Management's Discussion and Analysis

Q2 Fiscal 2020

February 29, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) has been prepared by management as of April 21, 2020. It updates the annual MD&A included in our 2019 annual report and should be read in conjunction with the unaudited interim consolidated financial statements and notes for the period ended February 29, 2020 as well as the audited consolidated financial statements and MD&A included in the Company's 2019 annual report for fiscal year ended August 31, 2019. The Company prepares and files its interim consolidated financial statements in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS). This MD&A compares the Company's fiscal 2020 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 29,2020 as well as the 2019 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:

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

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 data, making their businesses decisions smarter, faster, more adaptable to change. We are continually transforming our thinking as well as that of our customers. We help them to be more efficient, more profitable and to lead in their respective industries.

Our Brand Promise: "Making you smarter. With 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 service supplied to oil and gas, and the transportation industries. Titan's solutions have traditionally focused on mobile level sensor technology. Our recently launched cloud connected products enable data from our mobile level sensor technology to be collected, managed and packaged for business intelligence and control. The ultimate solution consists of Titan's products integrated with best-in-class data management to enable end-to-end Industrial Internet of Things (IIoT) solutions for our customers' SCM.

For 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. Titan's TD Series of tank gauges 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 gauging technologies are a part of a complete IIoT supply chain management solution. Operating independently or as part of a fully integrated data collection and analytics system, these liquid level gauging devices provide time-sensitive data for business decision and control.

We recognize that our clients require a complete SCM solution that enables real-time monitoring of their assets, goods and services at each stage in the supply chain life cycle. Titan's IIoT SCM solutions enable customers to monitor the movement and transfer of assets from the convenience of their dispatch center, back office environment, or through a mobile device, in real time. Titan's data Gateway for mobile tankers, provides the ability to transmit the asset data from Titan's TD100™, Finch II and LoadMaxx products. The Titan Gateway can collect real time data on driver performance, fluid level and weight inventories, alarm conditions, and GPS location data and transmit it to cloud services. Through cloud-based technology data can be displayed on web enabled dashboards to provide customers with a unique, instantaneous view into the supply chain status, detailing productivity, environmental compliance, and driver behavior among many other performance indicators. The supply chain management solution equips business managers with a variety of business intelligence and data analytics to more 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 markets. New drilling activity employs mobile tankers to deliver necessary process fluids to well sites. Producing wells not directly connected to pipeline networks (stand-alone wells) require mobile transport of crude oil to pipeline terminals processing facilities. As well, process water created during drilling, and continuous operation needs to be transported to treatment and disposal facilities. All products and bi-products must be trucked away from these stand-alone wells; this need stimulates mobile tanker activity. 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's strategy is a 3-step process. Step 1 is to work with our customers to identify required data. Step 2 is to research, design, develop and/or acquire field (edge) sensors (data generators) or data sources that are:

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

Step 3 we create a path to gather and present this data for our customers. The ultimate goal is to remove the human touch from data generated during supply chain operation.

Building upon a solid foundation in advanced fluid management for mobile tankers we are developing applications internally and seek out technology partners externally. Our strategy is to diversify our portfolio of IIoT applications supporting supply chain management solutions beyond fluid management to other supply.

QUARTERLY HIGHLIGHTS

- Revenues for the second quarter of fiscal 2020 ending February 29, 2020 were $1,311,053, a $93,775 or a 7% decrease from the $1,404,828 recorded in the comparative period. A decline in U.S. sales accounted for this slight decrease. Revenues in the current fiscal quarter and year-to-date continue to be impacted by the decline in global oil prices, combined with the lack of access to markets in Canada.
- The gross profit for the second quarter of fiscal 2020 decreased to $694,594 or 53% of revenue compared to $760,079 or 54% of revenue in the comparative prior period. This decrease is primarily due to the decrease in revenue.
- The operating loss before other items was $293,333, as compared to operating income of $3,933 in the comparative prior period. This decrease to operating income before other items was primarily due to the increase in engineering expenses combined with the increase in marketing and sales costs. During the fiscal quarter the Company continued to invest in the development of IIoT solutions. In conjunction with the product development initiative the Company increased its sales and marketing spending to promote business growth.
- Net loss after income taxes was $122,120 compared to net earnings after taxes of $167,263 in the prior period. This decrease in net earnings was primarily a result of the increase in engineering expenses and marketing and sales costs.

