TITAN LOGIX

Quarterly Report
Q3 Fiscal 2021

May 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of July 20, 2021. It updates the annual MD&A included in our 2020 annual report and should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes for the period ended May 31, 2021 as well as the audited consolidated financial statements and MD&A included in the Company's 2020 annual report for fiscal year ended August 31, 2020. 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 2021 third quarter results to the previous year's third 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 nine months ended May 31,2021 as well as the 2020 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;*
- *Ability 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.*

THE TITAN VISION, PURPOSE, BRAND PROMISE AND CORE VALUES

Titan Logix Corp.'s VISION is to be a "Catalyst for Transformative Thinking" for our customers. We do this by enabling our customers to be leaders in the gathering, management, and analysis of their data. The result is smarter, faster business decisions, allowing their businesses to be agile with change.

Our PURPOSE is to transform the operation of our customers' businesses by creating data-centric decision-making opportunities to deliver operational efficiencies, regulatory compliance and inventory tracking; we enable them to be more profitable and to create a competitive advantage in their respective industries.

Our Brand Promise: "Titan Logix - Data that works."

Titan Logix has four core values that are integrated into the work we do and are the cornerstone of our strong corporate culture. Our commitment to; Be Curious, Be Collaborative, Have an Innovative Mindset, and Own It are instrumental in inspiring our team and guiding our decisions and actions for a successful future.

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.

Titan focuses on providing data driven solutions for Supply Chain Management (SCM) of goods and services supplied to oil and gas, construction, agriculture, and transportation industries. Titan's solutions have traditionally focused on mobile liquid level sensor technology. Our cloud connected products enable data from our edge sensor technology and others' sensors to be collected, managed and packaged for business intelligence and control. The complete solution consists of Titan's ruggedized sensor products interconnected by field hardened gateway devices to the internet and integrated to enable best-in-class data analytics and end-to-end Industrial Internet of Things (IIoT) solutions for our customers.

For almost 30 years, Titan Logix Corp. has designed and manufactured advanced technology instruments for businesses that transport corrosive, hazardous and/or valuable liquids while ensuring accurate, automated inventory management of these assets. Our technology is designed to reduce the risks of hazardous, costly, and time-consuming overfills and spills. Titan's TD Series of tank level monitors are the market leader in mobile fluid measurement, and are known for their rugged, solid-state reliability with no floats or moving parts that can fail in challenging environments. These Guided Wave Radar (GWR) level monitoring technologies are a part of a complete IIoT digital supply chain management solution. Operating independently or as part of a fully integrated data collection and analytics system, these liquid level monitoring devices provide time-sensitive data for business decision and control.

For our clients that require a complete solution that enables real-time monitoring of their assets at each stage in the workflow process as they move their products to market, Titan's IIoT solution enable them to monitor their fluid assets from the convenience of their dispatch center, back office environment, or through a mobile device. Titan's edge computer, the Titan Gateway, re-introduced as the SmartTruck Edge computer for mobile tankers, provides the ability to transmit the asset data from Titan's TD100™, Finch II, Airweighs LoadMaxx products and other 3rd party sensors and data devices. The Titan SmartTruck Edge computer can collect real time data on driver performance, driver health, equipment status, fluid level and weight inventories, alarm conditions, and GPS location data. All data can be conditioned and packaged for efficiency and transmitted to our TDS cloud platform. Through cloud-based technology, data can be displayed on web enabled dashboards to provide customers with a unique view into productivity, environmental compliance, driver behavior and driver health monitoring. The supply chain management solution equips business managers with a variety of business intelligence and data analytics to effectively measure, manage and enhance the performance of their mobile tanker fleet.

We currently serve the crude oil, produced water, refined fuel, used oil collection, aircraft refueling, chemical, and vacuum truck markets. New drilling activity employs mobile tankers to deliver necessary process fluids to well sites. The initial well head activity requires offsite transfer of process fluids and wastewater for treatment or disposal. Production wells not directly connected to pipeline networks require mobile transfer of crude oil to pipeline terminals and processing. Each stage requires mobile tanker engagement. These liquids are transported in many shapes and sizes of mobile tankers. Each of these tankers requires a level measurement and overfill prevention system to enable rolling-stock inventory management, ensure against overfills (which would result in high-impact environmental incidents), protect equipment from damage, improve the efficiency of the operation and help ensure driver safety. Titan's TD80™ and TD100™ provides these valuable features. Titan's main sales channel for our transport products is through mobile tank Original Equipment Manufacturers (OEMs), dealers, and channel partners in Canada, the U.S. and Mexico.

Titan Logix in partnership with its tech partners have developed industry leading supply chain management solutions for the management of various fluids.

