income (loss) before other items	**(88,635)**	87,190	**(246,887)**	329,984
Other items				
Fair value gains (losses) on financial instruments	**175,799**	(148,257)	**(236,308)**	(99,757)
Finance income (note 7)	**171,503**	156,908	**351,920**	283,300
Interest on leases	**(13,951)**	(2,585)	**(27,874)**	(5,587)
Loss on impairment of property, plant and equipment	**-**	(3,020)	**(747)**	(3,020)
Total other items	**333,351**	3,046	**86,991**	174,936
Earnings (loss) before income taxes	**244,716**	90,236	**(159,896)**	504,920
Income tax expense	**-**	-	**-**	-
Net and comprehensive earnings (loss)	**244,716**	90,236	**(159,896)**	504,920
Earnings (loss) per share (note 9)				
Basic and diluted	**0.01**	-	**(0.01)**	0.01

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Shareholders' Equity $
Balance at August 31, 2023	28,536,132	5,730,279	911,500	10,235,770	**16,877,549**
Share-based compensation	-	-	31,376	-	**31,376**
Net loss	-	-	-	(159,896)	**(159,896)**
Balance at February 29, 2024	28,536,132	5,730,279	942,876	10,075,874	**16,749,029**

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Shareholders' Equity $
Balance at August 31, 2022	28,536,132	5,730,279	815,208	10,152,836	**16,698,323**
Share-based compensation	-	-	42,886	-	**42,886**
Net earnings	-	-	-	504,920	**504,920**
Balance at February 28, 2023	**28,536,132**	**5,730,279**	**858,094**	**10,657,756**	17,246,129

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

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Condensed Consolidated Interim Statements of Cash Flows

(unaudited)

	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Cash provided by (used in)				
Operating activities				
Net earnings (loss)	**244,716**	90,237	**(159,896)**	504,922
Non-cash items included in net earnings (loss)				
Interest on leases	**13,951**	2,585	**27,874**	5,587
Depreciation of property, plant and equipment	**10,393**	10,093	**20,600**	20,735
Depreciation of right-of-use assets	**35,878**	32,462	**68,800**	64,925
Amortization of intangible assets	**50,783**	43,585	**94,362**	87,039
Unrealized loss (gain) on financial instruments	**(175,799)**	148,257	**236,308**	99,757
Loss on disposal of property, plan and equipment	**-**	3,020	**747**	3,020
Share-based compensation	**19,610**	26,703	**31,376**	42,886
Finance income (note 7)	**(171,503)**	(156,908)	**(351,920)**	(283,300)
Changes in non-cash working capital (note 10)	**(90,508)**	170,807	**(23,137)**	(149,897)
Net cash provided from operating activities	**(62,479)**	370,841	**(54,886)**	395,674
Investing activities				
Proceeds (purchase) of short term investment	**(1,219,304)**		**(2,679,575)**	3,500,000
Purchase of fixed income securities	**-**	(1,780,870)	**-**	(1,780,870)
Finance income received (note 7)	**171,503**	156,908	**351,920**	283,300
Investment in intangible assets	**(84,253)**	-	**(141,880)**	-
Purchase of property, plant and equipment	**(8,339)**	(2,200)	**(16,335)**	(12,134)
Net cash provided by (used in) investing activities	**(1,140,393)**	(1,626,162)	**(2,485,870)**	1,990,296
Financing activities				
Payment of lease obligation	**(39,681)**	(36,570)	**(75,681)**	(73,140)
Net cash used in financing activities	**(39,681)**	(36,570)	**(75,681)**	(73,140)
Net (decrease) increase in cash and cash equivalents	**(1,242,554)**	(1,291,891)	**(2,616,438)**	2,312,830
Cash and cash equivalents, beginning of period	**8,397,498**	12,871,827	**9,771,382**	9,267,106
Cash and cash equivalents, end of period	**7,154,944**	11,579,936	**7,154,944**	11,579,936

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Titan Logix Corp. (the "Company") is a public company incorporated and domiciled in Canada and its common shares trade on the TSX Venture Exchange under the symbol TLA. The head office for the Company is located in Edmonton, Alberta, Canada. The address of the Company's registered office is #2600 10180 101 Street, Edmonton, AB T5J 3Y2.