FISCAL 2020 Q2 RESULTS OF OPERATIONS

($000's, except gross margin (%) and per share amounts)	Three months ended February 29,				Six months ended February 29,			
	2020	2019	**Increase (Decrease)**		**2020**	2019	**Increase (Decrease)**	
	$	$	**$**	**%**	**$**	$	**$**	**%**
Revenue	**1,311**	1,405	(94)	(7)	**2,719**	2,880	(161)	(6)
Cost of sales	**616**	645	(29)	(4)	**1,286**	1,348	(62)	(5)
Gross profit	**695**	760	(65)	(9)	**1,433**	1,532	(99)	(6)
Gross margin	**53%**	54%			**53%**	53%		
Expenses								
General and administration	**296**	330	(34)	(10)	**583**	889	(306)	(34)
Marketing and sales	**275**	155	120	77	**559**	368	191	52
Engineering	**342**	166	176	105	**523**	309	214	69
Depreciation and amortization	**92**	84	8	9	**184**	168	16	9
Loss (gain) on foreign exchange	**(17)**	21	(38)	(184)	**(18)**	0	(18)	(8309)
Total expenses	**988**	756	232	31	**1,831**	1,734	97	6
Operating earnings (loss) before other items	**(293)**	4	(297)	(7558)	**(398)**	(202)	(196)	97
Other items	**171**	163	8	5	**344**	323	21	7
Net earnings (loss)	**(122)**	167	(289)	(173)	**(53)**	121	(174)	(144)
EPS - Diluted	**0.00**	0.01	(0.01)		**0.00**	0.00	0.00	

Revenue and gross profit

The Company's revenue is largely derived from instrument sales of its GWR product line of technologies (TD80™ / TD100™, Finch II and related components) throughout Canada and the U.S. These technologies are sold primarily into the mobile tanker truck market, servicing upstream/midstream customers. Primarily due to industry conditions, revenue decreased by 7% to $1,311.053 for the second quarter of fiscal 2020, as compared to $1,404,828 for the second quarter of fiscal 2019 and decreased by 6% to $2,719,429 for the six month period ended February 29, 2020 as compared to $2,880,389 in the comparative period.

In the current fiscal quarter revenues generated from the Canadian market increased slightly to $486,835 compared to $469,592 in the comparative prior period. For the six months ended February 29, 2020, year-over-year Canadian revenues decreased by 17% to $859,136 and accounted for 112% of the year-over-year decrease in revenues. Sales to the U.S, for the three months ended February 29, 2020 decreased by $111,018 or 12% to $824,218 as compared to $935,236 in the comparative period. Sales to the U.S. for the six month period ending February 29, 2020 increased slightly by $18,488 or 1% to $1,860,293 as compared to $1,841,805 in the comparative period. These sales accounted for 63% of the revenues in the second quarter of fiscal 2020 (2019 – 67%) and 68% (2019 – 64%) for the six months ended February 29, 2020. 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 $1.32 Canadian during the six months ended February 29, 2020 and for the comparative prior period.

As a percentage of revenue, sales of the Company's GWR product line of technologies contributed 94% to sales in the second quarter of fiscal 2020 and 92% year to date. This compares with 93% and 92% in the corresponding prior periods.

Due to decreased unit sales, gross profit decreased to $694,594, or 53% as a percentage of sales for the second quarter of fiscal 2020 compared with $760,079, or 54% as a percentage of sales for the comparative period. Gross profit decreased to $1,433,810, or 53% as a percentage of sales for the six month period ended February 29, 2020 compared with $1,532,346, or 53% of sales for the comparative period.

Expenses, general and administration

General and administrative expenses (G&A) for the second quarter of fiscal 2020 were $296,334, a decrease of $33,183 or 10% from the $329,517 recorded in the second quarter of fiscal 2019. General and administrative expenses for the six month period were $583,015 a decrease of $305,803 or 34% from the $888,818 recorded in the comparable prior period. The decrease in the current quarter is primarily a result of a decrease in compensation expense. The year-over-year decrease is primarily a result of executive termination costs recorded in the first quarter of the prior fiscal year. In addition, the Company's adoption of IFRS 16, the lease standard, resulted in lower rent expense in G&A expenses and higher depreciation and amortization expense from the depreciation of the right-of-use assets in the current quarter and year-over-year. The comparative periods have not been restated to reflect the new standard consistent with the transition elections followed. G&A, as a percentage of revenue, was 23% for the second quarter of fiscal 2020 and 21% for the six months ended February 29, 2020 compared to 23% and 31% respectively for the same periods of fiscal 2019.