Titan solutions enable customers to track and monitor their assets while simultaneously automating transportation logistics. Improved road safety and addressing environmental issues is our mission. Titan systems support accuracy across the supply chain from ticketing through invoicing. We put the right numbers in front of the customer, measured with precision, so that the focus can be on what matters and make the best decisions for the business. Titan solutions save time and operating costs, creating efficiency in the supply chain. Our advanced hardware and software technology are reliable and secure from source to customer software systems. Our innovative software orchestrates and helps manage and track the supply chain across vendors instantaneously. Exploration and production (E&P) companies are beginning to understand the value proposition that comes with the implementation of our SCM solutions.

Titan's strategy is to research, design, develop and/or acquire field sensor products (data generators) that are:

- Safe to install, operate, and maintain,
- Simple and cost effective to implement,
- Best in class technologically,
- Flexible in application,
- Designed to be system agnostic and platform independent,
- Forward thinking and scalable to meet customer needs today and tomorrow.

Building upon a solid foundation in advanced fluid management for mobile tankers we continue to develop applications internally and seek out technology partners externally.

QUARTERLY HIGHLIGHTS

- Revenues for the third quarter of fiscal 2021 ending May 31, 2021 were $1,064,300, a $282,522 or a 36% increase from the $781,778 recorded in the comparative period. This increase in revenues was largely due to a rise in orders and unit sales ahead of an announced price increase. In response to higher operating costs including electronic component price increases the Company announced a price increase of the T-HAZ GWR transmitter (formerly TD100) effective June 1. Customers were given advance notice of the price increase which resulted in an increase in unit demand in May and increased revenues for the quarter.
- Gross profit for the third quarter of fiscal 2021 increased by $175,987 to $558,164 or 52% of revenue compared to $382,177 or 49% of revenue in the comparative prior period. This increase in gross profit is primarily due to the increase in unit demand and the improvement in revenue.
- During the fiscal quarter the Company continued with its participation in the Canada Emergency Wage Subsidy Program ("CEWS"). The Company realized $161,900 of subsidies in the fiscal quarter and $345,747 in the nine month period, partially offsetting compensation expenses.
- Total expenses in the third quarter of fiscal 2021 were $698,233 as compared with $962,612 in the comparative prior period. Total expenses continue to reflect cost containment efforts implemented in 2020. This reduction in expenses in the quarter is primarily due to a reduction in engineering consulting costs and an increase in benefits received from the CEWS program.
- The Company reported an operating loss before other items of $140,069 compared to an operating loss of $580,435 in the third quarter of fiscal 2020. Adjusted for interest income and other items, the net earnings after income taxes for the third quarter was $6,178 compared to a net loss after taxes of $416,855 in the prior period. The improvement in the operating loss before other items and the earnings after income taxes in the current fiscal quarter was primarily a result of the increase in revenues and gross profit combined with the decrease in engineering expenses and the benefits of CEWS subsidies.

FISCAL 2021 Q3 RESULTS OF OPERATIONS

($000's, except gross margin (%) and per share amounts)	Three months ended May 31,				Nine months ended May 31,			
	2021	2020	Increase (Decrease)		2021	2020	Increase (Decrease)	
	$	$	$	%	$	$	$	%
Revenue	1,064	782	282	36	2,663	3,501	(838)	(24)
Cost of sales	506	400	106	27	1,371	1,685	(314)	(19)
Gross profit	558	382	176	46	1,292	1,816	(524)	(29)
Gross margin (%)	52%	49%			49%	52%		
Expenses								
General and administration	216	283	(67)	(24)	687	866	(179)	(21)
Marketing and sales	160	199	(39)	(19)	513	757	(244)	(32)
Engineering	144	439	(295)	(67)	380	963	(583)	(61)
Depreciation and amortization	88	93	(5)	(5)	280	278	2	1
Loss (gain) on foreign exchange	90	(52)	142	(274)	129	(70)	199	(283)
Total expenses	698	963	(265)	(27)	1,989	2,794	(805)	(29)
Net earnings (loss)	6	(417)	423	(101)	(201)	(470)	269	(57)
EPS - Diluted	0.00	(0.01)	0.00		(0.01)	(0.02)	0.00	

Revenue and gross profit

The Company's revenue is primarily 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 primarily into the mobile tanker truck market, servicing upstream/midstream oil customers. Revenue in the third quarter of fiscal 2021 increased by 36% to $1,064,300, as compared to $781,778 for the third quarter of fiscal 2020. This increase in revenue is primarily due to an increase in orders and unit sales. During the fiscal quarter the Company increased its prices, effective June 1, in response to higher operating costs including cost increases of its electronic components. The Company notified its customers in advance of its price increase plan which created a rise in demand in May with increased orders and sales. Due to the continuing impact of the pandemic and the volatility of oil prices, revenue for the nine month period ended May 31, 2021 decreased by 24% to $2,663,086 as compared to $3,501,207 for the comparative period.

