



**TITAN  
LOGIX**

Management's Discussion and Analysis  
Q2 Fiscal 2021

FEBRUARY 28, 2021



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis (MD&A) has been prepared by management as of April 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 February 28, 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 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, 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](http://www.sedar.com) and on the Company's website at [www.titanlogix.com](http://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, 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, making smarter, faster business decisions more adaptable to change. We aim to transform our customer's value of data-centric decisions on commercial transportation applications by delivering operational efficiencies, regulatory compliance and inventory tracking to let them be more profitable and to lead in their respective industries.

Our Brand Promise: "Be ahead of the Traffic with Titan - 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, and the 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 sensor products interconnected by rugged 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 for mobile tankers, provides the ability to transmit the asset data from Titan's TD100™, Finch II, LoadMaxx products and other 3<sup>rd</sup> party sensors and data devices. The Titan SmartTruck Edge 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 is 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 overflow 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 second quarter of fiscal 2021 ending February 28, 2021 were \$749,602, a \$561,451 or a 43% decrease from the \$1,311,053 recorded in the comparative period. Revenues continued to be impacted by the decline in global oil prices, combined with the lack of access to markets in Canada, and the ongoing impact of the COVID-19 pandemic.
- Gross profit for the second quarter of fiscal 2021 decreased by \$341,541 to \$353,053 or 47% of revenue compared to \$694,594 or 53% of revenue in the comparative prior period. This 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.
- Total expenses in the second quarter of fiscal 2021 were \$608,363 as compared with \$987,927 in the comparative prior period. This reduction in expenses is primarily due to benefits received of \$55,154 from the Company's continued participation in the Canada Emergency Wage Subsidy Program ("CEWS") combined with cost savings realized from cost containment efforts implemented in fiscal 2020, which included wage reductions and cuts on discretionary spending. Expenses were further reduced in the quarter by \$96,360 for Scientific Research and Experimental Development (SR&ED) tax credit refunds received on eligible development projects.
- The Company reported an operating loss before other items of \$255,310 compared to an operating loss of \$293,333 in the second quarter of fiscal 2020. Adjusted for interest income and other items, the net loss after income taxes for the second quarter of fiscal 2021 was \$64,977 compared to a net loss after taxes of \$122,120 in the prior period. Despite the decrease in revenue and gross profit, there was an improvement in the operating loss before other items and the loss after income taxes in the current fiscal quarter due to the positive impacts of the reduction in total expenses. These reductions included the receipt of COVID-19 related government subsidies, SR&ED tax credit refunds, combined with cost containment efforts implemented in fiscal 2020.

**FISCAL 2021 Q2 RESULTS OF OPERATIONS**

(\$000's, except gross margin (%) and per share amounts)	Three months ended February 28,				Six months ended February 28,			
	2021	2020	Increase (Decrease)		2021	2020	Increase (Decrease)	
	\$	\$	\$	%	\$	\$	\$	%
<b>Revenue</b>	<b>750</b>	1,311	(561)	(43)	<b>1,599</b>	2,719	(1,120)	(41)
Cost of sales	<b>397</b>	616	(219)	(36)	<b>865</b>	1,286	(421)	(33)
<b>Gross profit</b>	<b>353</b>	695	(342)	(49)	<b>734</b>	1,433	(699)	(49)
Gross margin (%)	<b>47%</b>	53%			<b>46%</b>	53%		
<b>Expenses</b>								
General and administration	<b>231</b>	296	(65)	(22)	<b>472</b>	583	(111)	(19)
Marketing and sales	<b>146</b>	275	(129)	(47)	<b>353</b>	559	(206)	(37)
Engineering	<b>104</b>	342	(238)	(70)	<b>236</b>	523	(287)	(55)
Depreciation and amortization	<b>94</b>	92	2	3	<b>191</b>	184	7	4
Loss (gain) on foreign exchange	<b>33</b>	(17)	50	(287)	<b>38</b>	(18)	56	(310)
<b>Total expenses</b>	<b>608</b>	988	(380)	(38)	<b>1,290</b>	1,831	(541)	(30)
<b>Net (loss) earnings</b>	<b>(65)</b>	(122)	57	47	<b>(207)</b>	(53)	(154)	(291)
EPS - Diluted	<b>0.00</b>	0.00	0.00		<b>0.00</b>	0.00	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. Primarily due to industry conditions, including the impact of COVID-19, revenue in the second quarter of fiscal 2021 decreased by 43% to \$749,602, as compared to \$1,311,053 for the second quarter of fiscal 2020 and decreased by 41% to \$1,598,786 for the six month period ended February 28, 2021 as compared to \$2,719,429 in the comparative period.

