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Management's Discussion & Analysis

**FOR THE THREE MONTH ENDED
March 31, 2024**

Dated May 13, 2024

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the first quarter ended March 31, 2024

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management discussion and analysis dated May 13, 2024 ("MD&A"), which provides a comparative overview of the Company's performance for its three-month period ended March 31, 2024 with the corresponding three-month period ended March 31, 2023, and it reviews the Company's financial position as at March 31, 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 annual 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 first quarter ended March 31, 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 of 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 first quarter ended March 31, 2024, were approved by its Board of Directors on May 13, 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 May 13, 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, Windsor, ON, Oakwood, GA and Falkville, AL with additional parking/switch yards in Brockville and Trenton, ON and freight brokerage offices in Windsor, ON, Montreal, QC, Charlotte, NC, Nashville, TN, Chicago, IL, Denver, CO, Atlanta, GA, Fayetteville, AR and Jacksonville, FL. The Company has over 1,000 customers across various industries, including large multinational corporations. The Company has approximately 900 power units, 3,000 trailers, and over 1,300 independent owner-operators and full-time employees.

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 various 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. Through its network, the Logistics segment offers customers a variety of transportation services, including intermodal, international shipping, specialty services, and expedited services. The Logistics segment succeeds due to the extensive experience and expertise of the Company's dedicated personnel, up to date and innovative information technology and systems, as well as strong strategic relationships with third-party 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 which impact operational results include freight demand, truck capacity, fuel prices, driver availability, overall economic conditions, 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 business acquisitions. Operating and spending decisions are made after the 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.

Q1 2024 Key Highlights

- ◆ Consolidated revenue for Q1 2024 was \$115.1 million, an 8.3% increase over Q1 2023. The increase was attributable to \$14.5 million of incremental revenue derived from the acquisition of US-Based Crane Transport, Inc ("Crane"), and offset by pricing decreases reflecting due to soft market conditions.
- ◆ Operating income was \$0.4 million for Q1 2024, representing a 0.4% operating margin¹, compared to \$5.3 million and a 5.8% in Q1 2023. The decrease is consistent with the weak market conditions prevailing during the quarter.
- ◆ Truck Transportation segment revenue for Q1 2024 was \$59.6 million, representing a 15.5% increase year over year. Again reflecting the poor market fundamentals, an operating loss of \$1.3 million was recorded for an operating margin of -2.6%, compared to \$1.6 million and 3.6%, respectively, in Q1 2023.
- ◆ Logistics segment revenue was \$56.2 million for Q1 2024 -- flat compared to the same period in 2023. Our US freight brokerage division contributed revenue of \$35.2 million in Q1 2024. Operating income was \$3.1 million, representing an 6.1% operating margin for the quarter, compared operating income of \$4.6 million and a 9.3% operating margin in Q1 2023. Unfavourable market conditions in transactional freight demand and overcapacity, which led to downward pressure on pricing, were the main driver for the decrease.

Revenue by Industry

| | |
|--------------------|-------|
| Manufactured goods | 35.8% |
| Food & Beverages | 19.6% |
| Logistics/Trucking | 14.2% |
| Retail | 8.2% |
| Automotive | 6.2% |
| Services | 4.2% |
| Metals & Mining | 4.2% |
| Recycling | 1.0% |
| Other | 6.6% |

Based on Q1 2024 revenue

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

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RESULTS OF OPERATIONS

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

| | 3 months ended March 31 2024 | 3 months ended March 31 2023 |
|--|---|---|
| Revenue | 101,294 | 91,093 |
| Fuel surcharge | 13,850 | 15,229 |
| | 115,144 | 106,322 |
| Operating expenses | 105,684 | 93,746 |
| EBITDA ⁽¹⁾ | 9,460 | 12,576 |
| EBITDA margin ⁽¹⁾ | 9.3 % | 13.8 % |
| Depreciation | 8,617 | 6,967 |
| Amortization of customer lists | 467 | 327 |
| Operating income ⁽¹⁾ | 376 | 5,282 |
| Operating margin ⁽¹⁾ | 0.4 % | 5.8 % |
| Gain on sale of property and equipment | (4,686) | (1,559) |
| Finance costs | 3,680 | 1,658 |
| Finance income | (102) | (108) |
| Foreign exchange (gain) loss | 1,267 | 248 |
| Income tax expense | (464) | 1,455 |
| Net income and comprehensive income | 681 | 3,588 |
| Net income per share - basic | 0.02 | 0.08 |
| Net income per share - diluted | 0.02 | 0.08 |

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

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EXECUTIVE SUMMARY AND OUTLOOK

Bolstered by our first ever strategic asset-based US acquisition (Crane), and the quality and dedication of our team, Titanium achieved another profitable quarter in Q1 2024 despite challenging market conditions. We remain resolute in preparing Titanium for future growth. Through the past year and into the beginning of 2024, we have focused on expanding Titanium's service offerings for new and existing customers across North America.

Overcapacity in the freight transportation sector, inflationary impacts on input costs, and end market uncertainty all contributed to an overall decline in freight demand and volumes in the first quarter of 2024. Freight rates continued to decrease from Q4 to what we consider to be unsustainable levels, while overall freight volume fell as consumer spending habits remained subdued compared to the brief upsurge in demand experienced in the immediate post-pandemic period. Downward pressure on freight rates resulted in margin compression in the first quarter and weighed on profitability. Notably, our logistics segment saw a 320-basis point decrease in EBITDA margins compared to Q1 2023. Our Truck Transportation segment, was also impacted by anticipated integration expenses, experiencing a 570-basis point decline in EBITDA margins.

