Quarterly Report
Q2 Fiscal 2022

February 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of April 20, 2022. It updates the annual MD&A included in our 2021 annual report and should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the period ended February 28, 2022 as well as the audited consolidated financial statements and MD&A included in the Company's 2021 annual report for fiscal year ended August 31, 2021. 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 2022 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, 2022 as well as the 2021 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 advanced 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. We proudly delivery 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, delivering accurate level measurement, overfill protection, and a wide variety of integrated control capabilities while avoiding costly downtime for repair and maintenance. Building on our years of success in the crude oil market, our strategy is to grow our business through partnerships with customers, dealers, and OEMs, addressing unique challenges in transporting liquids safely and efficiently. Our next generation of TD products is focused on delivering this same reliable operation on a technology platform that enables our customers to mobilize their data as part of a complete Supply Chain Management (SCM) solution.

QUARTERLY HIGHLIGHTS

- Revenues in the second quarter of fiscal 2022 increased by $338,195 or 45% to $1,087,797, from the $749,602 recorded in the comparative prior period. This increase was primarily due to increased demand and volume increases for the GWR product line from the crude oil sector due to an increased confidence in the global supply chain for tanker OEMs.
- Gross profit for the second quarter of fiscal 2022 increased by $275,725 to $628,778 or 58% of revenue compared to $353,053 or 47% of revenue in the comparative period. This increase in gross profit is primarily due to the increase in unit demand and revenue. The increase in the gross profit percentage is the result of price increases combined with lower overhead costs.
- Total expenses in the second quarter of fiscal 2022 increased by $295,372 to $903,735 as compared with $608,363 in the comparative prior period. This increase in total expenses was primarily due to executive termination costs. The Company continues to focus on cost management, particularly with respect to discretionary spending. Investment in sales and marketing programs and product development focusing on enhancing digital capabilities is ongoing.
- In the second quarter of fiscal 2022, the Company reported an operating loss before other items of $274,957 compared to an operating loss of $255,310 in the second quarter of fiscal 2021. Adjusted for interest income and other items, the net loss after income taxes for the second quarter was $136,807 in fiscal 2022 compared to a net loss after taxes of $64,977 in the prior period. The increase in revenue and gross profit in the quarter and year-over-year was offset by the increase in total expenses and the increase in the loss after income taxes was due to lower interest rates and the resulting decrease in income earned on GIC investments.
- During the fiscal quarter the Company wound-down its participation in the CEWS program. No benefits were received in the second quarter of fiscal 2022, and $76,281 was received for the six-month period for fiscal 2022. This compares with $70,012 and $183,847 in the comparative prior periods.

FISCAL 2022 Q2 RESULTS OF OPERATIONS

($000's, except gross margin (%) and per share amounts)	Three months ended February 28,				Six months ended February 28,			
	2022	2021	Increase (Decrease)		2022	2021	Increase (Decrease)	
	$	$	$	%	$	$	$	%
Revenue	1,088	750	338	45	1,712	1,599	113	7
Cost of sales	459	397	62	16	753	865	(112)	(13)
Gross profit	629	353	276	78	959	734	225	31
Gross margin (%)	58%	47%			56%	46%		
Expenses								
General and administration	565	231	334	145	831	472	359	76
Marketing and sales	163	146	17	11)	340	353	(13)	(4)
Engineering	100	104	(4)	(4)	243	236	7	3
Depreciation and amortization	65	94	(29)	(31)	146	191	(45)	(24)
Loss (gain) on foreign exchange	11	33	(22)	(67)	(22)	38	(60)	(158)
Total expenses	904	608	296	49	1,538	1,290	248	19
Finance income	142	196	(54)	(28)	288	362	(74)	(20)
Other items	(4)	(6)	(2)	(27)	(9)	(12)	(3)	(27)
Net loss	(137)	(65)	72	111	(300)	(207)	93	45
EPS – Basic and Diluted	0.00	0.00	0.00		(0.01)	(0.01)	0.00	

Revenue and gross profit

The Company's revenue is primarily derived from instrument sales of its GWR product line of technologies (TD80™/TD100™, Finch II and related components) throughout Canada and the U.S. These technologies are sold into the mobile tanker truck market, servicing upstream/midstream customers. The Company's revenue in the second quarter of fiscal 2022 increased by $338,195 or 45% to $1,087,797, as compared to $749,602 for the second quarter of fiscal 2021. Revenue for the six month period ended February 28, 2022 increased by 7% to $1,711,931 as compared to $1,598,786 for the comparative period. The increase in revenue in the quarter and year-over-year was primarily a combination of the increase in demand and volume increases for GWR products from the crude oil sector due to an increased confidence in the global supply chain for tanker OEMs.