In the current fiscal quarter revenues generated from the Canadian market decreased by \$351,199 or 72% to \$135,636 as compared to \$486,835 in the comparative prior period. For the six months ended February 28, 2021, year-over-year Canadian revenues decreased by 58% to \$357,435 and accounted for 45% of the year-over-year decrease in revenues. Sales to the U.S. for the three months ended February 28, 2021 decreased by \$210,252 or 26% to \$613,966 as compared to \$824,218 in the comparative period. Sales to the U.S. for the six month period ending February 28, 2021 decreased by \$618,942 or 33% to \$1,241,351 as compared to \$1,860,293 in the comparative period. These sales accounted for 82% of the revenues in the second quarter of fiscal 2021 (2020 – 63%) and 78% for the six months February 28, 2021 (2020 – 68%). 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 \$1.30 Canadian during the six months ended February 28, 2021 compared with \$1.32 Canadian for the comparative prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 95% to sales in the second quarter of fiscal 2021 and year to date. This compares to 94% and 92% in the corresponding prior periods.

Gross profit decreased by \$341,541 to \$353,053, or 47% as a percentage of sales for the second quarter of fiscal 2021 compared with \$694,594, or 53% as a percentage of sales for the comparative period and decreased by \$699,584 to \$734,226 or 46% as a percentage of sales for the six month period ended February 28, 2021 as compared with \$1,433,810, or 53% as a percentage of sales for the comparative period. This decrease in gross profit in the current period and year-over-year is primarily due to the decrease in unit demand and the reduction in revenue. Gross margin as a percentage of sales declined to 47% for the quarter and 46% year to date from the 53% recorded in the corresponding fiscal periods largely due to the reduction in unit demand and excess capacity costs included in cost of sales.

#### **Expenses, general and administration**

General and administrative expenses (G&A) for the second quarter of fiscal 2021 were \$230,877, a decrease of \$65,457 or 22% from the \$296,334 recorded in the second quarter of fiscal 2020. General and administrative expenses for the six month period were \$471,815 a decrease of \$111,200 or 19% from the \$583,015 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 combined with benefits of \$14,078 received in the current quarter from the CEWS program and \$37,515 received in the six month period. These positive impacts largely offset one-time consulting costs for the implementation and conversion of its accounting and manufacturing software to a new ERP system. G&A, as a percentage of revenue, was 31% for the second quarter and 30% for the six months ended February 28, 2021 compared to 23% and 21% respectively for the same periods of fiscal 2020.

#### **Expenses, marketing and sales**

Marketing and sales expenses for the second quarter of fiscal 2021 were \$146,075 a decrease of \$129,110 or 47% from the \$275,185 recorded in the second quarter of fiscal 2020. Marketing and sales expenses for the six month period were \$353,208 a decrease of \$205,558 or 37% from the \$558,766 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, a reduction in travel expenses and benefits of \$14,313 received in the current quarter from the CEWS program and \$37,472 received in the six month period. As a percentage of revenue, marketing and sales expenses were 19% for the second quarter and 22% for the six months ended February 28, 2021 compared to 21% for the same periods of fiscal 2020.