In the current fiscal quarter revenues generated from the Canadian market increased by $219,327 or 139% to $377,486 as compared to $158,159 in the comparative prior period. For the nine months ended May 31, 2021, year-over-year Canadian revenues decreased by 28% to $734,921 and accounted for 34% of the year-over-year decrease in revenues. Sales to the U.S, for the three months ended May 31, 2021 increased by $63,195 or 10% to $686,814 as compared to $623,619 in the comparative period. Sales to the U.S. for the nine month period ending May 31, 2021 decreased by $555,747 or 22% to $1,928,165 as compared to $2,483,912 in the comparative period. These sales accounted for 65% of the revenues in the third quarter of fiscal 2021 (2020 – 80%) and 72% for the nine months May 31, 2021 (2020 – 71%). 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 $1.28 Canadian during the nine months ended May 31, 2021 compared with $1.34 Canadian for the comparative prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 97% to sales in the third quarter of fiscal 2021 and 96% year to date. This compares to 94% and 93% in the corresponding prior periods.

Gross profit increased by $175,987 to $558,164, or 52% as a percentage of sales for the third quarter of fiscal 2021 compared with $382,177, or 49% as a percentage of sales for the comparative period. The increase in gross profit in the current period is primarily due the increase in unit demand and the increase in revenue. Gross profit decreased by $523,597 to $1,292,390 or 49% as a percentage of sales for the nine month period compared with $1,815,987, or 52% as a percentage of sales for the comparative period. The year-over-year decrease in gross profit is primarily due to the decrease in unit demand and the reduction in revenue. The reduction in gross margin as a percentage of sales is primarily due to underutilized capacity costs included in cost of sales.

Expenses, general and administration

General and administrative expenses (G&A) for the third quarter of fiscal 2021 were $215,564, a decrease of $67,663 or 24% from the $283,227 recorded in the third quarter of fiscal 2020. General and administrative expenses for the nine month period were $687,379 a decrease of $178,863 or 21% from the $866,242 recorded in the comparable prior period. General and administrative expenses continue to reflect cost savings realized from cost containment efforts implemented in fiscal 2020. The decrease in the current quarter is primarily a result of a decrease in consulting costs for implementation of a new ERP system in the previous period combined with a decrease in compensation costs which include the impact of CEWS subsidies of $30,484. The year-over-year decrease is primarily due to a decrease in compensation costs including the impact of CEWS subsidies of $67,999. CEWS subsidies received in the comparable quarter and nine month period were $26,244. G&A, as a percentage of revenue, was 20% for the third quarter and 26% for the nine months ended May 31, 2021 compared to 36% and 25% respectively for the same periods of fiscal 2020.

Expenses, marketing and sales

Marketing and sales expenses for the third quarter of fiscal 2021 were $160,106 a decrease of $38,404 or 19% from the $198,510 recorded in the third quarter of fiscal 2020. Marketing and sales expenses for the nine month period were $513,314 a decrease of $243,962 or 32% from the $757,276 recorded in the comparable prior period. The decrease in the current quarter and year-over-year is primarily a result of a decrease in compensation costs including the impact of CEWS subsidies of $26,382 received in the current quarter and $63,854 received in the nine month period. The year-over-year decrease also includes a reduction in travel, and marketing and other discretionary expenditures. CEWS and US wage subsidies received in the comparable three and nine month period were $43,173. As a percentage of revenue, marketing and sales expenses were 15% for the third quarter and 19% for the nine months ended May 31, 2021 compared to 25% and 22% respectively for the same periods of fiscal 2020.

Expenses, engineering

Engineering expenses for the third quarter of fiscal 2021 were $143,812 a decrease of $295,673 or 67% from the $439,485 recorded in the third quarter of fiscal 2020. Engineering expenses for the nine month period were $379,744 a decrease of $583,041 from the $962,785 recorded in the comparable prior period. The decrease in the current quarter and year-over-year is primarily due to cost savings realized from reduced consulting costs for the development of the Company's cloud based platform completed, compensation costs which included the receipt of CEWS subsidies and Alberta Innovates funding for selective projects. CEWS subsidies of $72,865 were received in the current quarter and of $143,014, in the nine month period. CEWS subsidies received in the comparable quarter and nine month period were $43,056. Alberta Innovates funded $16,875 of project costs in the current quarter and $50,625, in the nine month period. In the nine month period engineering expenses were further reduced by $96,360 for Scientific Research and Experimental Development (SR&ED) tax credit refunds. Engineering projects included the development of additional versions of its TD100™ transmitter, (including a wireless version, a low-cost version and a version for stationary tanks) and the development of products for its software portfolio.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first nine months of fiscal 2021 totalled $279,726 compared to $277,747 in the comparable period of fiscal 2020. Additional depreciation expenses recorded in cost of sales in the current nine month period totalled $67,308, compared to $69,771 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 loss of $128,576 on foreign currency exchange in the nine months ended May 31, 2021 consisting of an unrealized loss on exchange of $146,224 and a realized gain of $17,648. This compares to a gain of $70,100 on foreign currency exchange in the previous period consisting of a realized gain on exchange of $61,073 and an unrealized gain of $9,027.