In the current fiscal quarter revenues generated from the Canadian market increased by $85,239 or 63% to $220,875 as compared to $135,636 in the comparative prior period. For the six months ended February 28, 2022, year-over-year Canadian revenues increased by 26% to $449,071 and accounted for 81% of the year-over-year increase in revenues. Sales to the U.S, for the three months ended February 28, 2022 increased by $252,956 or 41% to $866,922 as compared to $613,966 in the comparative period. Sales to the U.S. for the six month period ending February 28, 2022 increased by $21,509 or 2% to $1,262,860 as compared to $1,241,351 in the comparative period. These sales accounted for 80% of the revenues in the second quarter of fiscal 2022 (2021 – 82%) and 74% for the six months February 28, 2022 (2021 – 78%). 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 $1.27 Canadian during the six months ended February 28, 2022, compared with $1.30 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 2022 and 96% year to date. This compares to 95% in the corresponding prior periods.

Gross profit increased by $275,725 to $628,778 or 58% as a percentage of sales for the second quarter of fiscal 2022 compared with $353,053, or 47% as a percentage of sales for the comparative period. Gross profit increased by $224,435 to $958,661 or 56% as a percentage of sales for the six month period compared with $734,226, or 46% 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 increase in the gross profit as a percentage of revenue in the current fiscal quarter and year-over year is the result of price increases in the prior year combined with lower overhead costs.

Expenses, general and administration

General and administrative expenses (G&A) for the second quarter of fiscal 2022 were $564,883, an increase of $334,006 or 145% from the $230,877 recorded in the second quarter of fiscal 2021. General and administrative expenses for the six month period were $830,783 an increase of $358,968 or 76% from the $471,815 recorded in the comparable prior period. The increase in the current quarter and year-over-year is primarily an increase in payroll expenses due to severance costs associated with executive termination combined with an increase in professional fees. The year-over-year increase was partially offset by a decrease in one-time consulting costs for the implementation of the new ERP system in the prior period. General and administration expenses include the benefit of CEWS subsidies of $13,884 in the six month period ending February 28, 2022 compared with $37,515 in the comparable prior period. G&A, as a percentage of revenue, was 52% for the second quarter and 49% for the six months ended February 28, 2022 compared to 31% and 30% respectively for the same periods of fiscal 2021.

Expenses, marketing and sales

Marketing and sales expenses for the second quarter of fiscal 2022 were $162,848 an increase of $16,773 or 11% from the $146,075 recorded in the comparative prior period. The increase in the current quarter is primarily a result of increased travel and trade show costs due to a reduction in restrictions associated with the COVID-19 pandemic and partially offset by a decrease in website development costs. Marketing and sales expenses for the six month period were $340,420 a decrease of $12,788 or 4% from the $353,208 recorded in the comparable prior period. This year-over-year decrease reflects lower payroll related expenses due to a restructure of the sales and marketing team combined with a reduction in website development costs. These year-over-year cost reductions were partially offset by the increase in travel costs. CEWS subsidies of $22,522 were received in the six month period ending February 28, 2022 compared with $37,472 in the comparable prior period. As a percentage of revenue, marketing and sales expenses were 15% for the second quarter of fiscal 2022 and 20% for the six months ended February 28, 2022 compared to 19% and 22% respectively for the same periods of fiscal 2021.

Expenses, engineering

Engineering expenses for the second quarter of fiscal 2022 were $100,275 a decrease of $3,680 or 4% from the $103,955 recorded in the comparative prior period. This slight decrease is primarily due to lower salary expenses due to the decrease in the number of engineers on staff, combined with a decrease in product development consulting costs. These reductions in the current fiscal quarter largely offset the decrease in development refundable tax credits earned in the fiscal quarter. Engineering expenses for the six month period were $242,722 an increase of $6,790 from the $235,932 recorded in the comparable prior period. This slight increase is primarily due to the year to date increase in product development consulting costs combined with a decrease in refundable tax credits. These cost increases were largely offset by a decrease in salary expenses. Development tax credits of $47,445 were earned in the second quarter and $71,497 in the six month period as compared to $96,360 in the comparable quarter and six month period. CEWS benefits of $30,001 were received in the six month period ending February 28, 2022 compared to $70,149 in the comparable prior period. The Company expects its engineering expenses to remain consistent through the fiscal year as the Company finalizes its development of a low cost, non-hazard classified versions of its TD100™ transmitter, the T-Lite, which is currently in field trials.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first six months of fiscal 2022 totalled $145,832 compared to $191,217 in the previous prior period. Additional depreciation expenses recorded in cost of sales in the current six month period totalled $44,417, compared to $44,874 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 $22,038 on foreign currency exchange in the six months ended February 28, 2022 consisting of a realized gain on exchange of $24,452 and an unrealized loss of $2,414. This compares to a loss of $38,334 on foreign currency exchange in the previous period consisting of a realized loss on exchange of $318 and an unrealized loss of $38,016.

