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Management's Discussion & Analysis

**FOR THE THREE MONTH ENDED
September 30, 2024**

Dated November 11, 2024

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2024

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management discussion and analysis dated November 11, 2024 ("MD&A"), which provides a comparative overview of the Company's performance for the three month and nine month periods ended September 30, 2024 with the corresponding three-month and nine-month periods ended September 30, 2023, and it reviews the Company's financial position as at September 30, 2024. Throughout this MD&A, any reference to "Company", "we", "us", "our" or "Titanium" shall mean Titanium Transportation Group Inc. and all of its direct and indirect wholly-owned subsidiaries. This discussion should be read in conjunction with the Company's MD&A, audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2023, as well as the unaudited condensed consolidated interim financial statements of the Company for the third quarter ended September 30, 2024 ("consolidated interim financial statements").

The consolidated interim financial statements of the Company and extracts from those consolidated interim financial statements contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated interim financial statements comply with IAS 34, Interim Financial Reporting, and do not include all the information required for annual financial statements. The Company's presentation currency is the Canadian dollar. All financial information presented has been rounded to the nearest thousand dollar, except per share amounts and where otherwise indicated. The Company's consolidated interim financial statements for the third quarter ended September 30, 2024, were approved by its Board of Directors on November 11, 2024. Readers are cautioned that certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumption prove incorrect, actual results may vary significantly from those expected. See "Forward Looking Statements" and "Risks and Uncertainties".

Unless otherwise indicated, the information in this report is dated as of November 11, 2024. Additional information relating to the Company is available on SEDAR at www.sedarplus.ca.

OVERVIEW

Titanium is an asset-based transportation and logistics company servicing Canada and the United States with terminals in Bolton, Belleville, Bracebridge, Brantford, Napanee, North Bay, and Windsor, ON, as well as Oakwood, GA and Falkville, AL. Additional parking/switch yards are located in Brockville and Trenton, ON. Freight brokerage offices are located in Windsor, ON, Montreal, QC, Charlotte, NC, Nashville, TN, Chicago, IL, Denver, CO, Atlanta, GA, Fayetteville, AR, Jacksonville, FL, and Virginia Beach, VA. The Company has over 1,000 customers across various industries, including large multinational corporations. The Company has approximately 850 power units, 3,000 trailers, and over 1,300 full-time employees and independent owner-operators.

The Truck Transportation segment provides transport of general merchandise by long-haul, dedicated and local trucking services throughout Canada and the United States with a variety of trailer types, including dry vans and flatbeds that support both heated and multi-axle services. Through the use of a modern fleet, the Truck Transportation segment provides reliable and high-quality service to our customers, attains a high asset utilization through its network of terminals and yards across Ontario, and creates a platform for revenue growth and cost efficiencies through the integration of acquisitions.

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The Logistics segment is a non-asset-based third-party logistics provider of ancillary transportation services, such as freight brokerage, North American and international freight forwarding, intermodal, special and expedited services. The Logistics segment success relies upon the extensive experience and expertise of the Company's personnel, innovative information technology and systems, and strong strategic relationships with third party service providers.

The Company's operational results are influenced by industry-wide economic factors and by capital allocation including operating and spending decisions. Industry-wide economic factors impacting operational results include freight demand, truck capacity, driver availability, fuel prices, equipment and maintenance costs. Overall economic conditions, interest and exchange rates, government regulation and weather. The Company makes key decisions when allocating capital between its Truck Transportation and Logistics segments, hiring employees or contracting for services of independent contractors and determining sustainable compensation structures, investing in new equipment and technology, and considering strategic business acquisitions. Operating and spending decisions are made after analysis of numerous important financial and operational metrics including EBITDA¹, operating income, revenue generated per truck and per mile, empty miles, driver retention and fuel efficiency.

