



## **Titan Logix Corp. Reports Fiscal 2017 First Quarter Financial Results**

**Edmonton, Alberta, January 19, 2017** – Titan Logix Corp., (TSX Venture: TLA), a high technology company specializing in advanced technology fluid management solutions, announces its results for the three months ended November 30, 2016.

### **Financial Highlights Summary** (in Canadian dollars)

	Three months ended	
	November 30, 2016	November 30, 2015
Revenue	\$ 823,659	\$ 1,577,787
Gross profit (GP)	\$ 273,072	\$ 609,750
GM %	33%	39%
Operating loss before other items and income tax	\$ (361,019)	\$ (503,170)
Net earnings (loss) before income tax	\$ 18,794	\$ (467,511)
Net earnings (loss)	\$ 18,794	\$ (350,855)
EPS (diluted)	\$ (0.00)	\$ (0.01)

Financial Position	As at November 30, 2016	As at August 31, 2016
Working capital	\$ 15,834,172	\$ 15,860,627
Total assets	\$ 17,643,673	\$ 17,701,465
Long-term liabilities	\$ 45,342	\$ 91,058
Total equity	\$ 17,068,016	\$ 17,042,206

“Titan has right-sized the organization, prioritized our product development and energized our sales effort to realize the strength of our market leading Titan Brand.” said CEO, Douglas Carruthers. “We are moving forward with focus on new product releases currently in development that will exploit the Titan brand.”

### **QUARTERLY HIGHLIGHTS**

- Revenues were \$823,659 for the first quarter of fiscal 2017 ended November 30, 2016, an increase over the revenues of each of the last two quarters, which were \$706,279 and \$743,622 respectively.
- Gross profit as a percentage of sales is recovering to previously experienced levels. The gross profit for the first quarter of fiscal 2017 was 33%, an increase from the last two quarters which were 2% and 13% respectively.
- Operating expenses for the first quarter of fiscal 2017 decreased to \$634,091 compared to the previous quarter’s expenses of \$916,173 and the fiscal 2016 comparable first quarter’s expenses of \$1,112,920, reflecting management’s cost reduction initiatives.
- Closed the Saskatchewan warehouse and service facility and realized a gain on disposal in the quarter of \$335,434 on the divestiture of Titan Logix Corp.’s TPZ and 3500 Controller product lines. The divestiture allows for resources to be more focused on current and upcoming market opportunities and products.

- Product development continued with positive results on the development of Titan's next generation of products and other high potential products.

Titan Logix Corp.'s revenue for the first three months of fiscal 2017 ended November 30, 2016 totaled \$823,659, a decrease of \$754,128 or 48% from revenue of \$1,577,787 in the previous year's first quarter. Demand for the Company's signature product (TD80) has abruptly declined concurrent with demand for new crude oil tankers as a result of the crude oil price collapse. Titan's revenue outside of Canada, primarily to the U.S., was \$455,827 in the first quarter of fiscal 2017, a decrease of 48% from revenue of \$880,820 in fiscal 2016's first quarter. Revenue in Canada for the first quarter of fiscal 2017 was \$367,832 a decrease of 47% from revenue of \$696,967 in fiscal 2016's first quarter. Revenue outside of Canada decreased to 55% of Titan's total revenue in the first quarter of fiscal 2017 compared to 56% in the previous year's first quarter.

The gross profit in the first three months of fiscal 2017 was \$273,072 (33%) compared to \$609,750 (39%) in the first three months of fiscal 2016. The gross profit decline is primarily a result of the decrease in revenue. Gross margin as a percentage of sales also decreased due to a high ratio of fixed overhead costs to sales combined with ongoing technical service and sustaining engineering costs related to customer support. These costs were partially offset with a reduction in production and service labour due to cost reduction initiatives undertaken in fiscal 2016.

The operating loss before other items and income taxes was \$361,019 for the first quarter of fiscal 2017 as compared to an operating loss of \$503,170 in the comparable quarter of the previous year. The improvement is primarily a result of reduced expenses commensurate with the reduction in revenue.

