Management's Discussion and Analysis
Q2 Fiscal 2023

February 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of April 19, 2023. It updates the annual MD&A included in our 2022 annual report and should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the period ended February 28, 2023 as well as the audited consolidated financial statements and MD&A included in the Company's 2022 annual report for fiscal year ended August 31, 2022. The Company prepares and files its condensed consolidated interim financial statements in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS). This MD&A compares the Company's fiscal 2023 second quarter results to the previous year's second quarter. We have not provided an update where an item is not material or where there has been no material change from the discussion in our annual MD&A.

The condensed consolidated interim financial statements and MD&A for the six months ended February 28, 2023 as well as the 2022 annual audited financial statements and MD&A and 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 the discussion in this MD&A.

Cautionary Note Regarding Forward-Looking Statements

Some of the 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.

Such risks and uncertainties include, but are not limited to the following:

- *Titan's ability to successfully market to current and new customers;*
- *Industry competition;*
- *Technological developments;*
- *Uncertainties as to Titan's ability to implement its strategic plan;*
- *Titan's ability to obtain raw materials from suppliers;*
- *The impact of general economic and industry conditions;*
- *The impact of pandemics and natural disasters;*
- *Fluctuations in oil and gas prices;*
- *Fluctuations in the level of oil and gas industry expenditures that affect demand for Titan's products and services;*
- *Fluctuations in currency rates;*
- *The ability to attract and retain key personnel or management;*
- *Expansion of products by internal growth, partnerships or acquisitions;*
- *Incorrect assessment of value of acquisitions;*
- *Inability to complete strategic acquisitions of additional business;*
- *Stock market volatility;*
- *Obtaining required approvals from regulatory authorities;*
- *Titan's ability to achieve an acceptable return on investment from new product development costs in a timely manner; and,*
- *Other risks described under the heading "Business Risks and Uncertainties" in this document.*

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's TD Series of tank level monitors are a market leader in mobile liquid 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. 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 TD80™ and TD100™ series of mobile gauges, offering fleet operators accurate level measurement, reliable overfill protection, and a variety of automation, integration, and control capabilities for their tanker truck operations. 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. Our next generation of TD products will leverage our accurate, reliable, and proven guided wave radar (GWR) technology and connect to Titan Data Services (TDS), a cloud-based software platform designed to help customers manage their bulk liquid inventory. TDS will provide customers with an easy integration into their existing transportation management system (TMS), positioning Titan to be the leader in mobile liquid measurement solutions for the bulk liquids transport industry in North America.

QUARTERLY HIGHLIGHTS

- Revenues for the second quarter of fiscal 2023 improved over the comparative prior period as the demand for the GWR product line continued to strengthen, resulting in a $434,111 or a 40% increase in the Company's revenues for the second quarter compared to the comparative prior period. Revenues in the second quarter were $1,521,908, compared with the $1,087,797 recorded in the comparative prior period. This increase in demand for the GWR was due to an improvement in the global supply chain, and a persistent backlog for new tanker builds in crude oil, recycled oil, and aviation refueling sectors.
- Gross profit for the second quarter of fiscal 2023 increased by $170,374 to $799,152 or 53% of revenue compared to $628,778 or 58% of revenue in the comparative period. This increase in gross profit is primarily due to the increase in unit demand and revenue. The decrease in the gross profit percentage is primarily the result of increased component costs.
- Total expenses in the second quarter of fiscal 2023 decreased by $191,774 to $711,961 as compared with $903,735 in the comparative prior period. This decrease in total expenses was primarily due to lower general and administrative expenses due to one-time executive termination costs recorded in the prior period. These were partially offset by increased engineering expenses and sales and marketing costs primarily due to staffing additions.
- In the second quarter of fiscal 2023, the Company reported an operating income before other items of $87,191 compared to an operating loss of $274,957 in the second quarter of fiscal 2022. The significant improvement in the operating loss before other items for the second quarter of fiscal 2023 was largely due to higher gross profits from increased volumes for the GWR product line combined with the impact of lower general and administrative expenses.
- Net earnings after income taxes for the second quarter of fiscal 2023 amounted to $90,237 compared to a net loss after taxes of $136,807 in the comparative prior period. The increase in the net earnings was primarily due to the significant improvement in the operating loss before other items.