Q3 2024 Key Highlights

- ◆ Consolidated revenue for Q3 2024 was \$118.4 million, a 5.1% increase over Q3 2023. The increase which totaled approximately \$5.7 million in the quarter mainly reflected revenue attributed to significant volume growth in the Logistics segment.
- ◆ Operating income was \$1.7 million for Q3 2024, representing a 1.6% operating margin¹, compared to \$5.1 million and 5.1%, respectively, in Q3 2023. The decrease is consistent with softening market conditions experienced across the industry.
- ◆ Truck Transportation segment revenue for Q3 2024 was \$58.1 million, a 6.9% decrease year over year. An operating loss was \$0.5 million was recorded, resulting in an operating loss of -1.0%, compared to \$1.9 million and 3.6%, respectively, in Q3 2023. A decrease in freight volume and soft pricing reflecting weak market conditions were the main factors for the pressure on, further compounding the typical post acquisition softening of margins we anticipated while integrating Crane into our operations.
- ◆ Logistics segment revenue was \$61.0 million in Q3 2024, a 18.3% increase over the \$51.5 million recorded during the same period in 2023. Operating income was \$3.6 million, representing a 6.5% operating margin for the quarter, compared to \$4.5 million and 9.7%, respectively, in Q3 2023. Increase in revenue is mainly driven the Company's focus on organic volume growth. However, due to unfavourable market conditions in transactional freight demand, reflected in lower pricing, profitability in the segment decreased despite growth in the segment.

Revenue by Industry

Manufactured Goods	41.9%
Food & Beverages	16.6%
Logistics/Trucking	13.1%
Retail	7.7%
Automotive	5.4%
Metals & Mining	4.5%
Services	4.3%
Forest Products	3.0%
Other	3.5%

Based on Q3 2024 revenue

¹ Refer to "Results of Operations" on page 3 and "Non-IFRS Financial Measures" on page 13 for more information about operating income and EBITDA and for a reconciliation of operating income and EBITDA to net income.

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RESULTS OF OPERATIONS

Financial Highlights (unaudited)
(in '000 Canadian dollars)

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
Revenue	105,038	98,612	305,343	278,278
Fuel surcharge	13,361	14,073	41,062	41,108
	118,399	112,685	346,405	319,386
Operating expenses	108,107	99,229	316,210	281,328
EBITDA ⁽¹⁾	10,292	13,456	30,195	38,058
EBITDA margin ⁽¹⁾	9.8 %	13.6 %	9.9 %	13.7 %
Depreciation	8,145	8,065	25,157	21,732
Amortization of customer lists	459	327	1,374	982
Operating income ⁽¹⁾	1,688	5,064	3,664	15,344
Operating margin ⁽¹⁾	1.6 %	5.1 %	1.2 %	5.5 %
Loss (gain) on sale of property and equipment	324	(415)	(2,568)	(3,728)
Finance costs	2,858	2,522	9,760	6,078
Finance income	(65)	(109)	(264)	(412)
Foreign exchange loss (gain)	(736)	1,507	1,043	986
Transaction costs	-	205	-	1,285
Income before income taxes	(693)	1,354	(4,307)	11,135
Income tax expense (recovery)	(286)	(520)	(2,213)	2,304
Net income (loss) from continuing operations	(407)	1,874	(2,094)	8,831
Net income (loss) from discontinued operations	(1,093)	-	(1,053)	-
Net income (loss)	(1,500)	1,874	(3,147)	8,831
Earnings (loss) per share:				
Net income (loss) per share - basic	(0.03)	0.04	(0.07)	0.20
Net income (loss) per share - diluted	(0.03)	0.04	(0.07)	0.19
Earnings per share from continuing operations:				
Net income (loss) per share - basic	(0.01)	0.04	(0.05)	0.20
Net income (loss) per share - diluted	(0.01)	0.04	(0.05)	0.19

(1) Refer to "Non-IFRS Financial Measures".

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EXECUTIVE SUMMARY AND OUTLOOK

During the first three quarters of 2024, Titanium remained focused on navigating the challenging freight environment while strengthening our capital position. While we await the economic conditions for the truck transportation industry to normalize, we continue to pursue sustainable growth opportunities and generate free cash flow to better position the Company for future growth.