Expenses, marketing and sales

Marketing and sales expenses for the second quarter of fiscal 2020 were $275,185 an increase of $120,140 or 77% from the $155,045 recorded in the second quarter of fiscal 2019. Marketing and sales expenses for the six month period were $558,766 an increase of $191,255 or 52% from the $367,511 recorded in the comparable prior period. The increase in the current quarter and year-over-year is primarily due to an increase in compensation costs due to the addition of a salesperson in the U.S., the related increase in travel costs as well as an increase in marketing and consulting costs for the company's rebranding initiatives and updated website. As a percentage of revenue, marketing and sales expenses were 21% for the second quarter of fiscal 2020 and for the six months ended February 29, 2020 compared to 11% and 13% respectively for the same periods of fiscal 2019.

Expenses, engineering

Engineering expenses are incurred primarily for product enhancements including product cost reductions, new product research and the preparation and introduction of new third-party products into Titan's product suite. Engineering expenses for the second quarter of fiscal 2020 were $341,643 an increase of $175,173 from the $166,470 recorded in the second quarter of the prior fiscal year. Engineering expenses for the six month period were $523,300 an increase of $214,202 from the $309,098 recorded in the comparable prior period. The increase in the current quarter and year-over-year is primarily a result of increased consulting costs for a premier Amazon Web Services (AWS) implementer contracted to ensure the company's cloud architecture meets the criteria for scalability, speed and accuracy. In addition, there was an increase in compensation costs due to the addition of a software architect with extensive experience with data systems. During the current period Titan continued to work on the Modbus communications protocols. These activities did not meet the criteria for capitalization and were expensed and included in the statement of earnings. In view of the dramatic decline in oil prices subsequent to the fiscal quarter, combined with the impact of COVID-19, the Company evaluated its development program and determined that enhancements to its existing TD80/100 line are not expected to generate new sales as forecast pre-COVID19. Its hardware upgrade project, the development of the Modbus communications protocol has been shelved indefinitely. The engineering team will focus on retooling, bringing in new talent, and developing products for its software portfolio.

Expenses, depreciation and amortization

Depreciation and amortization expenses included in operating expenses in the first six months of fiscal 2020 totalled $184,481 compared to $168,599 in the comparable period of fiscal 2019. Additional depreciation expenses recorded in cost of sales in the current six month period totalled $46,513, compared to $6,515 in the comparable period. This increase in depreciation and amortization expenses is largely due to the adoption of the IFRS 16 lease standard which resulted in depreciation of $33,732 included in operating expense and depreciation of $38,351 included in cost of sales for right-of-use assets in the current six month period compared to $nil in the comparative period.

Expenses, foreign exchange

Changes in the value of the Canadian dollar during the period and management of conversion of receipts from U.S. revenue resulted in a gain of $18,223 on foreign currency exchange in the six months ended February 29, 2020 consisting of a realized gain on exchange of $26,193 and an unrealized loss of $7,970. This compares to a loss of $222 on foreign currency exchange in the previous year consisting of a realized gain on exchange of $14,964 and an unrealized loss of $15,186.

Operating loss and net earnings

The operating loss before other items and income taxes was $293,333 for the second quarter of fiscal 2020 as compared to an operating income before other items and income taxes of $3,933 in the comparative prior period. The operating loss for the first six months of fiscal 2020 was $397,528 as compared to an operating loss of $201,902 in the comparative prior period. During the fiscal quarter and year to date the Company increased its investment in engineering, sales and marketing. This increase in expenses, combined with the reduction in the gross profit in the current quarter and year-over-year resulted in the increase in the operating loss. Year-over year the increase in engineering, marketing and sales expenses was offset by the decrease in G&A due to executive termination costs recorded in the prior period.

The net loss after income taxes was $122,120 for the second quarter of fiscal 2020 as compared to net earnings of $167,263 in the comparative three month period. The net loss after tax for the first six months of fiscal 2020 was $53,060. This compares to net earnings of $121,131 in the comparative prior six month period. This year-over-year decrease in net earnings was primarily due to the increase in the operating loss offset by the increase in finance income to $359,793 from $323,033 in the comparative period. The increase in finance income is primarily from an increase in interest income on the investment in the secured loan. The increase in finance income was offset by the interest on finance leases of $15,325 in the first six months of fiscal 2020 compared to $nil in the comparative period. The interest on finance leases is attributable to the adoption of IFRS 16 on September 1, 2019, the new lease standard, which resulted in the recognition of discounted lease liabilities on the consolidated statement of financial position. As a result of the new standard, the Company now recognizes lease interest on the lease liabilities.