Operating loss and net loss

The operating loss before other items and income taxes was $274,957 for the second quarter of fiscal 2022 as compared to an operating loss before other items and income taxes of $255,310 in the comparative prior period. The operating loss for the first six months of fiscal 2022 was $579,058 as compared to an operating loss of $566,280 in the comparative prior period. The slight increase in the loss in the current fiscal quarter and year-over-year was largely due to the increase in general and administrative expenses which largely offset the improvement in revenue and gross profit.

The net loss after income taxes was $136,807 in the current quarter as compared to a net loss of $64,977 in the comparable prior period. The net loss after tax for the first six months of fiscal 2022 was $299,765 compared to a net loss of $207,465 in the comparative prior period. The increase in the loss after income taxes was due to lower GIC interest rates resulting in lower returns on investment deposits. Interest earned was $288,136 in the first six months of fiscal 2022 compared to $361,540 in the prior period. In the six month period, the Company benefited from CEWS subsidies in the amount of $76,281 compared to $183,847 from CEWS subsidies in the comparable period.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	1,088	624	871	1,064	750	849	609	782
Gross profit	629	330	547	558	353	381	355	382
Operating loss before other items and income taxes	(275)	(304)	(154)	(140)	(255)	(301)	(262)	(580)
Net earnings (loss) before income taxes	(137)	(163)	(11)	6	(65)	(142)	(108)	(417)
Net earnings (loss)	(137)	(163)	(26)	6	(65)	(142)	(108)	(417)
EPS – Basic and Diluted	(0.00)	(0.01)	(0.00)	0.00	(0.00)	(0.00)	(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 $15,999,082 on February 28, 2022 as compared to $16,273,707 on August 31, 2021. Cash and cash equivalents decreased by $144,114 to $9,642,190. Accounts receivable decreased by $67,489 and inventories increased by $179,620. Total liabilities decreased by $9,360. As at February 28, 2022, Titan had positive working capital (current assets less current liabilities) of $14,322,945 compared to $11,386,485 at August 31, 2021. The increase in working capital is a result of the 60-month term on the Company's investment in secured loan ending on November 5, 2022 and the expectation that the remaining principal will be received by the end of the term.

Summary of Cash Flows

Operating Activities

Net cash flows used in operating activities for the six-month fiscal period totalled $493,212, compared to $131,065 used in the comparative period. This increase in cash flows used in operating activities is primarily due to the 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 used in the amount of $138,903 in the six-month fiscal period is largely a result of an increase of inventory and prepaids, offset by the collection of accounts receivables and the increase in accounts payable. This compares with non-cash working capital provided in the comparable period in the amount of $189,124, largely as a result of cash flow from a consumption of inventory and the collection of accounts receivables, offset by a decrease in accounts payable.

Investing Activities

Net cash flows generated in investing activities for the six-month fiscal period totalled $422,238 as a result of the finance income and repayments and amendment fees of $205,000 received on the secured note. This compares with $538,006 generated in the comparative prior period primarily as a result of the finance income and repayments of principal received on the secured note.

Financing Activities

Net cash flows used in financing activities for the six-month fiscal period amounted to $73,140 for payment of lease obligations as compared to $80,164 in the comparable period.

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 20, 2022	February 28, 2022	August 31, 2021
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	350,000	450,000	300,000

On January 24, 2022 150,000 stock options were granted at an exercise price of $0.47, with immediate vesting on the grant date and expire on January 24, 2027 (six months ended February 28, 2021 – no options were granted). The weighted average grant date fair value of $0.23 was estimated on January 24, 2022 using the Black-Scholes pricing model. The Company recorded stock based compensation of $34,500 in respect of the stock options granted and vested. Following the six month period, on March 5, 2022, 100,000 options were forfeited.