FISCAL 2023 Q2 RESULTS OF OPERATIONS

($000's, except gross margin (%) and per share amounts)	Three months ended February 28,				Six months ended February 28,			
	2023	2022	Increase (Decrease)		2023	2022	Increase (Decrease)	
	$	$	$	%	$	$	$	%
Revenue	**1,522**	**1,088**	434	40	**3,025**	**1,712**	1,313	77
Cost of sales	**723**	**459**	264	57	**1,389**	**753**	636	84
Gross profit	**799**	**629**	170	27	**1,636**	**959**	677	71
Gross margin (%)	**53%**	**58%**			**54%**	**56%**		
Expenses								
General and administration	**336**	**565**	(229)	(40)	**639**	**831**	(192)	(23)
Marketing and sales	**197**	**163**	34	21	**418**	**340**	78	23
Engineering	**140**	**100**	40	40	**221**	**243**	(22)	(9)
Depreciation and amortization	**65**	**65**	-	-	**130**	**146**	(16)	(11)
(Gain) loss on foreign exchange	**(26)**	**11**	(37)	(335)	**(102)**	**(22)**	(80)	365
Total expenses	**712**	**904**	(192)	(21)	**1,306**	**1,538**	(232)	(15)
Unrealized loss on securities	**(148)**	**-**	148	100	**(100)**	**-**	100	100
Finance income	**157**	**142**	15	10	**283**	**288**	(5)	(2)
Other items	**(6)**	**(4)**	(2)	33	**(9)**	**(9)**	-	(3)
Net earnings (loss)	**90**	**(137)**	227	166	**505**	**(300)**	805	268
EPS – Basic and Diluted	**0.00**	**0.00**	0.00		**0.02**	**(0.01)**	0.03	

Revenue and gross profit

The Company's revenue is primarily derived from instrument sales of its GWR product line of technologies (TD100™, Finch II and related components) throughout Canada and the U.S. These technologies are sold into the bulk liquids transport industry, serving fleets of liquid tanker trucks. The Company's revenue in the second quarter of fiscal 2023 increased by $434,111 or 40% to $1,521,908, as compared to $1,087,797 for the second quarter of fiscal 2022. Revenue for the six month period ended February 28, 2023 increased by 77% to $3,025,028 as compared to $1,711,931 for the comparative period. The increase in revenue in the quarter and year-over-year was primarily due to the increase in demand for GWR products as delivery rates for new tanker builds are ramping up at the OEM level across the crude oil, recycled oil, and aviation refueling sectors.

In the current fiscal quarter revenues generated from the Canadian market increased by $239,018 or 108% to $459,893 as compared to $220,875 in the comparative prior period. For the six months ended February 28, 2023, year-over-year Canadian revenues increased by 118% to $977,989 and accounted for 40% of the year-over-year increase in revenues. Sales to the U.S, for the three months ended February 28, 2023 increased by $195,093 or 23% to $1,062,015 as compared to $866,922 in the comparative period. Sales to the U.S. for the six month period ending February 28, 2023 increased by $784,179 or 62% to $2,047,039 as compared to $1,262,860 in the comparative period. These sales accounted for 70% of the revenues in the second quarter of fiscal 2023 (2022 – 80%) and 68% for the six months February 28, 2023 (2022 – 74%). These sales are transacted in U.S. dollar currency and any change in the exchange rate affects the value at which transactions are recorded. Revenue was recorded at an average exchange rate of $1.36 Canadian during the six months ended February 28, 2023, compared with $1.27 Canadian for the prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 98% to sales in the second quarter of fiscal 2023 and year to date. This compares to 98% and 96% in the comparative prior periods. Titan will continue to focus its sales efforts on mobile liquid measurement solutions for the tanker truck market.

Gross profit for the second quarter of fiscal 2023 increased to $799,152 or 53% as a percentage of sales compared with $628,778, or 58% as a percentage of sales for the comparative period. Gross profit increased by $677,112 to $1,635,773 or 54% as a percentage of sales for the six month period compared with $958,661, or 56% as a percentage of sales for the comparative period. The increase in gross profit in the current fiscal quarter and year-over-year is primarily due to the increase in unit demand and revenue. The decrease in the gross profit as a percentage of revenue in the current fiscal quarter and year-over year is primarily the result of increased component costs.

Expenses, general and administration

General and administrative expenses (G&A) for the second quarter of fiscal 2023 were $336,232, a decrease of $228,651 or 40% from the $564,883 recorded in the comparative prior period. General and administrative expenses for the six month period were $639,202 a decrease of $191,581 or 23% from the $830,783 recorded in the comparable prior period. The decrease in the current quarter and year-over-year is primarily due to executive termination costs recorded in the prior period partially offset by executive recruitment costs incurred in the current periods. G&A, as a percentage of revenue, was 22% for the second quarter and 21% for the six months ended February 28, 2023 compared to 52% and 49% respectively for the same periods of fiscal 2022.