SUMMARY OF QUARTERLY RESULTS

($000's, except per share amount)

Fiscal year	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	**1,311**	**1,408**	1,375	1,316	1,405	1,475	1,448	1,227
Gross profit	**695**	**739**	675	742	760	772	619	659
Operating earnings (loss) before other items and income taxes	**(293)**	**(104)**	(147)	(159)	4	(206)	28	(49)
Net earnings (loss) before income taxes	**(122)**	**69**	24	16	167	(46)	185	105
Net earnings (loss)	**(122)**	**69**	(28)	16	167	(46)	125	105
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.

Gross profits in the fourth quarters of fiscal 2019 and fiscal 2018 were negatively impacted by impairments of inventory of $64,349 and $137,617, respectively.

The operating loss before other items and income taxes in the second quarter of fiscal 2020 reflects the increase in marketing and sales costs and engineering expenses. The operating loss before other items and income taxes in the first quarter of fiscal 2019 reflects the increase in operating expenses resulting from increased general and administration compensation costs due to executive termination.

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 $17,404,044 on February 29, 2020 as compared to $16,928,069 on August 31, 2019. Cash and cash equivalents increased by $2,542,284 to $9,714,121 primarily due to a GIC maturity classified as cash and cash equivalents. Collections from customers decreased accounts receivable by $215,119. Total liabilities increased by $518,535 primarily due to the recognition of lease liabilities of $581,250 from the adoption of IFRS 16. As at February 29,2020, Titan had positive working capital (current assets less current liabilities) of $11,174,621 compared to $11,008,143 at August 31, 2019.

Summary of Cash Flows

Operating Activities

Net cash flows provided by operating activities for the six-month fiscal period totalled $44,223, compared to $70,464 used in the comparative period. This increase in cash flows provided by operating activities is primarily due to the increase in cash provided by changes in non-cash working capital accounts, offset by the decrease in earnings, when excluding non-cash items and investing activities.

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 $44,223 in the six-month fiscal period is largely a result of cash flow provided by a decrease in accounts receivable and prepaid expenses, offset by the decrease in accounts payable. This compares with non-cash working capital used in the comparable period in the amount of $43,676, largely a result of cash flow used for the decrease in accounts payable and increase in accounts receivable balances, offset by the consumption of inventory.

Investing Activities

Net cash flows generated in investing activities, totalled $2,579,342 primarily as a result the maturity of $2,041,227 of short term investments combined with finance income and payments received on the secured note. This compares with $542,715 generated in the comparative prior period primarily as a result of finance income and payments received on the secured note.

Financing Activities

Net cash flows used in financing activities in the first six months of fiscal 2020 amounted to $81,281 for payment of finance lease obligations as compared to $3,930 in the comparable period. Presentation of cash flows in the current quarter reflects the Company's adoption of IFRS 16, the lease standard. Previously lease payments were reflected in operating cash flows, now lease payments are partially reflected as interest expense (also in operating cash flows) and partially as the repayment of finance lease obligations in financing cash flows. The comparative period has not been restated for the adoption of the new standard consistent with the transition election chosen.

CONTRACTUAL OBLIGATIONS

The Company has no commitments for future capital assets and its only financial obligations are operating leases for office equipment, office spaces and its manufacturing facility.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the current or comparable reporting period.

OUTSTANDING SHARE DATA

Titan Logix Corp. has authorization to issue an unlimited number of common shares with no par value. The common shares of the Company trade on the TSX Venture Exchange under the symbol "TLA".

Issued and Outstanding

	April 21, 2020	February 29, 2020	August 31, 2019
Common shares issued and outstanding	28,536,132	28,536,132	28,536,132
Options outstanding	450,000	450,000	420,000

IMPACT OF COVID-19 PANDEMIC

Subsequent to the fiscal quarter ending February 29, 2020, the World Health Organization declared a world-wide pandemic resulting from the outbreak of coronavirus, specifically identified as "COVID-19". Many countries have enacting emergency measures to combat the spread of the virus. These measures, which include 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. In addition, the current lack of global demand combined with over-supply of oil has resulted in a significant decrease in spot and forward oil prices. The impact of COVID-19 combined with the decrease in oil prices have resulted in a decrease in demand for our products, with the expectation that the Company will experience a material decline in revenues and gross profit in the short-term. Cost containment efforts are being addressed in order to mitigate the impact of the decline in revenues and gross profit.

The COVID-19 pandemic is rapidly evolving, and its ultimate impact on our business is uncertain. 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.