IMPACT OF COVID-19 PANDEMIC

The ongoing COVID-19 global pandemic, and actions taken by governmental authorities in response thereto caused material disruption to businesses globally resulting in an economic slowdown followed by an uncertain recovery, disruptions to global supply chains, reductions in trade volumes and increased political and economic instability. While energy prices and demand have recently recovered from lows experienced in the last two years, volatility in energy prices may recur and impact the demand for the Company's products. Management of the Company continues to focus on promoting employee health and safety, serving our customers and ensuring business continuity. As conditions continue to fluctuate around the world, with vaccine administration rising, governments and organizations have responded by adjusting their restrictions and guidelines accordingly. Management is closely monitoring the impact of the pandemic on all aspects of its business. The Company has given consideration to the impact of COVID-19 on its interim consolidated financial statements. As at February 28, 2022, management has determined that the Company's ability to execute its medium and longer term plans, the economic viability of its assets and the carrying value of its long-lived assets are not materially impacted.

BUSINESS OUTLOOK

Market intelligence from tanker OEMs and North American Dealers indicate a strong demand for new tanker builds, resulting in an increase in demand for gauging and overfill prevention solutions in the crude oil sector. Supply chain constraints and fluctuating lead-times continue to stifle fulfillment of the demand across the entire industry. The Company is responding to these sporadic conditions by increasing our finished goods inventory levels.

As a market leader with proven experience in liquid measurement and overflow prevention the Company is well positioned to expand and grow the business. Our current strategy is to leverage our position in our core business. We will continue to invest in sales and marketing and future product development. Our sales focus is to support our market partners and position and strengthen our ability to increase TD100™ sales to our current customers.

In order to grow and expand our market share into new markets and new digital applications the Company plans to build upon its success of its industry-leading technology found in the TD80™ and TD100™ gauges. Development is ongoing on its new product line with added capabilities that combine with the same features found in the TD80™ and TD100™ gauges. The technology, currently named the T-Lite, builds upon a solid foundation of accurate, reliable measurement, while adding feature rich functionality through wireless connectivity in a scalable package. Field trials of the T-Lite system are ongoing with an official release date to be announced once the technology has been field proven.

The Company is currently in the process of developing its long-term strategic growth plan that focuses on adjacent market opportunities in the mobile liquid measurement space. The Company has a strong balance sheet to purchase accretive products and services that will accelerate growth as those opportunities are developed.

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 2021 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 2021 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2021 Audited Financial Statements, is available on SEDAR at www.sedar.com or on its website, www.titanlogix.com.

Notice of No Auditor Review of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements and related notes for the period ended February 28, 2022, 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 financial statements.

	February 28, 2022 $	August 31, 2021 $
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	9,642,190	9,786,304
Accounts receivable	662,583	730,072
Inventories	1,103,949	924,329
Prepaid expenses	123,633	41,924
Current portion of investment in secured loan (note 5)	3,330,792	385,865
Total current assets	14,863,147	11,868,494
Non-current assets		
Property, plant and equipment	220,642	243,554
Right-of-use assets	300,913	365,839
Intangible assets	614,380	715,841
Investment in secured loan (note 5)	-	3,079,979
Total assets	15,999,082	16,273,707
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	393,476	338,539
Income tax payable	13,267	13,267
Current portion of lease obligations (note 6)	133,459	130,203
Total current liabilities	540,202	482,009
Non-current liabilities		
Lease obligations (note 6)	186,183	253,736
Total liabilities	726,385	735,745
Shareholders' equity		
Share capital (note 7)	5,730,279	5,730,279
Contributed surplus	815,208	780,708
Retained earnings	8,727,210	9,026,975
Total shareholders' equity	15,272,697	15,537,962
Total liabilities and shareholders' equity	15,999,082	16,273,707