Building on these efforts, our Q3 2024 performance reflects our strategic approach to managing the ongoing market pressures and setting the Company up to immediately take advantage when the market turns. During 3Q 2024, we continued to sell redundant assets from discontinued or ceased operations, which generated \$4.1 million of free cash flow to be put towards repayment of long-term liabilities. We also continued to prioritize debt repayment following the acquisition of Crane Transport Inc. as fortifying our capital position remains an essential strategy during these difficult times. We strongly believe financial resilience is vital to realizing the future growth initiatives we have for the Company.

Our Logistics segment continued to exhibit resilience with volume growth of 24%. This demonstrates Titanium's active focus on acquiring sustainable future opportunities notwithstanding the significant market pressure on transactional pricing. Pricing levels showed signs of stabilization leading to the logistics segment recording over 18% revenue growth, despite some offset from year-over-year price reductions. These results are promising, and we remain committed to continuing our efforts to expand our asset light segment, particularly in the United States.

For our truck transportation segment, soft contract pricing, reflecting continued downward pressure on transactional prices, are the main factor contributing to this segment's weakened profitability. Utilizing real-time analytics in both operating costs and revenue, we continued to mitigate rising costs in these challenging times. On the revenue front, we are steadfast in utilizing our capacity solutions only under sustainable pricing levels. As a result, we have discontinued operations in several geographic areas and certain service offerings. All free cash flow generated from these strategic initiatives are being used to strengthen our capital position.

Titanium remains steadfast in executing our long-term, growth strategy. By leveraging our investments in people and technology, we have driven growth while strengthening our balance sheet. We are confident that as the freight market normalizes, our efforts will yield long-term, sustainable value for our shareholders.

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Selected Segmented Financial Information (unaudited)

(in '000 Canadian dollars)

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
Truck Transportation				
Revenue	50,701	53,679	151,102	139,150
Fuel surcharge	7,402	8,718	23,803	24,078
	58,103	62,397	174,905	163,228
Operating expenses				
Carriers and independent contractors	19,076	21,510	55,666	51,765
Vehicle operating	14,277	13,250	42,314	38,694
Wages and casual labour	14,749	15,256	47,035	39,806
Other operating	2,142	2,261	6,356	5,162
	50,244	52,277	151,371	135,427
EBITDA ⁽¹⁾	7,859	10,120	23,534	27,801
EBITDA margin ⁽¹⁾	15.5 %	18.9 %	15.6 %	20.0 %
Depreciation	7,887	7,875	24,385	21,191
Amortization of customer lists	459	327	1,374	982
Operating income (loss) ⁽¹⁾	(487)	1,918	(2,225)	5,628
Operating margin ⁽¹⁾	(1.0)%	3.6 %	(1.5)%	4.0 %
Loss (gain) on sale of property and equipment	324	(415)	(2,568)	(3,728)
Finance costs	2,613	2,150	8,732	5,172
Finance income	(65)	(53)	(264)	(204)
Transaction costs	-	205	-	1,285
Income before income taxes	(3,359)	31	(8,125)	3,103
Income tax expense (recovery)	(1,035)	(286)	(3,286)	800
Net income (loss) from continuing operations	(2,324)	317	(4,839)	2,303
Net income (loss) from discontinued operations	(1,093)	-	(1,053)	-
Net income (loss)	(3,417)	317	(5,892)	2,303

(1) Refer to "Non-IFRS Financial Measures".

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Management's Discussion and Analysis for the third quarter ended September 30, 2024

Selected Segmented Financial Information (unaudited), continued

(in '000 Canadian dollars)

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
Logistics				
Revenue	55,004	46,188	156,093	143,431
Fuel surcharge	5,959	5,355	17,260	17,030
	60,963	51,543	173,353	160,461
Operating expenses				
Carriers and independent contractors	51,628	41,645	146,748	129,768
Wages and casual labour	5,373	4,482	14,574	14,655
Other operating	402	945	2,266	2,847
	57,403	47,072	163,588	147,270
EBITDA/ Operating income ⁽¹⁾	3,560	4,471	9,765	13,191
EBITDA/ Operating margin ⁽¹⁾	6.5 %	9.7 %	6.3 %	9.2 %
Depreciation	258	190	772	541
Finance costs	245	373	1,028	906
Income tax expense	836	460	2,161	2,469
Net income	2,221	3,448	5,804	9,275

(1) Refer to "Non-IFRS Financial Measures".