Expenses, marketing and sales

Marketing and sales expenses for the second quarter of fiscal 2023 were $196,536 an increase of $33,688 or 21% from the $162,848 recorded in the comparative prior period. Marketing and sales expenses for the six month period were $417,765 an increase of $77,345 or 23% from the $340,420 recorded in the comparable prior period. The increase in the current quarter and year-over-year is primarily a result of an increase in staffing and promotional marketing costs. The increase in the current quarter was partially offset by a decrease in travel costs. As a percentage of revenue, marketing and sales expenses were 13% for the second quarter of fiscal 2023 and 14% for the six months ended February 28, 2023 compared to 15% and 20% respectively for the same periods of fiscal 2022.

Expenses, engineering

Engineering expenses for the second quarter of fiscal 2023 were $140,104 an increase of $39,829 or 40% from the $100,275 recorded in the comparative prior period. This increase is primarily due to a reduction in development government grants combined with higher salary expenses due to staffing additions in the quarter, and partially offset by a decrease in development consulting services. Engineering expenses for the six month period were $221,465 a decrease of $21,257 from the $242,722 recorded in the comparable prior period. The year-over-year decrease is primarily due to a decrease in development consulting services combined with lower salary expenses and was partially offset by an increase in product approval costs and a decrease in wage and development government grants. During the fiscal quarter product development focussed on the development and launch of the multi-compartment Finch II, which expands Titan's offering to tankers with more than two storage compartments, a common configuration in recycled oil and refined fuel markets.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first six months of fiscal 2023 totalled $129,759 compared to $145,832 in the previous prior period. Additional depreciation expenses recorded in cost of sales in the current six months totalled $42,940, compared to $44,417 in the comparable period.

Expenses, foreign exchange

Changes in the value of the Canadian dollar during the period and management of conversion of receipts from U.S. revenue resulted in a gain of $102,404 on foreign currency exchange in the six months ended February 28, 2023 consisting of a realized gain on exchange of $63,477 and an unrealized gain of $38,927. This compares to a gain of $22,038 on foreign currency exchange in the previous period consisting of a realized gain on exchange of $24,452 and an unrealized loss of $2,414.

Operating income and net earnings

Operating income before other items and income taxes for the second quarter of fiscal 2023 was $87,191 as compared to an operating loss before other items and income taxes of $274,957 for the comparative prior period. The operating income for the first six months of fiscal 2023 was $329,986 as compared to an operating loss of $579,058 in the comparative prior period. The improvement in the operating income in the current quarter and year-over-year was primarily due to the increase in revenue and gross profit combined with a decrease in total expenses.

Net earnings and comprehensive earnings in the second quarter of fiscal 2023 increased to $90,237 after tax, compared to an after tax net loss of $136,807 reported in the comparable prior period. Due to the impact of unrealized losses on investments recorded in other items this improvement in net earnings in the fiscal quarter was due to the significant improvement in operating income before other items. Other items included $156,908 of investment income generated in the fiscal quarter, compared with $142,373 in the comparative prior period. This improvement in investment income was offset by $148,257 of unrealized losses on the investment in Bri-Chem Corp common shares and the Limited Recourse Capital Notes (LRCNs), whereas in the prior comparable period, no unrealized losses on investments were recorded, and the investment income contributed to the improvement in the operating loss.

Net earnings and comprehensive earnings for the first six months of fiscal 2023 were $504,922 after tax compared to an after tax net loss of $299,765 in the comparative prior period. The year-over year improvement was primarily due to the increase in operating income and slightly offset by the decrease in other items. Other items in the six month period decreased by $104,357 to $174,936 compared with $279,293 in the comparable prior period. This year-over-year decrease was primarily due to the impact of the $72,750 unrealized loss recorded on the investment in Bri-Chem Corp. common shares, the unrealized loss of $27,007 on the investment in the LRCNs and finance income of $283,300 in the fiscal quarter compared with $288,136 in the comparative prior period. At August 31, 2022, the Company recorded a $732,250 unrealized gain on its investment in Bri-Chem Corp. common shares.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2023		2022				2021	
	Q2	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	Q4	Q3
Revenue	**1,522**	**1,503**	**1,324**	**1,292**	**1,088**	**624**	871	1,064
Gross profit	**799**	**837**	**721**	**713**	**629**	**330**	547	558
Operating income (loss) before other items and income taxes	**87**	**243**	**206**	**147**	**(275)**	**(304)**	(154)	(140)
Net earnings (loss) before income taxes	**90**	**415**	**1,022**	**403**	**(137)**	**(163)**	(11)	6
Net earnings (loss)	**90**	**415**	**1,022**	**403**	**(137)**	**(163)**	(26)	6
EPS – Basic and Diluted	**0.00**	**0.01**	**0.04**	**0.01**	**(0.00)**	**(0.01)**	(0.00)	0.00

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 continually focuses 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 $17,936,053 on February 28, 2023 as compared to $17,499,282 on August 31, 2022. Cash and short term investments decreased by $1,187,170 to $11,579,936. Accounts receivable decreased by $139,852 and inventories increased by $301,084. Total liabilities decreased by $111,037. As at February 28, 2023, Titan had positive working capital (current assets less current liabilities) of $14,745,409 compared to $15,857,691 at August 31, 2022. The decrease in working capital is a result of the investment in Limited Recourse Capital Notes, longer term fixed income securities.