Operating loss and net loss

The operating loss before other items and income taxes was $140,069 for the third quarter of fiscal 2021 as compared to an operating loss before other items and income taxes of $580,435 in the comparative prior period. The decrease in the loss in the current fiscal quarter was primarily due to the improvement in revenue and gross profit combined with a reduction in engineering consulting costs and the benefits of CEWS subsidies. The operating loss before other items and income taxes for the first nine months of fiscal 2021 was $696,349 as compared to an operating loss of $977,963 in the comparative prior period. The year over year improvement in the operating loss was primarily due to the reduction in total operating expenses including the impact of CEWS subsidies which offset the decline in revenue and gross profit. In the fiscal quarter and the nine month period ending May 31, 2021, the Company benefited from CEWS subsidies in the amount of $161,900 and $345,747 respectively. In the comparable quarter and year-to-date operating losses benefited from CEWS and US wage subsidies of $149,141.

Net earnings after income taxes were $6,178 in the current quarter as compared to a net loss of $416,855 in the comparative prior period. This significant improvement in net earnings was primarily due to the decrease in operating loss before other items and income tax offset by a decrease in finance income. Due to lower investment interest rates finance income declined to $151,646 from $170,637 in the prior period. The net loss after tax for the first nine months of fiscal 2021 was $201,287 compared to a net loss of $469,915 in the comparative prior period. This decrease in net loss was primarily due to the decrease in the operating loss before other items and income taxes.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2021			2020				2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	1,064	750	849	609	782	1,311	1,408	1,375
Gross profit	558	353	381	355	382	695	739	675
Operating (loss) before other items and income taxes	(140)	(255)	(301)	(262)	(580)	(293)	(104)	(147)
Net earnings (loss) before income taxes	6	(65)	(142)	(108)	(417)	(122)	69	24
Net earnings (loss)	6	(65)	(142)	(108)	(417)	(122)	69	(28)
EPS - Basic	0.00	(0.00)	(0.00)	(0.00)	(0.01)	0.00	(0.00)	0.00
EPS - Diluted	0.00	(0.00)	(0.00)	(0.00)	(0.01)	0.00	(0.00)	0.00

Quarterly financial data is derived from the Company's consolidated financial statements and is prepared in accordance with IFRS.

The reduction in revenue and quarterly gross profits in the first two quarters of fiscal 2021 and last two quarters of fiscal 2020 when compared to the previous four quarters is primarily a result of the decrease in oil prices caused by the decrease in demand caused by the COVID-19 pandemic. Gross profit in the fourth quarter of fiscal 2019 was negatively impacted by impairments of inventory of $64,349.

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 $16,319,873 on May 31, 2021 as compared to $16,711,107 on August 31, 2020. Cash and cash equivalents increased by $314,883 to $9,698,562. Accounts receivable increased by $93,462 and inventories decreased by $245,140. Total liabilities decreased by $189,947. As at May 31, 2021, Titan had positive working capital (current assets less current liabilities) of $11,245,353 compared to $10,963,795 at August 31, 2020.

Summary of Cash Flows

Operating Activities

Net cash flows used in operating activities for the nine-month fiscal period totalled $313,374, compared to $313,033 used in the comparative period. A decrease is non-cash working capital generated was offset by the decrease in net loss.

Non-cash working capital generated or consumed is largely a result of the timing of cash receipts and payments in the normal course of business. Non-cash working capital provided in the amount of $35,941 in the nine-month fiscal period is largely a result of cash flow from the consumption of inventory, offset by the increase in accounts receivable and decrease in accounts payable. This compares with non-cash working capital provided in the comparable period in the amount of $306,912, largely a result of cash flow provided by a decrease in accounts receivable and prepaids, offset by an increase in inventories and a decrease in accounts payable.

Investing Activities

Net cash flows generated in investing activities for the nine-month fiscal period totalled $744,991 primarily as a result of the finance income and payments received on the secured note offset by capital equipment purchases. This compares with $2,758,015 generated in the comparative prior period primarily as a result of the maturity of $2,041,227 of short term investments combined with finance income and payments received on the secured note.

Financing Activities

Net cash flows used in financing activities for the nine-month fiscal period amounted to $116,734 for payment of finance lease obligations as compared to $121,362 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

	July 20, 2021	May 31, 2021	August 31, 2020
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	300,000	300,000	300,000

IMPACT OF COVID-19 PANDEMIC

In March 2020, the World Health Organization declared a world-wide pandemic resulting from the outbreak of coronavirus, specifically identified as "COVID-19". Many countries enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, temporary restriction on all non-essential business, self-imposed quarantine periods and social distancing, caused material disruption to businesses globally resulting in an economic slowdown. The Company has assessed the economic impacts of the COVID-19 pandemic on its interim consolidated financial statements. As at May 31, 2021, 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.

