



TITAN LOGIX CORP.

FISCAL 2024 THIRD QUARTER FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the 3- and 9-month periods ended May 31, 2024

Notice of Reader of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements and related notes for the period ended May 31, 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.

	May 31 2024 \$	August 31 2023 \$
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	7,106,565	9,771,382
Short term investments (note 5)	4,500,000	1,820,425
Accounts receivable	1,279,703	935,702
Inventories	1,457,181	1,432,323
Prepaid expenses	74,498	200,742
Marketable securities (note 6)	436,500	1,164,000
Total current assets	14,854,447	15,324,574
Non-current assets		
Limited recourse capital notes	1,835,932	1,733,870
Property, plant and equipment	162,137	167,176
Right-of-use assets	721,130	768,169
Intangible assets	451,162	353,528
Total assets	18,024,808	18,347,317
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	700,942	685,606
Income tax payable	6,421	6,421
Current portion of lease obligations	119,235	96,265
Total current liabilities	826,598	788,292
Non-current liabilities		
Lease obligations	644,115	681,476
Total liabilities	1,470,713	1,469,768
Shareholders' equity		
Share capital	5,730,279	5,730,279
Contributed surplus	966,407	911,500
Retained earnings	9,857,409	10,235,770
Total shareholders' equity	16,554,095	16,877,549
Total liabilities and shareholders' equity	18,024,808	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



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

	Three months ended		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenue	1,925,730	1,627,934	5,190,567	4,652,962
Cost of sales	922,070	850,140	2,584,342	2,239,395
Gross profit	1,003,660	777,794	2,606,225	2,413,567
Expenses				
Selling, general and administrative expenses	594,712	543,744	1,723,276	1,600,711
Engineering, product research and development expenses	332,626	274,251	948,759	495,716
Depreciation of property, plant and equipment	9,601	8,743	26,502	24,888
Depreciation of right-of-use assets	16,986	12,613	45,662	39,188
Amortization of intangible assets	51,165	43,579	145,527	130,618
(Gain) loss on foreign exchange	(3,528)	7,161	(38,710)	(95,243)
Total expenses	1,001,562	890,091	2,851,016	2,195,878
Operating income (loss) before other items	2,098	(112,297)	(244,791)	217,689
Other items				
Fair value gains (losses) on financial instruments	(389,130)	(477,342)	(625,438)	(577,099)
Finance income (note 7)	182,552	179,531	534,472	462,831
Interest on leases	(13,982)	(2,163)	(41,856)	(7,750)
Loss on impairment of property, plant and equipment	-	-	(747)	(3,020)
Total other items	(220,560)	(299,974)	(133,569)	(125,038)
Earnings (loss) before income taxes	(218,462)	(412,271)	(378,360)	92,651
Income tax expense	-	-	-	-
Net and comprehensive earnings (loss)	(218,462)	(412,271)	(378,360)	92,651
Earnings (loss) per share (note 9)				
Basic and diluted	(0.01)	(0.01)	(0.01)	0.00

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	-	-	54,907	-	54,907
Net loss	-	-	-	(378,360)	(378,360)
Balance at May 31, 2024	28,536,132	5,730,279	966,407	9,857,410	16,554,096

	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	-	-	69,589	-	69,589
Net earnings	-	-	-	92,651	92,651
Balance at May 31, 2023	28,536,132	5,730,279	884,797	10,245,487	16,860,563

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

	Three months ended		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Net earnings (loss)	(218,462)	(412,271)	(378,360)	92,651
Non-cash items included in net earnings (loss)				
Interest on leases	13,982	2,163	41,856	7,750
Depreciation of property, plant and equipment	10,834	11,038	31,435	31,773
Depreciation of right-of-use assets	37,357	30,795	106,155	95,720
Amortization of intangible assets	51,166	43,579	145,527	130,618
Unrealized loss (gain) on financial instruments	389,130	477,342	625,438	577,099
Loss on disposal of property, plan and equipment	-	-	747	3,020
Share-based compensation	23,532	26,703	54,907	69,589
Finance income (note 7)	(182,552)	(179,531)	(534,472)	(462,831)
Changes in non-cash working capital (note 10)	(204,145)	63,586	(227,279)	(86,311)
Net cash provided from (used in) operating activities	(79,158)	63,404	(134,045)	459,078
Investing activities				
Proceeds (purchase) of short term investment	-	(1,820,425)	(2,679,575)	1,679,575
Purchase of fixed income securities	-	-	-	(1,780,870)
Finance income received (note 7)	182,552	179,531	534,472	462,831
Investment in intangible assets	(101,280)	-	(243,160)	-
Purchase of property, plant and equipment	(10,807)	-	(27,142)	(12,134)
Net cash provided by (used in) investing activities	70,464	(1,640,894)	(2,415,406)	349,402
Financing activities				
Payment of lease obligation	(39,679)	(36,570)	(115,360)	(109,710)
Net cash used in financing activities	(39,679)	(36,570)	(115,360)	(109,710)
Net (decrease) increase in cash and cash equivalents	(48,373)	(1,614,060)	(2,664,811)	698,770
Cash and cash equivalents, beginning of period	7,154,944	11,579,936	9,771,382	9,267,106
Cash and cash equivalents, end of period	7,106,571	9,965,876	7,106,571	9,965,876