Summary of Cash Flows

Operating Activities

Net cash flows generated in operating activities for the six-month fiscal period totalled $395,674, compared to $493,212 used in the comparative period. This increase in cash flows generated in operating activities is primarily due to the increase in net earnings and changes in non-cash operating working capital accounts.

Non-cash operating 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 operating working capital provided in the amount of $149,897 in the six-month fiscal period is largely a result of an increase of inventory to meet anticipated demand and a decrease in accounts receivables. This compares with non-cash working capital used in the comparable period in the amount of $138,903, largely a result of an increase of inventory and prepaids.

Investing Activities

Net cash flows generated from investing activities for the six-month fiscal period totalled $1,990,296 compared with $422,238 in the comparative prior period. In the six month period a GIC for $3,500,000 matured and in the second quarter $1,780,870 was invested in highly liquid investment grade Limited Capital Recourse Notes with a stated annual interest rate of 4.3% and an effective rate of 6.72%. Interest on the LRCNs is payable semi-annually, for the initial period ending on but excluding November 15, 2025. The interest rate will then be reset every five years at a rate equal to the prevailing five-year Government of Canada Yield plus 3.943%. The notes mature on November 15, 2080. The balance of the GIC was reinvested and current GICs and high interest savings are earning average annual interest of 5.35% and classified as cash and cash equivalent as they are cashable within 90 days of investment.

Financing Activities

Net cash flows used in financing activities for the six-month fiscal period and the comparable period amounted to $73,140 for payment of lease obligations.

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

	April 19, 2023	**August 31, 2022**	**August 31, 2021**
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	1,300,000	950,000	300,000

On November 24, 2022 350,000 stock options were granted at an exercise price of $0.51, with vesting over a period from 1 year to 5 years, provided defined performance metrics are achieved 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 24, 2022 using the Black-Scholes pricing model. Stock based compensation of $42,886 was recorded during the period related to the vesting of options granted August 31, 2022 and November 24, 2022. During the period ended February 28, 2023 no options were granted or forfeited.

BUSINESS OUTLOOK

Tanker OEMs are producing at capacity to deliver against a persisting backlog through the second quarter of fiscal 2023. Titan is focused on investing in sales, marketing, and business development efforts at the OEM level across the crude oil, recycled oil, and aviation refueling markets. OEMs are reporting a low cancellation rate on backlogged orders, and we expect demand for Titan's TD100 series products to hold strong over the coming quarters. Titan's accurate, reliable, overfill protection and continuous level monitoring are key differentiators over the competition.

The Company has started executing on its 3-year strategic roadmap to expand its unique offering to new markets and develop a digitally enabled, vertical strategy. Highlights include:

- The development and commercialization of the multi-compartment Finch II, which expands Titan's offering into applications where a tanker has more than 2 storage compartments. This is a common configuration in the refined fuels market, and less common in crude oil, and recycled oil applications. Overall, this strengthens our reach in existing markets and provides an opportunity to approach new markets.
- In addition to the multi-compartment upgrade, every Finch II, starting in Q3, will be shipped with Wi-Fi and Bluetooth capability, serving as the foundation for future, cloud-connected product releases within the fiscal year.

BUSINESS RISKS AND UNCERTAINTIES

Titan Logix Corp. faces risks that have the potential of affecting its financial condition, results of operations and cash flow. The Board and management of the Company take prudent measures to mitigate risks which may affect the Company. The Company's sales are substantially derived from one product line and as a result, a sudden or sustained 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. Events which could cause a drop in demand include industry factors, market economic conditions, competition and impact of pandemics as described in the Company's business risks and uncertainties in its 2022 annual report. Events that could cause an interruption in the Company's ability to produce the product include supply shortages and proprietary protections. A complete discussion of business risk factors faced by the Company can be found in the "Business Risks and Uncertainties" section of the MD&A portion of its 2022 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2022 Audited Financial Statements, is available on SEDAR at www.sedar.com or on its website, www.titanlogix.com.

TITAN LOGIX

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www.titanlogix.com