The impact of COVID-19 resulted in a decrease in demand for our products and the Company has experienced a material decline in revenues and gross profit in the year. Cost containment efforts were implemented in order to mitigate the impact of the decline in revenues and gross profit. The Company reduced discretionary spending and downsized production costs to match current demand. The Company received subsidy funding through the Government of Canada's, Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") that was available to any Canadian employer and business, subject to eligibility criteria, whose business has been adversely affected by COVID-19.

Management of the Company enacted a COVID-19 business continuity plan including safety protocol and remote working arrangements and only experienced minimal disruptions to its business operations. As conditions continue to fluctuate around the world, with vaccine administration rising, governments and organizations have responded by adjusting their restrictions and guidelines accordingly. Our focus remains on promoting employee health and safety, serving our customers and ensuring business continuity. Management is closely monitoring the impact of the pandemic on all aspects of its business. We carefully assess, and reassess, conditions to determine when employees can safely return to our offices, and as a result have fully reopened our offices.

At this point, management cannot reasonably estimate the duration, complexity, or severity of this pandemic, which could have a material adverse impact on the Company's business, results of operations, financial position and cash flows. Other possible effects may include disruptions in the demand for our products, absenteeism in the Company's labor workforce, unavailability of products and supplies used in operations, and a decline in the fair value of assets held by the Company. The full extent of the impact that the COVID-19 outbreak may have on the Company continues to be uncertain and cannot be predicted with confidence.

BUSINESS OUTLOOK

The recent upward trend in oil price has not converted into pre-pandemic hardware sales at this time. Tanker builds remain low. It is anticipated that oil prices will remain strong in the near term. Rig count has not kept pace with the rise in oil consumption. Current estimates put the US rig count at 475 which is not enough to sustain oil consumption in the US. In North America investment in oil and gas remains weak with much of the investment community moving away from traditional energy supplies into renewables and other energy technologies. Rig count in North America is slowly increasing although the rate of change will not support the demand for oil in North America.

In other industries Titan is focused on its roadmap to develop products that solve supply chain issues through digital transformation. Many businesses are beginning to see the value in digitizing their supply chain workflow processes. Titan is experiencing an increase in the size of the projects being quoted. Many of these potential customers are looking to overhaul their entire fleets in anticipation of a demand in data from the clients they serve. The Company has decided to model its solutions sales on a similar model to the major cell phone companies by bundling its T-HAZ (TD100) transmitter, along with its ST-Edge gateway computer and will offer a discounted digital supply chain software for a time period for those who purchase the complete solution.

Titan's marketing is focused on expanding applications through product differentiators and reaching new customer channels with digital platforms. Several of the Company's combined hardware/software solutions are in trial including the T-Load product along with the Company's first basic dashboard (UI/UX) for aggregates supply chain management. Titan is in the early stages of developing an engineered solution for the bulk delivery and retail delivery of gasoline, diesel and heating oil. The Company's evolution from primarily a hardware provider to an IoT solutions provider is leading to new relationships in other markets.

The Company continues to invest in its hardware and software technology. Along with its previously announced Titan Data System (TDS) and the Titan Application Program Interface (TAPI), Titan's smart device app (T-PULSE) is now available on Google and Apple stores for connection to the wireless T-Lite digital level gauge. Although the Company continues to test the T-Lite wireless transmitter they have yet to go beyond trials at this point. Commercial sales of the T-Lite are expected in the next fiscal year.

Titan's website is constantly evolving and has dovetailed into its networking, social media, and digital marketing efforts. The Company continues to gain customers through the website and expect that this sales tool will become standard for our customers. Titan's updated marketing efforts have resulted in more inquiries related to our digital solutions.

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 2020 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 2020 annual report.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2020 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 Consolidated Financial Statements

These interim condensed consolidated financial statements and related notes for the period ended May 31, 2021 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 consolidated financial statements.

	May 31, 2021 $	August 31, 2020 $
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	9,698,562	9,383,679
Accounts receivable	700,181	606,719
Inventories	788,393	1,033,533
Prepaid expenses	131,813	116,349
Income tax recoverable	9,619	-
Current portion of investment in secured loan (note 5)	385,734	385,363
Total current assets	11,714,302	11,525,643
Non-current assets		
Property, plant and equipment	248,248	271,221
Right-of-use assets	398,302	503,040
Intangible assets	781,280	1,045,862
Investment in secured loan (note 5)	3,177,741	3,365,341
Total assets	16,319,873	16,711,107
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	340,344	430,210
Income tax payable	-	788
Current portion of finance lease obligations (note 6)	128,605	130,850
Total current liabilities	468,949	561,848
Non-current liabilities		
Finance lease obligations (note 6)	286,892	383,940
Total liabilities	755,841	945,788
Equity		
Share capital (note 7)	5,730,279	5,730,279
Contributed surplus	780,708	780,708
Retained earnings	9,053,045	9,254,332
Total equity	15,564,032	15,765,319
Total liabilities and equity	16,319,873	16,711,107