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Revenue (unaudited)
(in '000 Canadian dollars)

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
Truck Transportation				
Revenue	50,701	53,679	151,102	139,150
Fuel surcharge	7,402	8,718	23,803	24,078
	58,103	62,397	174,905	163,228
Logistics				
Revenue	55,004	46,188	156,093	143,431
Fuel surcharge	5,959	5,355	17,260	17,030
	60,963	51,543	173,353	160,461

For the three-month and nine-month periods ended September 30, 2024, the Company's consolidated revenues increased by \$5.7 million and \$27.0 million, respectively, or 5.1% and 8.5%, compared to the same periods in 2023. The increase in revenue was mainly due to incremental revenue from our 2023 US asset-based acquisition (Crane), and substantial volume growth in the logistics segment, offset by soft pricing related to unfavourable market conditions in both segments.

Truck Transportation segment revenue from continuing operations decreased \$4.3 million, or 6.9% during the quarter, compared to the same quarter in 2023, but increased \$11.7 million, or 7.2%, for the nine-month period ended September 30, 2024 compared to 2023. The decrease revenue in the quarter was a result of soft contract pricing due to weakened market conditions, as well as discontinued operations reflecting our strategic decision to manage capacity. Our US acquisition contributed \$13.0 million during the quarter. Revenue generated from discontinued operations was \$3.3 million for the nine-month period ended September 30, 2024.

Logistics segment revenue increased \$9.4 million or 18.3%, for the three-months ended September 30, 2024 and \$12.9, million, or 8.0%, for the nine-month period to start 2024, compared to 2023. The increase in revenue was primarily a result of organic volume growth of 24.2% resulting from strategic expansion in both the Canadian and US divisions, slightly offset by pricing pressure in transactional pricing. Revenue from logistics operations of Crane was \$2.9 million for the quarter.

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Operating Expenses and Income (unaudited) (in '000 Canadian dollars)

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2024	Sept 30 2023	Sept 30 2024	Sept 30 2023
Truck Transportation				
Revenue	58,103	62,397	174,905	163,228
Operating expenses	50,244	52,277	151,371	135,427
EBITDA ⁽¹⁾	7,859	10,120	23,534	27,801
EBITDA margin ⁽¹⁾	15.5 %	18.9 %	15.6 %	20.0 %
Depreciation and amortization	8,346	8,202	25,759	22,173
Operating income ⁽¹⁾	(487)	1,918	(2,225)	5,628
Operating margin ⁽¹⁾	(1.0)%	3.6 %	(1.5)%	4.0 %
Logistics				
Revenue	60,963	51,543	173,353	160,461
Operating expenses	57,403	47,072	163,588	147,270
EBITDA/ Operating income ⁽¹⁾	3,560	4,471	9,765	13,191
EBITDA/ Operating margin ⁽¹⁾	6.5 %	9.7 %	6.3 %	9.2 %
Corporate				
Operating expenses	1,127	1,134	3,104	2,932

(1) Refer to "Non-IFRS Financial Measures".

For the Truck Transportation segment, operating expenses decreased by \$2.0 million, or 3.9%, for the three month period ended September 30, 2024 and increased by \$15.9 million, or 11.8%, for the nine month period of 2024, compared to the same periods in 2023 -- the three month decrease was due to the reduction in volume as part of the company's initiatives to mitigate market pressure and the nine month increase over the same period prior year was mainly due to operating expenses from the acquisition. For the three and nine-month periods ended September 30, 2024, the segment operating loss was -1.0% and 1.5%, compared to a margin of 3.6% and 4.0%, respectively, for the same periods in 2023. Continued pricing pressure compressed the segment's margins as operating costs per economic unit remained similar to prior year. In addition, the integration of our U.S. acquisition during the persistent soft market environment further eroded the segment's margins. Operating expenses from discontinued operations was \$3.9 million for the nine-month period ended September 30, 2024.