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's TD Series of tank level monitors are a market leader in mobile fluid measurement, and are 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.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements for the three and six months ended February 29, 2024 and February 28, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared in accordance with IAS 34, "Interim Financial Reporting" and do not contain all necessary annual disclosures in accordance with IFRS.

The unaudited condensed consolidated interim financial statements of the Company for the three and six months ended February 29, 2024, were authorized for issue in accordance with a resolution of the directors on April 17, 2024.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the financial statements of Titan Logix Corp. and its wholly owned subsidiary, Titan Logix USA Corp. The financial statements for the subsidiary are prepared for the same reporting period as the parent company using consistent accounting policies. All intercompany transactions and balances have been eliminated in the preparation of these unaudited condensed consolidated interim financial statements.

Functional and presentation currency

The unaudited condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of Titan Logix Corp. and its subsidiary.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited condensed consolidated interim financial statements, in all material respects, follow the same accounting policies and method of application as the annual audited consolidated financial statements of the preceding fiscal year. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2023.

4. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, marketable securities, limited recourse capital notes (LCRN), accounts payable and accrued liabilities and lease liabilities. The carrying amounts of the current financial assets and current financial liabilities recognized in the Company's consolidated financial statements at the end of the reporting period approximate their fair value due to their short period to maturity, except in the case of marketable securities where the carrying value has been adjusted to its fair value based on quoted prices in the market at that date. Using the effective interest rate method, the fair value of the lease liability approximates its carrying value as the effective interest rates approximates the market interest rates. The fair value of the LRCNs is determined with reference to quoted market bids provided by a third-party independent dealer in the secondary market, as the LRCNs are not listed on any securities exchange. It has been determined that broker pricing is appropriate for these investments as there is sufficient trading volume to demonstrate that the fair values quotes are appropriate.

5. CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

Cash and cash equivalents and short term investments include the following components:

As at	**February 29 2024 $**	August 31 2023 $
Cash on hand and balances with banks	**953,677**	286,662
Guaranteed investment certificates (GICs) and other high interest deposits	**10,701,267**	11,305,145
Total cash and equivalents and short term investments	**11,654,944**	11,591,807
Cash and equivalents	**7,154,944**	9,771,382
Short term investments	**4,500,000**	1,820,425

Guaranteed investment certificates (GICs) are included in cash and equivalents if the certificate is either currently cashable or matures within the next 90 days. GICs that are not currently cashable or mature greater than 90 days after the reporting date are classified as short term investments. In the three-month period ended February 29, 2024, the Company's investments in GICs and high interest deposits, generated income of $151,133 (2023 - $155,789). During the six months ended February 29, 2024, the Company's investments in GICs and high interest deposits, generated finance income of $311,440 (2023 - $282,181) (note 7).

6. MARKETABLE SECURITIES

Marketable securities consist of shares of publicly traded companies and are reported at their fair market value. The Company's investments at fair market value are as follows:

	Number of Shares	**February 29 2024 Fair Value $**	Number of Shares	August 31 2023 Fair Value $
Bri-Chem Corp.	**2,425,000**	**860,875**	2,425,000	1,164,000
	2,425,000	**860,875**	2,425,000	1,164,000

In fiscal 2023, pursuant to its loan participation agreement with Greypoint Capital Inc, and a concurrent transaction with other participants in the loan, the Company acquired 2,425,000 common shares in Bri-Chem Corp. for an investment cost of $771,250. For the six months ended February 29, 2024, the Company recorded an unrealized loss of $303,125 (2023 - $72,750) on the marketable securities held and, an unrealized gain of $121,250 in the three months ended February 29, 2024 (2023 – an unrealized loss of $121,250). The unrealized gains and losses are included in fair value gains (losses) on financial instruments in the statement of net and comprehensive earnings (loss).