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

On behalf of the Board

"Alvin Pyke"
Director

"Helen Cornett"
Director

	Three months ended		Nine months ended	
	May 31 2021 $	May 31 2020 $	May 31 2021 $	May 31 2020 $
Revenue	1,064,300	781,778	2,663,086	3,501,207
Cost of sales	506,136	399,601	1,370,696	1,685,220
Gross profit	558,164	382,177	1,292,390	1,815,987
Expenses				
General and administration	215,564	283,227	687,379	866,242
Marketing and sales	160,106	198,510	513,314	757,276
Engineering	143,812	439,485	379,744	962,785
Depreciation of property, plant and equipment	9,782	6,748	28,784	18,104
Depreciation right-of-use assets	13,287	16,866	47,212	50,598
Amortization of intangible assets	65,440	69,653	203,730	209,045
Loss (gain) on foreign exchange	90,242	(51,877)	128,576	(70,100)
Total expenses	698,233	962,612	1,988,739	2,793,950
Operating (loss) before other items	(140,069)	(580,435)	(696,349)	(977,963)
Other items				
Finance income (note 8)	151,646	170,637	513,186	530,430
Interest on finance leases	(5,399)	(7,057)	(17,441)	(22,382)
Loss on disposal of property, plant and equipment	-	-	(683)	-
Total other items	146,247	163,580	495,062	508,048
Earnings (loss) before income taxes	6,178	(416,855)	(201,287)	(469,915)
Income tax expense	-	-	-	-
Net earnings (loss) and comprehensive earnings (loss)	6,178	(416,855)	(201,287)	(469,915)
Earnings (loss) per share (note 10)				
Basic	0.00	(0.01)	(0.01)	(0.02)
Diluted	0.00	(0.01)	(0.01)	(0.02)

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

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	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)	-	-	-	(201,287)	(201,287)
Balance, May 31, 2021	28,536,132	5,730,279	780,708	9,053,045	15,564,032

	Common Shares #	Share Capital $	Contributed Surplus $	Retained Earnings $	Total Equity $
Balance, August 31, 2019	28,536,132	5,730,279	770,208	9,832,688	16,333,175
Share-based compensation			10,500		10,500
Net (loss)	-	-	-	(469,915)	(469,915)
Balance, May 31, 2020	28,536,132	5,730,279	780,708	9,362,773	15,873,760

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

	Three months ended May 31 2021 $	Three months ended May 31 2020 $	Nine months ended May 31 2021 $	Nine months ended May 31 2020 $
Cash provided by (used in)				
Operating activities				
Net earnings (loss)	6,178	(416,855)	(201,287)	(469,915)
Non-cash items included in net earnings (loss)				
Interest on finance leases	5,399	7,057	17,441	22,382
Depreciation of property, plant and equipment	13,040	10,829	38,566	30,348
Depreciation of right-of-use assets	32,463	36,041	104,738	108,124
Amortization of intangible assets	65,440	69,654	203,730	209,046
Loss on disposal of property, plant and equipment	-	-	683	-
Share-based compensation	-	-	-	10,500
Finance income (note 8)	(151,646)	(170,637)	(513,186)	(530,430)
Changes in non-cash working capital (note 11)	(153,183)	106,655	35,941	306,912
Net cash (used in) operating activities	(182,309)	(357,256)	(313,374)	(313,033)
Investing activities				
Proceeds on maturity of short term investments	-	-	-	2,041,227
Financing fee received on secured loan (note 6)	25,000	-	25,000	-
Payments received on investment in secured note (note 6)	66,667	100,000	266,667	300,000
Finance income received and receivable (note 8)	118,389	162,663	408,748	506,511
Purchase of property, plant and equipment	(3,071)	(83,990)	(16,376)	(89,723)
Proceeds from disposal of property, plant and equipment	-	-	100	-
Receipt of investment tax credits	-	-	60,852	-
Net cash provided by investing activities	206,985	178,673	744,991	2,758,015
Financing activities				
Payment of finance lease obligation	(36,570)	(40,081)	(116,734)	(121,362)
Net cash (used in) financing activities	(36,570)	(40,081)	(116,734)	(121,362)
Net (decrease) increase in cash and cash equivalents	(11,894)	(218,664)	314,883	2,323,620
Cash and cash equivalents, beginning of period	9,710,456	9,714,121	9,383,679	7,171,837
Cash and cash equivalents, end of period	9,698,562	9,495,457	9,698,562	9,495,457

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.

Titan Logix Corp. is a developer, manufacturer and marketer of innovative fluid measurement and management solutions. The Company's Guided Wave Radar (GWR) solutions are primarily used in the upstream/midstream oil and gas industry. Secondary industries for its products include the aviation, waste fluid collection, and chemical industries. The Company's products are designed to be part of a complete Supply Chain Management solution. The ultimate solution consists of the Company's products integrated with best-in-class data management to enable end-to-end Industrial Internet of Things solutions for its customers' Supply Chain Management.