For the Logistics segment, operating expenses increased by \$10.3 million, or 21.9%, for the three month period ended September 30, 2024 and increased by \$16.3 million, or 11.1%, for the first nine month period, compared to the same periods in 2023. Operating income and operating margins declined by \$0.9 million, or 20.4%, for the third quarter of 2024 and by \$3.4 million or 26.0%, for the nine month period ended September 30, 2024 -- in line with the increase in segment revenue offset by continued transactional freight rate pressure.

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SUMMARY OF QUARTERLY RESULTS

(in '000 Canadian dollars)

The following table sets out quarterly financial information for the Company's eight most recently completed quarters:

	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22
Revenue	118,399	115,085	115,144	119,299	112,685	100,379	106,322	110,849
EBITDA ⁽¹⁾	10,292	10,218	9,460	14,877	13,456	12,025	12,576	14,912
EBITDA margin ⁽¹⁾	9.8 %	10.1 %	9.3 %	14.2 %	13.6 %	13.6 %	13.8 %	15.9 %
Operating income ⁽¹⁾	1,688	1,375	376	4,980	5,066	4,997	5,282	6,619
Operating margin ⁽¹⁾	1.6 %	1.4 %	0.4 %	4.8 %	5.0 %	5.6 %	5.8 %	7.1 %
Adjusted net income ⁽¹⁾	(407)	(113)	(2,388)	1,397	2,558	4,163	3,588	4,800
Per share - basic	(0.01)	0.00	(0.05)	0.03	0.06	0.09	0.08	0.11
Per share - diluted	(0.01)	0.00	(0.05)	0.03	0.06	0.09	0.08	0.11
Net income	(1,500)	(2,329)	681	1,397	1,874	3,370	3,588	4,800
Per share - basic	(0.03)	(0.05)	0.08	0.08	0.11	0.15	0.17	0.14
Per share - diluted	(0.03)	(0.05)	0.07	0.08	0.11	0.14	0.17	0.13

(1) Refer to "Non-IFRS Financial Measures".

Changes from quarter-to-quarter are a reflection of seasonality of operations, changes in industry conditions and acquisitions. Historically, the Company experiences weaker demand in the first quarter, moderate demand in the third and fourth quarters and stronger demand in the second quarter.

After the initial economic slowdown during the COVID19 pandemic, consumer activity began to resume as health restrictions started to ease in 2021. However, the supply chain struggled to keep pace with the higher levels of aggregate demand. This, combined with monetary supports introduced during the pandemic and geopolitical impacts from Russia's invasion of Ukraine, were reflected in significant inflationary pressures in the North American and global economies. Operating costs rapidly increased starting in Q2 2021. The pressure from increased operating costs, combined with tight capacity, created the conditions for upward adjustment in freight rates.

However, interest rates rose steadily in 2022 as central banks moved to reduce inflation. Demand and production in most economies has been negatively impacted. In turn, the favourable freight demand levels that had existed during the immediate post-pandemic period, began to soften in the second half of 2022. This continued into 2023, dampening the North American economies leading to the onset of longest freight recessions in history. So far in 2024, interest rates have begun to stabilize, inflationary pressures, while persistent, have shown some signs of moderation, providing more leeway to central bank rate-setting decisions. Indications of an improved balance between freight demand and industry capacity are also, somewhat hesitantly, starting to emerge. We are anticipating freight market conditions to improve in the first half of 2025.

In addition, there has historically been an increase in revenue and a decrease in margins in quarters following an acquisition until the integration of the newly acquired business into our operations is completed. We expect the integration of our first-ever U.S. asset-based acquisition (Crane), which began Q3 2023, to follow a similar pattern.