The net earnings in the first three months of fiscal 2017 was \$18,794 (\$0.00 earnings per diluted share) compared to a net loss of \$350,855 (\$0.01 loss per diluted share) for the comparable period of fiscal 2016. This increase in earnings is primarily due to the \$335,434 gain on sale of the assets related to the TPZ 3310 and 3500 Controller product lines sold in conjunction with the closing of Titan's Saskatchewan warehouse and service facility. The divestiture allows for resources to be more focused on current and ongoing market opportunities and products. The increase in earnings is also a result of the decrease in general and administration, marketing and sales, and engineering expenses offset by the decrease in revenue and related gross profit.

#### Business Outlook

Titan continues to maintain its market share for level measurement and control devices in a significantly smaller crude oil tanker construction market in the face of continuing low crude oil prices. When crude oil prices recover to a level that stimulates increased oil tanker activity in North America the demand for Titan's primary products is expected to respond positively.

Titan's proprietary TD80/Finch II/RCM technologies continue to be widely accepted. Leveraging Titan's large install base and market share, the Company is focused on generating new revenue stream opportunities via existing tanker retrofit sales and by exploring new market alternatives for product sales in other than crude oil applications. The Company is also prospecting new opportunities in both the complimentary upstream and downstream storage tank markets.

Titan has taken the necessary progressive steps to position itself within this new market reality:

- It has undertaken cost reduction measures that include a significant reduction in its work force while retaining core engineering, sales and support teams. The impacts of these cost reduction initiatives are beginning to be realized in fiscal 2017 and compensation savings of approximately \$1.3 million, as compared to fiscal 2016, are expected.
- It closed its Saskatchewan warehouse and service facility and divested of its TPZ and 3500 Controller product lines allowing for resources to be more focused on current and upcoming market opportunities and products.
- It has completed an intensive review of its R&D program and is now focused on high potential product development.
- It continues to explore and develop strategic partnerships that will allow it to expand into new markets.
- It continues to explore new business opportunities to leverage Titan's expertise and capital.

Titan maintains a strong balance sheet that will support strategic initiatives going forward.

## **About Titan Logix Corp.:**

Founded in 1979, Titan Logix Corp. ("Titan" or "the Company") is a developer, manufacturer and marketer of innovative fluid measurement and management solutions. The Company's products include Guided Wave Radar (GWR) gauges for level measurement and overflow prevention (particularly for use in mobile tanker applications), level gauges for storage tanks, and communication systems for remote alarming and control. Titan's products are currently used in the oil and gas, waste fluid collection, chemical and aviation industries.

Titan's products are part of a complete asset management solution. The full solution consists of Titan's products integrated with best-in-class third party solutions to enable our complete fluid management throughout each stage of their fluid handling processes. This is captured by our slogan "Advanced Technology Fluid Management Solutions, In the Field, On the Road, In the Office"™.

- In the Field: "In the Field" refers to Titan's solution offerings for storage tanks and process vessels.
- On the Road: "On the Road" refers to Titan's solution offerings for mobile tanker trucks and trailers.
- In the Office: "In the Office" refers to Titan's solution offerings that enable customers to monitor their fluid assets remotely from the convenience of their dispatch center or other back office environment through a wired or wireless connection.

Titan Logix Corp. is a public company listed on the TSX Venture Exchange and its shares trade under the symbol TLA.

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Information in this press release that is not current or historical factual information may constitute forward looking information within the meaning of securities laws. Implicit in this information are assumptions regarding our future operational results. These assumptions, although considered reasonable by the company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual performance of the company is subject to a number of risks and uncertainties and could differ materially from what is currently expected as set out above. For more exhaustive information on these risks and uncertainties you should refer to our Management Discussion and Analysis in respect of the year ended August 31, 2016 which is available at [www.sedar.com](http://www.sedar.com). Forward-looking information contained in this press release is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

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