In March 2020, the World Health Organization declared a world-wide pandemic resulting from the outbreak of coronavirus, specifically identified as "COVID-19". Many countries had enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, temporary restriction on all non-essential business, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The Company has assessed the economic impacts of the COVID-19 pandemic on its consolidated financial statements. As at May 31, 2021, 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. The full extent of the impact that the COVID-19 outbreak may have on the Company will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Management is closely monitoring the impact of the pandemic on all aspects of its business.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements for the nine months ended May 31, 2021 and May 31, 2020 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 nine months ended May 31, 2021 were authorized for issue in accordance with a resolution of the directors on July 20, 2021.

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 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 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, 2020.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

As at	May 31, 2021 $	August 31, 2020 $
Cash on hand and balances with banks	7,417,623	1,416,210
Guaranteed investment certificates	2,280,939	7,967,469
	9,698,562	9,383,679

5. INVESTMENTS

Investment in secured loan

As at	
August 31, 2020	$ 3,750,704
Amendment fee	(25,000)
Principal repayments	(266,667)
Amortization of commitment fee and amendment fee	41,489
Payment in kind interest	62,949
May 31, 2021	$ 3,563,475

As at	May 31, 2021 $	August 31, 2020 $
Current portion of investment in secured loan	385,734	385,363
Long-term portion of investment in secured loan	3,177,741	3,365,341
	3,563,475	3,750,704

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% (2019 – 7.5%), 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 $266,667 were received in the nine months ended May 31, 2021 (May 31, 2020 - $300,000). 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, and April 2021 the credit agreement with the Borrower was amended for covenant terms, subject to an amendment fee. The amendment fees of $137,500 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 interest on the loan until loan maturity.

During the nine months ended May 31, 2021, the Company's investment in the secured loan to Greypoint Capital Inc. generated finance income of $400,141 (May 31, 2020 - $373,428) (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, 2020	514,790
Finance costs	17,441
Lease payments	(116,734)
Balance at May 31, 2021	415,497
Lease liabilities due within one year	128,605
Lease liabilities due beyond one year	286,892

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, 2020 – 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, 2020 – 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.

At May 31, 2021, the Company has 300,000 (August 31, 2020 – 300,000) options outstanding, which expire on dates between April 2024 and January 2025. The continuity of the Company's outstanding and exercisable options is as follows:

	Nine months ended May 31, 2021		Twelve months ended August 31, 2020	
	Number of options outstanding #	Weighted average exercise price $	Number of options outstanding #	Weighted average exercise price $
Outstanding, beginning of period	300,000	0.56	420,000	0.62
Granted	-	-	50,000	0.49
Forfeited	-	-	(170,000)	0.68
Outstanding, end of period	300,000	0.56	300,000	0.56
Exercisable, end of period	300,000	0.56	300,000	0.56

The following table summarizes information about stock options outstanding and exercisable as at May 31, 2021.

Exercise price	Options outstanding	Average remaining life (in years)	Options vested	Options not vested
$ 0.57	250,000	2.90	250,000	-
$ 0.49	50,000	3.66	50,000	-
Total, end of period	300,000		300,000	-

During the nine months ended May 31, 2021 no options were granted. During the nine months ended May 31, 2020, 50,000 stock options were granted with a weighted average estimated value of $0.21 per common share as determined using the Black-Scholes Option Pricing Model. These options were granted on January 27, 2020 at an exercise price of $0.49 and expire on January 27, 2025. These options vested immediately.

During the nine months ended May 31, 2020, 20,000 stock options that had a weighted average exercise price of $1.14 were forfeited.

8. FINANCE INCOME

	Three months ended		Nine months ended	
	May 31, 2021 $	May 31, 2020 $	May 31, 2021 $	May 31, 2020 $
Interest from investment in secured loan	130,754	117,945	400,141	373,428
Interest from investments in guaranteed investment certificates	6,387	50,016	92,562	134,349
Other interest income	14,505	2,676	20,483	22,653
	151,646	170,637	513,186	530,430

9. NATURE OF EXPENSES

The Company presents certain expenses in the 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	
	May 31, 2021 $	May 31, 2020 $	May 31, 2021 $	May 31, 2020 $
Employee salaries and benefits				
Included in cost of sales	83,370	81,886	267,942	347,789
Included in total expenses	344,392	529,689	1,067,045	1,600,599
Total employee salaries and benefits	427,762	611,575	1,334,987	1,948,388
Depreciation and amortization				
Included in cost of sales	22,434	23,257	67,308	69,771
Included in total expenses	88,509	93,267	279,726	277,747
Total depreciation and amortization	110,943	116,524	347,034	347,518

During the nine months ended May 31, 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 three months ended May 31, 2021 were reduced by $161,900 (nine months ended May 31, 2021 - $345,747) with respect to the CEWS program (three and nine months ended May 31, 2020 - $149,141 reduction with respect to CEWS and the United States Small Business Paycheck Protection Program).