#### **Expenses, engineering**

Engineering expenses for the second quarter of fiscal 2021 were \$103,955 a decrease of \$237,688 or 70% from the \$341,643 recorded in the second quarter of fiscal 2020. Engineering expenses for the six month period were \$235,932 a decrease of \$287,368 from the \$523,300 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 and compensation costs which included benefits from the CEWS program and Alberta Innovates funding of \$26,763 and \$24,375, respectively, received in the current quarter and \$70,149 and \$41,250, respectively, received in the six month period. Engineering expenses for the second quarter 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 six months of fiscal 2021 totalled \$191,217 compared to \$184,480 in the comparable period of fiscal 2020. Additional depreciation expenses recorded in cost of sales in the current six month period totalled \$44,874, compared to \$46,514 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 \$38,334 on foreign currency exchange in the six months ended February 28, 2021 consisting of an unrealized loss on exchange of \$38,016 and a realized loss of \$318. This compares to a gain of \$18,223 on foreign currency exchange in the previous period consisting of a realized gain on exchange of \$26,193 and an unrealized loss of \$7,970.

**Operating loss and net loss**

The operating loss before other items and income taxes was \$255,310 for the second quarter of fiscal 2021 as compared to an operating loss before other items and income taxes of \$293,333 in the comparative prior period. The operating loss for the first six months of fiscal 2021 was \$556,280 as compared to an operating loss of \$397,528 in the comparative prior period. The loss in the current fiscal quarter was primarily due to the reduction in revenue and gross profit, offset with a reduction in total expenses. The year over year increase in the operating loss was due to the decrease in the gross profit. The reduction in gross profit was positively impacted by the reduction in operating expenses which included the impact of subsidies received under the CEWS program combined with cost containment efforts implemented in fiscal 2020, which included wage reductions and cuts on discretionary spending. In the fiscal quarter and the six month period ending February 28, 2021, the Company benefited from COVID-19 government wage subsidy programs in the amount of \$70,012 and \$183,847 respectively.

The net loss after income taxes was \$64,977 in the current quarter as compared to net loss of \$122,120 in the comparative prior period. The decrease in net loss was primarily due to the decrease in operating loss and an increase in finance income to \$196,144 from \$178,675 in the prior period. The net loss after tax for the first six months of fiscal 2021 was \$207,465. This compares to net loss of \$53,060 in the comparative prior nine month period. This increase in net loss was primarily due to the increase in the operating loss.

**SUMMARY OF QUARTERLY RESULTS**

(\$000's, except per share amount)

Fiscal year	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	750	849	609	782	1,311	1,408	1,375	1,316
Gross profit	353	381	355	382	695	739	675	742
Operating (loss) before other items and income taxes	(255)	(301)	(262)	(580)	(293)	(104)	(147)	(159)
Net (loss) earnings before income taxes	(65)	(142)	(108)	(417)	(122)	69	24	16
Net (loss) earnings	(65)	(142)	(108)	(417)	(122)	69	(28)	16
EPS - Basic	(0.00)	(0.00)	(0.00)	(0.01)	0.00	(0.00)	0.00	0.00
EPS - Diluted	(0.00)	(0.00)	(0.00)	(0.01)	0.00	(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 \$16,373,960 on February 28, 2021 as compared to \$16,711,107 on August 31, 2020. Cash and cash equivalents increased by \$326,777 to \$9,710,456. Collections from customers decreased accounts receivable by \$121,193 and inventories decreased by \$81,735. Total liabilities decreased by \$129,682. As at February 28, 2021, Titan had positive working capital (current assets less current liabilities) of \$11,105,515 compared to \$10,963,795 at August 31, 2020.

**Summary of Cash Flows**

**Operating Activities**

Net cash flows used in operating activities for the six-month fiscal period totalled \$131,065, compared to \$44,223 provided in the comparative period. This increase in cash flows used in operating activities is primarily due to the increase in the 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 \$189,124 in the six-month fiscal period is largely a result of cash flow from the collection of accounts receivables and a consumption of inventory, offset by the decrease in accounts payable. This compares with non-cash working capital provided in the comparable period in the amount of \$200,257, largely a result of cash flow provided by a decrease in accounts receivable and prepaids, offset by a decrease in accounts payable.