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

On behalf of the Board

"Grant Reeves"
Director

"Helen Cornett"
Director

	Three months ended		Six months ended	
	February 28 2022 $	February 28 2021 $	February 28 2022 $	February 28 2021 $
Revenue	1,087,797	749,602	1,711,931	1,598,786
Cost of sales	459,019	396,549	753,270	864,560
Gross profit	628,778	353,053	958,661	734,226
Expenses				
General and administration	564,883	230,877	830,783	471,815
Marketing and sales	162,848	146,075	340,420	353,208
Engineering	100,275	103,955	242,722	235,932
Depreciation of property, plant and equipment	8,158	9,654	17,796	19,002
Depreciation right-of-use assets	13,288	16,829	26,575	33,925
Amortization of intangible assets	43,374	68,215	101,461	138,290
Loss (gain) on foreign exchange	10,909	32,758	(22,038)	38,334
Total expenses	903,735	608,363	1,537,719	1,290,506
Operating loss before other items	(274,957)	(255,310)	(579,058)	(556,280)
Other items				
Finance income (note 8)	142,373	196,144	288,136	361,540
Interest on leases	(4,223)	(5,811)	(8,843)	(12,042)
Loss on disposal of property, plant and equipment	-	-	-	(683)
Total other items	138,150	190,333	279,293	348,815
Loss before income taxes	(136,807)	(64,977)	(299,765)	(207,465)
Income tax expense	-	-	-	-
Net loss and comprehensive loss	(136,807)	(64,977)	(299,765)	(207,465)
Loss per share (note 10)				
Basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)

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

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Equity $
Balance, August 31, 2021	28,536,132	5,730,279	780,708	9,026,975	15,537,962
Share-based compensation (note 7 c))			34,500		34,500
Net loss	-	-	-	(299,765)	(299,765)
Balance, February 28, 2022	28,536,132	5,730,279	815,208	8,727,210	15,272,697

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Equity $
Balance, August 31, 2020	28,536,132	5,730,279	780,708	9,254,332	15,765,319
Net loss	-	-	-	(207,465)	(207,465)
Balance, February 28, 2021	28,536,132	5,730,279	780,708	9,046,867	15,557,854

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

	Three months ended February 28 2022 $	Three months ended February 28 2021 $	Six months ended February 28 2022 $	Six months ended February 28 2021 $
Cash provided by (used in)				
Operating activities				
Net loss	(136,807)	(64,977)	(299,765)	(207,465)
Non-cash items included in net loss				
Interest on leases	4,223	5,811	8,843	12,042
Depreciation of property, plant and equipment	11,143	12,914	23,862	25,526
Depreciation of right-of-use assets	32,463	36,003	64,926	72,275
Amortization of intangible assets	43,374	68,215	101,461	138,290
Loss on disposal of property, plant and equipment	-	-	-	683
Share-based compensation (note 7 c))	34,500	-	34,500	-
Finance income (note 8)	(142,373)	(196,144)	(288,136)	(361,540)
Changes in non-cash operating working capital (note 11)	(148,389)	41,185	(138,903)	189,124
Net cash used in operating activities	(301,866)	(96,993)	(493,212)	(131,065)
Investing activities				
Payments received on investment in secured note (note 6)	105,000	100,000	205,000	200,000
Finance income received (note 8)	107,454	138,398	218,188	290,359
Purchase of property, plant and equipment	(950)	(74)	(950)	(13,305)
Proceeds from disposal of property, plant and equipment	-	-	-	100
Receipt of investment tax credits	-	60,852	-	60,852
Net cash provided by investing activities	211,504	299,176	422,238	538,006
Financing activities				
Payment of lease obligation (note 6)	(36,570)	(40,081)	(73,140)	(80,164)
Net cash used in financing activities	(36,570)	(40,081)	(73,140)	(80,164)
Net (decrease) increase in cash and cash equivalents	(126,932)	162,102	(144,114)	326,777
Cash and cash equivalents, beginning of period	9,769,122	9,548,354	9,786,304	9,383,679
Cash and cash equivalents, end of period	9,642,190	9,710,456	9,642,190	9,710,456

The accompanying notes are an integral part of these 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 advanced 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.

The ongoing COVID-19 global pandemic, and actions taken by governmental authorities in response thereto caused material disruption to businesses globally resulting in an economic slowdown followed by an uncertain recovery, disruptions to global supply chains, reductions in trade volumes and increased political and economic instability. The Company has given consideration to the impact of COVID-19 on its interim consolidated financial statements. As at February 28, 2022, management has determined that the Company's ability to execute its medium and longer term plans, the economic viability of its assets and the carrying value of its long-lived assets are not materially impacted.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements for the six months ended February 28, 2022 and February 28, 2021 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 six months ended February 28, 2022 were authorized for issue in accordance with a resolution of the directors on April 20, 2022.