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LIQUIDITY AND CAPITAL RESOURCES

(in '000 Canadian dollars)

	September 30	December 31
	2024	2023
Working capital (deficit) ⁽¹⁾	(16,656)	(19,228)
Total assets	330,340	355,995
Net debt ⁽²⁾	158,907	191,545
Shareholders' equity	100,741	104,549
Net debt to equity ratio ⁽³⁾	1.58	1.83

(1) Working capital (deficit) is defined as current assets less current liabilities.

(2) Net debt is defined as bank indebtedness, acquisition loan, loans payable and finance lease liabilities, net of cash, short term deposits and finance lease receivables, both current and long-term portions.

(3) Net debt to equity ratio is defined as net debt divided by shareholders' equity.

As the focus of our current capital deployment strategy, both working capital deficiency and net debt to equity ratio saw improvement compared to December 31, 2023, despite continued market weakness. Our efforts towards debt reduction and improving financial health have been progressing, positioning our company for sustainable growth.

Detailed analysis of our operations, has allowed us to identify assets redundant to our core operations, such as 21 acres in Cornwall, ON and various rolling stock. These assets have been disposed of. We have also identified operational synergies by leveraging our asset light expertise in both our logistics and truck transportation segment, enabling us to reorganize our workforce and asset deployment to maximize utilization and efficiencies. We have also identified further redundant assets and subsequently disposed of them.

Our analysis also highlighted certain geographic operations or service offerings that are unsustainable due to the deterioration of the market conditions. As a part of our capital strategy, we have ceased operations in selected geographic areas and service offerings. Some assets were redeployed for other purposes while other assets associated with the discontinued operations have been divested or are in the process of being divested. Along with our free cash flow from operations, we are focusing the proceeds on debt reduction and improving our working capital deficiency.

In terms of rolling stock expenditures, we are not committed to any purchases over the next year. In addition, we expect to realize proceeds from the sale of excess aged equipment of approximately \$2.5 million. Our rolling stock replacement policy is to replace trucks after 6 years, van trailers after 10 years and flatbed trailers after 15 years. As a result of our rolling stock renewal program, our fleet is substantially newer than our normal average age. We expect to realize savings in fleet maintenance of about 15% over the next three years. We believe there is sufficient financing available to fund planned capital expenditures for further organic and inorganic growth of the business.

The following table sets out the Company's contractual obligations, excluding future interest payments:

(in '000 Canadian dollars)

	Total	1 Year	2 Years	3 Years	4 Years	5 Years	After 5 Years
Loans	136,566	34,075	35,846	30,116	18,619	11,946	5,964
Finance leases	21,830	5,894	7,022	908	2,158	2,294	3,554
	158,396	39,969	42,868	31,024	20,777	14,240	9,518

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Titanium actively seeks debt refinancing, when possible, especially for debt acquired through business acquisitions, to the extent that penalties for early retirement of debt are not significant and lower cost financing is available. We believe the Company's operating cash flows are sufficient to fund daily operating activities and meet regular debt repayment obligations.

The portion of the Company's unused bank credit facilities as of September 30, 2024 include approximately \$37.3 million under the revolving demand operating facility, \$12.5 million under a finance lease loan facility. In addition, the Company has \$14.1 million available in finance leasing and loan facilities through other institutions.

The Company's credit facility and finance leasing agreements require Titanium to maintain three covenants on a quarterly basis. These covenants are measured on a consolidated rolling twelve-month basis. We were in compliance with all covenants as of September 30, 2024 and we believe the Company will be in compliance with all required covenants for the next twelve months. The first covenant requires the Company's debt-to-tangible net worth ratio to be less than 3.5. Debt-to-tangible net worth is the ratio of total liabilities plus future minimum lease payments on non-realty operating leases to shareholder's equity less goodwill, customer lists and deferred tax assets. The second covenant requires the Company's debt service coverage ratio to be greater than 1.00. Debt service coverage is a ratio of net income before interest income and expenses, gains on sale of equipment, depreciation, amortization and noncash items, less unfinanced capital expenditures, plus proceeds from the sale of equipment, to contractually required principal and interest payments made over the prior twelve months. The third covenant requires the Company's fixed charge coverage ratio to be greater than 1.00. Fixed charge coverage is the ratio of net income before interest income and expenses, gains on the sale of equipment, to contractually required principal and interest payments made over the prior twelve months

The Company must calculate its covenants by adjusting its net income and debt to treat realty leases as an operating lease rather than a finance lease.