10. (LOSS) EARNINGS PER SHARE

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

	Three months ended		Nine months ended	
	May 31, 2021 $	May 31, 2020 $	May 31, 2021 $	May 31, 2020 $
Net earnings (loss) (numerator for basic and diluted earnings (loss) per share)	6,178	(416,855)	(201,287)	(469,915)
Weighted average number of shares outstanding – basic (denominator for basic earnings (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 earnings (loss) per share)	28,536,132	28,536,132	28,536,132	28,536,132
Basic earnings (loss) per share	0.00	(0.01)	(0.01)	(0.02)
Effect of dilutive securities	-	-	-	-
Diluted earnings (loss) per share	0.00	(0.01)	(0.01)	(0.02)

10. (LOSS) EARNINGS PER SHARE (cont'd)

For the nine months ended May 31, 2021, there were 300,000 antidilutive options (2020 – 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		Nine months ended	
	May 31, 2021 $	May 31, 2020 $	May 31, 2021 $	May 31, 2020 $
Accounts receivable	(214,655)	236,518	(93,462)	451,637
Inventories	163,405	(97,637)	245,140	(99,160)
Prepaid expenses	(71,065)	29,353	(15,464)	78,729
Accounts payable and accrued liabilities	(29,094)	(61,332)	(89,866)	(113,318)
Income tax payable	(1,774)	(247)	(10,407)	(10,976)
	(153,183)	106,655	35,941	306,912

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 year was as follows:

	Three months ended		Nine months ended	
	May 31, 2021 $	May 31, 2020 $	May 31, 2021 $	May 31, 2020 $
Salaries and short-term employee benefits	94,181	102,122	292,272	353,621
Share-based compensation	-	-	-	10,500
	94,181	102,122	292,272	364,121

During the nine months ended May 31, 2021 and 2020, 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 three months ended May 31, 2021 were reduced by $16,482 (nine months ended May 31, 2021 - $36,767) with respect to Government of Canada's, CEWS program (three and nine months ended May 31, 2020 - $13,552).

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 finance 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	May 31, 2021 $	August 31, 2020 $
Share capital	5,730,279	5,730,279
Contributed surplus	780,708	780,708
Retained earnings	9,053,045	9,254,332
	15,564,032	15,765,319

14. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, short-term investments, 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 May 31, 2021 of $755,691 (August 31, 2020 - $662,229). The Company's allowance for doubtful accounts as at May 31, 2021 amounted to $55,510 (August 31, 2020 - $55,510). As at May 31, 2021, the percentages of past due trade accounts receivable were as follows: 4% past due 61 to 90 days (August 31, 2020– 13%) and 6% past due greater than 90 days (August 31, 2020 – 10%) 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 May 31, 2021 of $3,662,949 (August 31, 2020 - $3,866,667). 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 May 31, 2021, 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.

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 May 31, 2021 of $340,344 and finance lease obligations of $415,497 (August 31, 2020 – accounts payable and accrued liabilities of $430,210 and finance lease obligations of $514,790).

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 May 31, 2021, 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 $43,020 (May 31, 2020 – $43,611) on the Company's net earnings.

15. FINANCIAL RISK MANAGEMENT (cont'd)

c) Market risk (cont'd)

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 May 31, 2021, the Company held net financial assets of US$1,173,852 (May 31, 2020 - US$901,163) 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 $70,854 (May 31, 2020 - $62,122).

16. SEGMENTED REPORTING

The Company operates substantially all of 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		Nine months ended	
	May 31, 2021	May 31, 2020	May 31, 2021	May 31, 2020
	$	$	$	$
Canada	377,486	158,159	734,921	1,017,295
United States and other	686,814	623,619	1,928,165	2,483,912
	1,064,300	781,778	2,663,086	3,501,207

For the nine months ended May 31, 2021 revenue from a single customer made up 15% of total revenue in the period and for the nine months ended May 31, 2020, revenue from a single customer made up 13% of total revenue in the period.

At May 31, 2021, non-current assets held in Canada were $4,602,081 (August 31, 2020 - $5,174,232) and in the United States were $3,490 (August 31, 2020 - $11,232).

TITAN LOGIX

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Directors:

S. Grant Reeves, BA
Chairperson of the Board

Helen Cornett, CPA, CA
Audit Committee Chairperson

Victor Lee, P.Eng.
Executive Compensation and Corporate Governance Committee Chairperson

Alvin Pyke, P.Eng.
Chief Executive Officer

Officers:

Alvin Pyke, P. Eng.
Chief Executive Officer

Angela Schultz, CPA, CMA
Chief Financial Officer

Auditors:

Grant Thornton LLP

www.titanlogix.com