BUSINESS OUTLOOK

Titan Logix is focusing on its future. We continue to build on our strategy of Industrial IoT development. Although the current C19 pandemic requires management to spend some of its resources ensuring we operate our business safely and remotely, we continue to act on the steps to our vision. Going forward, we are executing our software development strategy and we expect engineering expenses to increase as a result. We are negotiating technology partnerships on several fronts to accelerate our product offerings and will appeal to our current and future customer base. With our potential partners, we are exploring solutions to make it easier to connect our hardware to the internet and add other needed features at the same time. We are learning our customers' businesses with intent to provide targeted digital marketing to these organizations. We anticipate our first IoT products to be ready for deployment by the end of this month and are seeking a proponent to work with us on beta testing and initial deployment of our Data management platform. We have made some personnel changes to sales, engineering and management to build some agility and speed to our product development and deployment. We are in the works of planning other talent acquisition and expect we will be able to find the right people given the current conditions in the marketplace. We believe the global crisis has created opportunities on the digital front and the primary reason we have made the decision to continue to move forward with our plans. Taking the human touch from data is now more relevant than ever before. It is anticipated that more people will choose to work from home and more companies will see the value in this approach. What that translates into is the need to serve up more data to those who choose the work-from-home option. Our initial products, the Titan data management platform, and the Titan API plugin are designed to serve data, accurately, reliably and efficiently to our customers, wherever they may be working. We are currently working on our third product, a supply chain custody transfer app that will track data designed to facilitate efficient pier to pier asset transfer. We forecast this product to be deployed in the third quarter. In other markets, we are actively targeting the AG market as a priority. Others market we are exploring include construction and O&G operations, each of who need to find cost effective solutions to operating costs, as well as improved efficiency in supply chain management. In all these markets there are opportunities to create sales for our data solutions to both upstream and downstream supply chain management problems. We also plan as part our strategy to integrate our hardware products into many of these solutions.

In our traditional business we are seeing orders for traditional hardware beginning to trend downward and we expect this downward trend to continue for the remainder of the year. As a result, the expectation is that the Company will experience a significant decrease in revenues and gross profit. To mitigate the effects of this significant decrease in expected revenue the Company has reduced discretionary spending and downsized production costs to match current demand. In the third quarter compensation was rolled back company-wide by 10% to 20% for all employees and certain employee benefits were also suspended. Titan intends to review staffing levels and may consider further action depending on the length of the stay home requirements. We will further offset the impact of the reduction in revenue through the application of wage subsidies under the federal government's Canada Emergency Wage Subsidy program.

On the positive side the pandemic has created an opportunity for the Titan team to take an in-depth look at its business and recommit to the growth strategy. The TD100™ GWR product line upgrade and enhancement program has been put on hold while we wait and see what happens to the industry post-C19. Management believes it should focus on new products appealing to industries outside of oil and gas given the dire predictions we are hearing in the news and from industry experts. Enhancements to its existing TD80/100 line are not expected to generate new sales as forecast pre-C19. Its first hardware upgrade project, the development of the Modbus communications protocol has been shelved indefinitely. The engineering team will focus on retooling, bringing in new talent, and developing products for its software portfolio.

Our strong balance sheet helps us weather current uncertainties to build upon our established reputation and pursue select new opportunities. In addition to its organic growth plans the Company will continue to seek strategic acquisition targets whose technology aligns with the corporate vision.

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 and competition as described in the Company's business risks and uncertainties in its 2019 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 2019 annual report. In addition, the occurrence of pandemics, such as the recent outbreak of the novel coronavirus COVID-19 in any of the areas in which the Company, its customers or its suppliers operate could cause interruptions in the Company's operations. In addition, pandemics, natural disasters or other unanticipated events could negatively impact the demand for, and price of, oil and natural gas which in turn could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

ADDITIONAL INFORMATION

Additional information relating to Titan Logix Corp., including its 2019 Audited Financial Statements, is available on SEDAR at www.sedar.com or on its website, www.titanlogix.com.

Corporate Address:

4130 – 93 Street NW
Edmonton, Alberta, Canada T6E 5P5
Phone: (780) 462-4085; Fax: (780) 450-8369

Branch Address:

Overland Park, Kansas
United States of America
Phone: (877) 462-4085

Exchange Listing:

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

Investor Information:

Investor Relations, Titan Logix Corp.
4130 – 93 Street
Edmonton, Alberta, Canada T6E 5P5
Phone: (780) 462-4085; Fax: (780) 450-8369
Email: invest@titanlogix.com

Transfer Agent:

Computershare Investor Services Inc.
Stock Transfer Services
600, 530 – 8th Avenue SW, Calgary, Alberta, Canada
T2P 3S8
Telephone: 1-800-564-6253

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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