**Investing Activities**

Net cash flows generated in investing activities for the six-month fiscal period totalled \$538,006 primarily as a result of the finance income and payments received on the secured note offset by capital equipment purchases. This compares with \$2,579,342 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 six-month fiscal period amounted to \$80,164 for payment of finance lease obligations as compared to \$81,281 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**

	<b>April 20, 2021</b>	<b>February 28, 2021</b>	<b>August 31, 2020</b>
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 February 28, 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 combined with the decrease in oil prices have 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 have been implemented in order to mitigate the impact of the decline in revenues and gross profit. The Company has 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 has enacted its COVID-19 business continuity plan including safety protocol and remote working arrangements and currently only has experienced minimal disruptions to its business operations. 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 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.

## **BUSINESS OUTLOOK**

In its traditional business, Management remains optimistic that a recovery of tank manufacturers and tanker sales will happen in 2021. Oil and Gas industry forecasters are predicting oil prices will remain strong for the next couple of years on the revelation that supply is under pressure due to OPEC reductions and the curtailment of investment in O&G processing. Strong oil prices and the cancellation of pipelines will create a demand for the movement of oil by road and rail and a need for more tank trucks in the supply chain.

In other industries Titan is focused on developing products that solve supply chain issues through digital transformation. The roll out of our IoT initiatives and market focus on a new class of channel partners, including IoT software companies is creating interest in our digital supply chain solutions. The Company is developing brand awareness and recognition as an IoT technology company. We are experiencing increased inquiries for our products.

Our marketing is focused on expanding applications through product differentiators and reaching new customer channels with digital platforms. Several of our combined hardware/software solutions are in trial including the T-load product along with our first basic user interface (UI/UX) for aggregates Supply Chain management. We are in the early stages of developing an engineered solution for the bulk delivery and retail delivery of gasoline, diesel and heating oil. Titan is pleased to announce that it has completed its first IoT sales in the agricultural fertilizer supply chain space, generating subscription revenue for the company. Along with SaaS recurring revenue, Titan announces its first commercial sale of the Titan gateway to a customer in the water disposal industry.

The Company continues to invest in its TD100™ hardware technology, including an update to our gateway product allowing it to function in computing mode as an edge computer. Titan achieved its minimum viable product (MVP) of the T-Lite wireless, non-hazardous version of the TD100™ (T-Haz) Digital Level Gauge and it is now available for sale. Along with our previously announced Titan Data System (TDS) and the Titan Application Program Interface (TAPI), our smart device app (T-APP) is now available on Google and Apple stores for connection to the wireless T-Lite Digital Level Gauge. We anticipate that these products will generate hardware sales in non-traditional supply chains and markets.

Titan's website has been updated with content related to IoT solutions and other 'ready for market' products. This will also dovetail into its networking, social media, and digital marketing efforts. The company has experienced its first sales opportunities through the website and expect that this sales tool will become standard for our customers. The Company's evolution from primarily a

hardware provider to an IoT solutions provider is leading to new relationships in other markets. The adoption of Titan's IoT technology for generating, collecting and managing data for its customers brings value to those who want to see improvement in the management of their resources.

Titan's vision of digital supply chain in the transportation of liquids has created opportunities to develop partnerships with software companies who provide ERP and accounting add-on programs and applications for their customers. Titan continues to gain traction in the IoT world for solutions as the digital supply chain for fluid transportation begins to emerge. Our strategy is to foster a demand for the data we create which will generate increased sales of our hardware and software.

## **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](http://www.sedar.com) or on its website, [www.titanlogix.com](http://www.titanlogix.com).

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**Exchange Listing:**

The Toronto Venture Stock Exchange (TSX-V)  
Stock Symbol: TLA

**Investor Information:**

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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

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