Common Shares

The Company offers a share purchase plan (the "Plan"), which allows all employees and independent contractors, but excluding insiders of the Company, to contribute up to 5% of their compensation to a maximum of \$9,600 per year, towards the purchase of Titanium common shares. Contributions are matched at a rate of 100% by the Company and shares are issued from treasury to fund the Plan. In the case of employees, matched shares are subject to a three-year vesting period. In the case of independent contractors, matched shares are issued after three-years of service. The maximum number of shares approved for issuance under the Plan is reviewed by the Board of Directors annually. Of the shares issued to date, 693,419 (December 31, 2023 - 570,259) have not vested.

On October 18, 2023, we renewed its normal course issuer bid, allowing the Company to purchase up to 2,236,184 of its common shares (the "NCIB"), representing 5% of its issued and outstanding common shares.

During the nine-month period ended September 30, 2024, the Company repurchased 161,000 (2023 - 796,245) common shares at a weighted average price of \$2.29 and a total purchase price of \$368,407. The excess of the purchase price paid over the carrying value of the shares repurchased, totaled \$137,600 and was charged to retained earnings as a share repurchase premium.

As of November 11, 2024, there are 45,161,465 common shares of the Company outstanding. In addition, there are 3,225,500 stock options outstanding, of which 1,723,433 are exercisable.

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TRANSACTIONS WITH RELATED PARTIES

The Company provides truck transportation services to companies under common control. These companies include Vision Extrusions Group Limited and Vision Profile Extrusions Ltd. Aggregate revenues from these companies totaled \$13.6 million for the nine-month period ended September 30, 2024 (2023 - \$13.1 million).

These transactions are in the normal course of operations materially under the same commercial terms and conditions as transactions with unrelated companies and are measured at fair value.

FORWARD LOOKING STATEMENTS

This MD&A contains forward looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "may", or by such words as "will", "intend", "believe", "estimate", "consider", "expect", "anticipate", "objective" and similar expressions or variations of such words. Forward looking statements are, by their nature, not guarantees of the Company's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results or that estimates or projections will be sustained.

Readers are cautioned not to place undue reliance on these forward-looking statements, which are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date of this MD&A, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The following factors could cause the Company's actual financial performance to differ materially from that expressed in any forward looking statement: highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, the Company's ability to identify, successfully complete and integrate suitable acquisitions, fuel price variation and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in Canadian and US government regulations applicable to the Company's operations, changes in key personnel, adverse weather conditions, accidents and litigation, the market for used equipment, changes in interest rates, changes in the cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers and availability of financing on reasonable commercial terms. The Company expressly disclaims any obligation to update forward looking statements if circumstances or management's views or estimates change, except as otherwise required pursuant to applicable law.

From time to time, we will disclose our current annual run rate revenue and EBITDA. Although not intended as such, this may be interpreted as forward-looking information. Run rates are presented in order to provide investors with insight into the current size of the Company and do not take into account expected future growth or changes in economic conditions. Historical figures may not be a good indicator of the Company's size, due to acquisitions and the time that it takes to fully realize synergies. We estimate we will deliver consolidated revenue between \$440 million to \$460 million and between EBITDA Margins of 8.0% to 10.0%.

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2024

NON-IFRS FINANCIAL MEASURES

This MD&A includes the following financial measures that do not have any standardized meaning under IFRS and may not be comparable to similar measures employed by other companies:

"Earnings before interest, income taxes, depreciation and amortization" ("EBITDA") is calculated as net income before depreciation, amortization, asset impairments, gains or losses on the sale of equipment, finance income and costs, gains or losses on foreign exchange, income tax expense, transaction costs, accelerated customer list amortization and goodwill impairment.