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 consolidated 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. SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

As at	February 28, 2022 $	August 31, 2021 $
Cash on hand and balances with banks	5,666,235	7,505,365
Guaranteed investment certificates	3,975,955	2,280,939
	9,642,190	9,786,304

5. INVESTMENTS

Investment in secured loan

As at	
August 31, 2021	$ 3,465,844
Amendment fee	(5,000)
Principal repayments	(200,000)
Amortization of commitment fee and amendment fee	35,436
Payment in kind interest	34,512
February 28, 2022	$ 3,330,792

As at	February 28, 2022 $	August 31, 2021 $
Current portion of investment in secured loan	3,330,792	385,865
Long-term portion of investment in secured loan	-	3,079,979
	3,330,792	3,465,844

On November 6, 2017, the Company entered into a loan participation agreement with Greypoint Capital Inc. (as administrative agent) and Greypoint Capital L.P. (as co-lender). Pursuant to the loan participation agreement, the Company has co-invested $5 million of a $10 million five-year secured loan to a company in the energy services industry (the "Borrower"). The loan is secured by a first priority security interest in the Borrower's real estate and equipment and a second priority security interest on the working capital assets of the Borrower. The loan is for a 60-month term and bears interest at the 30-day bankers' acceptance rate plus 9.5% (2021 – 9.5%), with a payment of $33,333 principal plus interest paid monthly. The Borrower may prepay the loan at any time subject to set terms. Principal repayments of $200,000 were received in the six months ended February 28, 2022 (February 28, 2021 - $200,000). The terms of the agreement included an upfront commitment fee from the Borrower of $75,000 and therefore the Company recorded the initial value of the investment in secured loan at an amortized cost of $4,925,000. The $75,000 commitment fee is amortized over the term of the loan and included in interest income. In December 2018, May 2019, July 2020, April 2021 and January 2022 the credit agreement with the Borrower was amended for covenant terms, subject to an amendment fee. The cumulative amendment fees of $142,500 (February 28, 2021 - $112,500) are amortized over the remaining term of the loan and included in finance income. The July 2020 amendment included a 2.0% payment-in-kind (PIK) interest on the loan until loan maturity. The PIK interest is accrued on the loan by being added to the principal amount to be repaid or the Borrower will have the option to pay monthly.

The credit agreement with the Borrower is contractually due on November 5, 2022 and therefore is classified as a current asset at February 28, 2022.

During the six months ended February 28, 2022, the Company's investment in the secured loan to Greypoint Capital Inc. generated finance income of $251,134 (February 28, 2021 - $269,387) (note 8).

6. FINANCE LEASE OBLIGATIONS

The Company has leases and lease liabilities for land, building and office equipment. The leases have been discounted using a 4.95% interest rate.

Lease liabilities

	$
Balance at August 31, 2021	383,939
Finance costs	8,843
Lease payments	(73,140)
Balance at February 28, 2022	319,642
Lease liabilities due within one year	133,459
Lease liabilities due beyond one year	186,183

7. SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares without par value.

b) Issued

The Company has 28,536,132 issued common shares (August 31, 2021 – 28,536,132).

c) Share-based compensation

The Company has a stock option plan for directors, officers, employees and consultants and permits the issue of options to purchase common shares of the Company. Subject to approval by the Board of Directors and the TSX Venture Exchange, a maximum of 3,000,000 (August 31, 2021 – 3,000,000) common shares are reserved for issue under this plan. The number of options and exercise price is set by the Board of Directors of the Company at the time of issue, provided that the exercise price shall not be less than the market price of the common shares on the stock exchange on which such shares are traded. The options issued vest in accordance with vesting schedules determined at the time of grant and may be exercised for a period not longer than five years from the time of issue. Stock based compensation expense is measured at the grant date based on the estimated fair-value of the grant and recognized as an expense over the vesting period in selling, general and administration expenses in the Consolidated Statements of Loss.and Comprehensive Loss.

On January 24, 2022 150,000 stock options were granted at an exercise price of $0.47, with immediate vesting on the grant date and expire on January 24, 2027 (six months ended February 28, 2021 – no options were granted). The fair value of each stock option grant was estimated on the grant date using the Black-Scholes pricing model with following weighted average assumptions; an expected life of 5 years, share volatility of 55.5% and a risk free interest rate of 1.55%. The weighted average grant date value of $0.23 per common share was estimated on January 24, 2022 using the Black-Scholes Option Pricing Model.