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 nine-months ended May 31, 2024, and May 31, 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 May 31, 2024, were authorized for issue in accordance with a resolution of the directors on July 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	May 31 2024 \$	August 31 2023 \$
Cash on hand and balances with banks	827,708	286,662
Guaranteed investment certificates (GICs) and other high interest deposits	10,778,857	11,305,145
Total cash and equivalents and short term investments	11,606,565	11,591,807
Cash and equivalents	7,106,565	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 May 31, 2024, the Company's investments in GICs and high interest deposits, generated income of \$161,870 (2023 - \$158,603). During the nine-months ended May 31, 2024, the Company's investments in GICs and high interest deposits, generated finance income of \$473,407 (2023 - \$440,784) (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:

		May 31 2024		August 31 2023
	Number of Shares	Fair Value \$	Number of Shares	Fair Value \$
Bri-Chem Corp.	2,425,000	436,500	2,425,000	1,164,000
	2,425,000	436,500	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 nine months ended May 31, 2024, the Company recorded an unrealized loss of \$727,500 (2023 - \$533,500) on the marketable securities held and, an unrealized loss of \$424,375 in the three months ended May 31, 2024 (2023 - \$460,750). 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		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Interest from investments in GICs and other high interest deposits	161,870	158,603	473,407	440,784
Interest from investments in LRCNs	20,682	20,928	61,065	22,048
	182,552	179,531	534,472	462,831

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		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Employee salaries and benefits				
Included in cost of sales	121,869	123,787	371,162	362,474
Included in total expenses	541,904	505,700	1,653,057	1,178,486
Total employee salaries and benefits	663,772	629,487	2,024,218	1,540,960
Depreciation and amortization				
Included in cost of sales	21,604	20,477	65,427	63,417
Included in total expenses	77,753	64,935	217,691	194,694
Total depreciation and amortization	99,357	85,412	283,118	258,111

9. EARNINGS (LOSS) PER SHARE

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

	Three months ended		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net earnings (loss)	(218,462)	(412,271)	(378,360)	92,651
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	-	-	-	28,297
Weighted average number of shares outstanding - diluted	28,536,132	28,536,132	28,536,132	28,564,429
Basic earnings (loss) per share	(0.01)	(0.01)	(0.01)	0.00
Effect of dilutive securities	0.00	0.00	0.00	0.00
Diluted earnings (loss) per share	(0.01)	(0.01)	(0.01)	0.00

For the three-months ended May 31, 2024, there were no antidilutive options (2023 – nil). For the nine-months ended May 31, 2024, there were no antidilutive options (2023 – 200,000). 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		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accounts receivable	(113,384)	(128,059)	(344,001)	11,793
Inventories	(189,541)	28,714	(24,858)	(272,370)
Prepaid expenses	72,709	(8,199)	126,244	46,620
Accounts payable and accrued liabilities	26,071	174,041	15,336	130,521
Income tax payable	-	(2,911)	-	(2,875)
	(204,145)	63,585	(227,279)	(86,312)

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		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and short-term employee benefits	173,658	172,402	620,124	473,190
Share-based compensation	23,532	26,703	54,907	69,589
	197,190	199,105	675,031	542,779

During the three-month and nine-month periods ended May 31, 2024, and May 31, 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		Nine months ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Canada	561,929	497,547	1,638,983	1,475,536
United States and other	1,363,801	1,130,387	3,551,584	3,177,426
	1,925,730	1,627,934	5,190,567	4,652,962

For the nine months ended May 31, 2024, revenue from a single customer made up 9.1% of total revenue in the period (2023 – 11%). At May 31, 2024, all non-current assets were held in Canada.