"EBITDA margin" is calculated as EBITDA as a percentage of revenue before fuel surcharge.

"Operating income" is calculated as net income before asset impairments, gains or losses on the sale of equipment, finance income and costs, gains or losses on foreign exchange, income tax expense, transaction costs, accelerated customer list amortization and goodwill impairment.

"Operating margin" is calculated as operating earnings as a percentage of revenue before fuel surcharge.

"Adjusted net income" is calculated as net income before items that are not in the normal course of business, such as discontinued operations, accelerated customer list amortization and goodwill impairment.

Management of the Company believes that these financial measures are useful for investors and other readers, when used in conjunction with other IFRS financial measures, as they are measures used internally by management to evaluate performance. However, these financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS.

RISKS AND UNCERTAINTIES

The Company's business is subject to a number of risk factors which are described in our most recently filed annual information form. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the common shares to decline. If any of the noted risks actually occur, our business may be harmed, and the financial condition and results of operations may suffer significantly. In that event, the trading price of the common shares could decline, and shareholders may lose all or part of their investment.

Titanium Transportation Group Inc.

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DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In compliance with the provisions of Canadian Securities Administrators' National Instrument 52-109, the President and Chief Executive Officer ("CEO"), and the Chief Financial Officer ("CFO") of the Company, have designed, or caused to be designed under their supervision, disclosure controls and procedures as well as internal controls over financial reporting in order to provide reasonable assurance over reliability of financial reporting and material information relating to the Company's annual financial statements and other reports filed and submitted under securities legislation.

It is the responsibility of management for the establishment and maintenance of adequate disclosure controls and procedures, as well as internal controls over financial reporting. Effective disclosure controls and internal controls ensures the Company's consolidated financial statements are presented fairly and free of material misstatements. In addition, management conducts an evaluation of the effective of its internal controls over financial report and disclosure controls and procedures as at September 30, 2024, under the supervision and with the participation of the CEO and CFO.

Based on the evaluation performed, the CEO and CFO concluded that internal controls over financial reporting, as well as disclosure controls and procedures, were effective as at September 30, 2024, to provide reasonable assurance over the Company's consolidated financial statements for external reporting purposes prepared under these controls. The control framework used to design the Company's internal controls over financial reporting is based on Internal Control Integrated Framework (2013 framework) as issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements. Further, the effectiveness of internal control is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

As permitted under relevant securities rules under 52-111, the Company have excluded Crane's internal controls over financial reporting and disclosure controls and procedures in its evaluation and certification of the Company's internal controls over financial reporting and disclosure controls and procedures as it was acquired on July 31, 2023, within 365 days before the end of the financial period relating to the CEO and CFO's certification. For the quarter ended September 30, 2024, Crane constituted 6.5% current assets, 25.2% long term assets, 10.0% current liabilities, 15.0% long term liabilities, 0.0% revenue and contributed 0.0% net income.

The Company is required to include Crane in its internal controls over financial reporting and disclosure controls and procedures beginning in Q3 2024. Management intends to include Crane in the first half of 2024.

There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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CHANGES IN ACCOUNTING POLICIES

During the nine month period ending September 30, 2024, the Company adopted the following accounting policy as a result of cessation of operations in selected geographic areas or selected service offerings.

Discontinued operations – A discontinued operation is a component of the Company's activities that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

The following new standards and amendments to standards are not yet effective for the quarter ended June 30, 2024, and have not been applied in preparing the consolidated interim financial statements:

IFRS 18, Presentation and Disclosure in Financial Statements

The following new standards, interpretations and amendments to standards became effective for the period beginning January 1, 2024. The full description of each of these changes in accounting policies is available in our consolidated interim financial statements. The impact of the adoption of these standards is outlined below.

IAS 1, Presentation of Financial Statements was amended in January 2020. and became effective January 1, 2024. The full description of this change in accounting policy is available in our consolidated financial statements and did not have a material impact on our results.