7. FINANCE INCOME

	Three months ended		**Six months ended**	
	2024 $	2023 $	**2024 $**	2023 $
Interest from investments in GICs and other high interest deposits	**151,133**	155,789	**311,440**	282,181
Interest from investments in LRCNs	**20,369**	1,119	**40,480**	1,119
	171,503	156,908	**351,920**	283,300

8. NATURE OF EXPENSES

The Company presents certain expenses in the Condensed Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss) by function. The following table presents these expenses by nature.

	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Employee salaries and benefits				
Included in cost of sales	**131,218**	114,023	**249,293**	238,687
Included in total expenses	**565,943**	289,106	**1,111,153**	672,786
Total employee salaries and benefits	**697,161**	403,129	**1,360,446**	911,473
Depreciation and amortization				
Included in cost of sales	**21,604**	21,470	**43,824**	42,940
Included in total expenses	**75,450**	64,670	**139,938**	129,759
Total depreciation and amortization	**97,054**	86,140	**183,762**	172,699

9. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Net earnings (loss)	**244,716**	**90,236**	**(159,896)**	504,920
Weighted average number of shares outstanding - basic	**28,536,132**	28,536,132	**28,536,132**	28,536,132
Effect of dilutive securities				
Stock options converted to common shares	**2,972**	143,860	**-**	63,893
Weighted average number of shares outstanding - diluted	**28,539,104**	28,679,992	**28,536,132**	28,600,025
Basic earnings (loss) per share	**0.01**	0.00	**(0.01)**	**0.02**
Effect of dilutive securities	**0.00**	0.00	**0.00**	0.00
Diluted earnings (loss) per share	**0.01**	0.00	**(0.01)**	0.02

For the three-months ended February 29, 2024, there were no antidilutive options (2023 – nil). For the six-months ended February 29, 2024, there were 1,500,000 antidilutive options (2023 – nil). The average market value of the Company's shares for purposes of this calculation were based on quoted market prices for the period during which the options were outstanding.

10. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Accounts receivable	**(365,994)**	143,681	**(230,617)**	139,852
Inventories	**142,958**	(92,851)	**164,683**	(301,084)
Prepaid expenses	**1,023**	22,558	**53,535**	54,819
Accounts payable and accrued liabilities	**131,505**	97,383	**(10,738)**	(43,520)
Income tax payable	**-**	36	**-**	36
	(90,508)	170,807	**(23,137)**	(149,897)

11. RELATED PARTY TRANSACTION

Key Management Personnel Compensation

The Company's key management personnel include its directors and executive. Compensation to key management personnel of the Company for the period was as follows:

	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Salaries and short-term employee benefits	**230,703**	179,922	**446,466**	300,788
Share-based compensation	**19,610**	26,703	**31,375**	42,886
	250,312	206,625	**477,842**	343,674

During the three-month and six-month periods ended February 29, 2024, and February 28, 2023, there were no long-term employee benefits or post-employment benefits recognized. Short-term employee benefits consist of salaries, consulting fees, bonuses, director fees, and all other short-term benefits.

12. SEGMENTED REPORTING

The Company operates substantially all its activities in one reportable segment, mobile liquid measurement solutions, which include the developing, manufacturing and marketing of mobile liquid measurement solutions. Operating segments are defined as components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision makers in allocating resources and assessing performance. The chief operating decision maker of the Company is the Chief Executive Officer.

Segmented information is provided on the basis of geographic segments as the Company sells into two primary geographic regions: Canada and the United States.

Revenues	Three months ended		Six months ended	
	2024	2023	**2024**	2023
	$	$	**$**	$
Canada	**615,600**	459,893	**1,075,838**	977,989
United States and other	**1,135,379**	1,062,015	**2,188,999**	2,047,039
	1,750,979	1,521,908	**3,264,837**	3,025,028

For the six months ended February 29, 2024, revenue from a single customer made up 14% of total revenue in the period (2023 – 12%). At February 29, 2024, all non-current assets were held in Canada.