At February 28, 2022, the Company has 450,000 (August 31, 2021 – 300,000) options outstanding, which expire on dates between April 2024 and January 2027. The continuity of the Company's outstanding and exercisable options is as follows:

		Six months ended February 28, 2022		Twelve months ended August 31, 2021
	Number of options outstanding #	Weighted average exercise price $	Number of options outstanding #	Weighted average exercise price $
Outstanding, beginning of period	300,000	0.56	300,000	0.56
Granted	150,000	0.47	-	-
Outstanding, end of period	450,000	0.53	300,000	0.56
Exercisable, end of period	450,000	0.53	300,000	0.56

7. SHARE CAPITAL (cont'd)

The following table summarizes information about stock options outstanding and exercisable as at February 28, 2022.

Exercise price	Options outstanding	Average remaining life (in years)	Options vested	Options not vested
$ 0.57	250,000	2.14	250,000	-
$ 0.49	50,000	2.92	50,000	-
$ 0.47	150,000	4.91	150,000	-
Total, end of period	450,000		450,000	-

8. FINANCE INCOME

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
	$	$	$	$
Interest from investment in secured loan	123,951	155,261	251,134	269,387
Interest from investments in guaranteed investment certificates	5,190	35,218	10,024	86,175
Other interest income	13,232	5,665	26,978	5,978
	142,373	196,144	288,136	361,540

9. NATURE OF EXPENSES

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

	Three months ended		Six months ended	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
	$	$	$	$
Employee salaries and benefits				
Included in cost of sales	71,173	102,363	122,868	184,572
Included in total expenses	623,617	354,629	992,333	722,653
Total employee salaries and benefits	694,790	456,992	1,115,201	907,225
Depreciation and amortization				
Included in cost of sales	22,160	22,434	44,417	44,874
Included in total expenses	64,820	94,698	145,832	191,217
Total depreciation and amortization	86,980	117,132	190,249	236,091

During the six months ended February 28, 2022 and 2021, in response to the COVID-19 pandemic the Company received wage subsidy funding through the Government of Canada's, Canada Emergency Wage Subsidy ("CEWS"). This program was available to any employer, subject to eligibility criteria, whose business has been adversely affected by COVID-19. Payroll expenses for the six months ended February 28, 2022 were reduced by $76,281 with respect to the CEWS program (February 28, 2021- $183,847).

10. LOSS PER SHARE

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

	Three months ended		Six months ended	
	February 28, 2022 $	February 28, 2021 $	February 28, 2022 $	February 28, 2021 $
Net loss (numerator for basic and diluted loss per share)	(136,807)	(64,977)	(299,765)	(207,465)
Weighted average number of shares outstanding – basic (denominator for basic loss per share)	28,536,132	28,536,132	28,536,132	28,536,132
Effect of dilutive securities				
Stock options converted to common shares	-	-	-	-
Weighted average number of shares outstanding – diluted (denominator for diluted loss per share)	28,536,132	28,536,132	28,536,132	28,536,132
Basic loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Effect of dilutive securities	-	-	-	-
Diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)

For the six months ended February 28, 2022, there were 450,000 antidilutive options (2021 – 300,000). 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.

11. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	Three months ended		Six months ended	
	February 28, 2022 $	February 28, 2021 $	February 28, 2022 $	February 28, 2021 $
Accounts receivable	(218,324)	68,045	67,489	121,193
Inventories	(1,335)	(87,148)	(179,620)	81,735
Prepaid expenses	(31,766)	20,000	(81,709)	55,601
Accounts payable and accrued liabilities	103,036	48,921	54,937	(60,772)
Income tax payable	-	(8,633)	-	(8,633)
	(148,389)	41,185	(138,903)	189,124

12. 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	
	February 28, 2022 $	February 28, 2021 $	February 28, 2022 $	February 28, 2021 $
Salaries and short-term employee benefits	118,649	103,048	247,220	198,091
Termination benefits	253,000	-	253,000	-
Share-based compensation (note 7 c))	34,500	-	34,500	-
	406,149	103,048	534,720	198,091

During the six months ended February 28, 2022 and 2021, 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. Salaries for the six months ended February 28, 2022 were reduced by $7,507 with respect to Government of Canada's, CEWS program (February 28, 2021 - $20,285).

13. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to provide an adequate return to shareholders, and to preserve the financial flexibility in order to fund growth and expansionary opportunities that may arise. The Company's capital management practices are focused on preserving a solid capital base and a strong statement of financial position. The Company's capital consists of its lease obligations (less current portion) and its shareholders' equity which is comprised of issued shares, contributed surplus and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company manages and maintains its capital structure based on current economic conditions. In order to maintain or adjust its capital structure, the Company may attempt to raise additional funds by issuing additional equity securities or assuming additional indebtedness. There were no changes to management's capital management objectives, practices or policies in the period.

As at	February 28, 2022 $	August 31, 2021 $
Share capital	5,730,279	5,730,279
Contributed surplus	815,208	780,708
Retained earnings	8,727,210	9,026,975
	15,272,697	15,537,962

14. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, investment in secured loan, 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. Using the effective interest rate method, the fair value of the secured loan approximates its carrying value as the effective interest rate approximates the market interest rate.

15. FINANCIAL RISK MANAGEMENT

The Company is exposed to a number of risks as a result of holding financial instruments. These risks include credit risk, liquidity risk and market risk. The nature of the financial risks and the Company's strategy for managing these risks has not changed significantly from the prior period. The Company does not use financial derivatives.

a) 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, accounts receivable and investment in secured loan. 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.

The Company's maximum exposure to credit risk for accounts receivable is the carrying value of its accounts receivable balance at February 28, 2022 of $718,093 (August 31, 2021 - $785,582). The Company's allowance for doubtful accounts as at February 28, 2022 amounted to $55,510 (August 31, 2021 - $55,510). As at February 28, 2022, the percentages of past due trade accounts receivable were as follows: 9% past due 61 to 90 days (August 31, 2021– 4%) and 5% past due greater than 90 days (August 31, 2021 – 20%) prior to including the allowance for doubtful accounts. It is management's view that these balances, net of the allowance for doubtful accounts, have a low risk of not being collected.

The Company's maximum exposure to credit risk for its investment in secured loan is the carrying value of the investment in secured loan's balance at February 28, 2022 of $3,382,285 (August 31, 2021 - $3,547,774). In investing in the secured loan, the Company considered the Company's future liquidity requirements and evaluated whether the Company had plans to sell the investment in the secured loan before recovery. The Company considered general industry conditions, the credit worthiness and credit history of the Borrower. The Company also considered specific conditions related to the financial health of and business outlook for the Borrower, including business outlook, industry and sector performance, changes in technology, and operational and financing cash flow factors. The Company also took into consideration security interest issued as collateral. The Company's investment in secured loan is subject to compliance with reasonable and customary positive and negative covenants for loans of its nature. As at February 28, 2022, the Borrower is in compliance with all terms of the loan agreement. Management monitors the investment in secured loan for indications of impairment on an ongoing basis including the extended impact of COVID-19 on the Borrower's business.

15. FINANCIAL RISK MANAGEMENT (cont'd)

b) 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. The Company's contractual obligations related to financial liabilities are its accounts payable and accrued liabilities balance at February 28, 2022 of $393,476 and lease obligations of $319,642 (August 31, 2021 – accounts payable and accrued liabilities of $338,539 and lease obligations of $383,939).

c) Market risk

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 and its investment in secured loan. 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.

At February 28, 2022, based on management's interest rate risk sensitivity analysis, a one-half percent change in market interest rates would have had an impact of approximately $29,071 (February 28, 2021 – $28,406) on the Company's net earnings.

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.

At February 28, 2022, the Company held net financial assets of US$1,454,959 (February 28, 2021 - US$1,302,803) that were exposed to foreign exchange risk. Based on the Company's foreign currency exposures, with other variables unchanged, a five percent appreciation/ depreciation in the Canadian dollar would have impacted net earnings by approximately $92,375 (February 28, 2021 - $82,630).

16. SEGMENTED REPORTING

The Company operates substantially all its activities in one reportable segment, technology fluid management solutions, which include the developing, manufacturing and marketing of innovative fluid measurement and management 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	
	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
	$	$	$	$
Canada	220,875	135,636	449,071	357,435
United States and other	866,922	613,966	1,262,860	1,241,351
	1,087,797	749,602	1,711,931	1,598,786

For the six months ended February 28, 2022 revenue from a single customer made up 22% of total revenue in the period and for the three months ended February 28, 2021, revenue from a single customer made up 14% of total revenue in the period.

At February 28, 2022, non-current assets held in Canada were $1,132,978 (August 31, 2021 - $4,401,930) and in the United States were $2,957 (August 31, 2021 - $3,283).

TITAN LOGIX

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