We evaluate all pricing concession requests from customers, and we remained strategically committed to sustainable rates in order to operate in this environment. This, resulted in top line loss of unprofitable volume. Furthermore, through our advanced data analytics we purposefully shifted capacity to more sustainable or flexible markets. Through these deliberate actions we were able to isolate redundant assets in our portfolio and divest them during the quarter, including 21 acres of undeveloped land in Cornwall, ON. As we further our commitment to a purposeful capital deployment strategy and maintain a solid balance sheet, the cashflow realized from the sale will be entirely devoted to reduce debt and improve Titanium's capital position.

In addition to our focus on the capital management strategy, we are also strongly encouraged by significant growth in both our operating segments. The Truck Transportation segment saw an increase in volume of 23%, mainly attributable to the acquisition of Crane, offsetting losses in volume from strategic pricing decisions. On the Logistics side, we are pleased to see a volume increase of 28% year over year. Our team's effort to diversify our customer base and extend our best-in-class services to new and existing customers will be a solid foundation for future growth.

Overall, Titanium's commitment to delivering sustainable and profitable growth underpins every action we make in navigating the market. Notwithstanding the current economic challenges, we remain focused on strengthening our foundation of people and technology, as well as improving our capital position. We also remain committed to operating responsibly, whether through sustainable contractual pricing, or our unyielding commitment to fleet safety and environmental stewardship. We strongly believe, that a prudent capital management strategy coupled with good governance is the backbone to current and future growth and profitability.

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Selected Segmented Financial Information (unaudited)

(in '000 Canadian dollars)

| | 3 months ended March 31 2024 | 3 months ended March 31 2023 |
|--|---------------------------------------|---------------------------------------|
| Truck Transportation | | |
| Revenue | 51,353 | 42,841 |
| Fuel surcharge | 8,222 | 8,721 |
| | 59,575 | 51,562 |
| Operating expenses | | |
| Carriers and independent contractors | 19,109 | 15,358 |
| Vehicle operating | 14,489 | 13,910 |
| Wages and casual labour | 16,349 | 12,016 |
| Other operating | 2,137 | 1,596 |
| | 52,084 | 42,880 |
| EBITDA ⁽¹⁾ | 7,491 | 8,682 |
| EBITDA margin ⁽¹⁾ | 14.6 % | 20.3 % |
| Depreciation | 8,360 | 6,800 |
| Amortization of customer lists | 467 | 327 |
| Operating income (loss) ⁽¹⁾ | (1,336) | 1,555 |
| Operating margin ⁽¹⁾ | (2.6)% | 3.6 % |
| Gain on sale of property and equipment | (4,686) | (1,559) |
| Finance costs | 3,208 | 1,400 |
| Finance income | (102) | (76) |
| Transaction costs | - | - |
| Income tax expense (recovery) | (465) | 612 |
| Net income | 709 | 1,178 |

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

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Selected Segmented Financial Information (unaudited), continued

(in '000 Canadian dollars)

| | 3 months ended March 31 2024 | 3 months ended March 31 2023 |
|---|---------------------------------------|---------------------------------------|
| Logistics | | |
| Revenue | 50,594 | 49,741 |
| Fuel surcharge | 5,629 | 6,508 |
| | 56,223 | 56,249 |
| Operating expenses | | |
| Carriers and independent contractors | 47,319 | 45,496 |
| Wages and casual labour | 4,637 | 5,153 |
| Other operating | 1,198 | 996 |
| | 53,154 | 51,645 |
| EBITDA/ Operating income ⁽¹⁾ | 3,069 | 4,604 |
| EBITDA/ Operating margin ⁽¹⁾ | 6.1 % | 9.3 % |
| Depreciation ⁽²⁾ | 257 | 167 |
| Finance costs ⁽²⁾ | 472 | 258 |
| Income tax expense | 634 | 1,076 |
| Net income | 1,706 | 3,103 |

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

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Revenue (unaudited)
(in '000 Canadian dollars)

| | 3 months ended March 31 2024 | 3 months ended March 31 2023 |
|-----------------------------|---|---|
| Truck Transportation | | |
| Revenue | 51,353 | 42,841 |
| Fuel surcharge | 8,222 | 8,721 |
| | <u>59,575</u> | <u>51,562</u> |
| Logistics | | |
| Revenue | 50,594 | 49,741 |
| Fuel surcharge | 5,629 | 6,508 |
| | <u>56,223</u> | <u>56,249</u> |

For the three-month period ended March 31, 2024, the Company's consolidated revenues increased by \$8.8 million or 8.3%, compared to the three-month period ended March 31, 2023. The increase was mainly attributable to incremental revenue from Crane offset by decreases due to pricing pressure in both segments.

The Truck Transportation segment recorded an increase in revenue of \$8.0 million or 15.5%, for Q1 2024, compared to the same period in 2023. The increase in large part reflects revenue from the Crane acquisition which contributed \$14.5 million.

The Logistics segment revenue in Q1 2024 was largely similar to the three-month period in 2023. Transaction pricing fell in the first quarter but the resulting decrease in revenue was offset by organic volume growth in both the Canadian and US division. US volumes increased by 22.5%, compared to the same period last year and Canada improved by 11.1%

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Operating Expenses and Income (unaudited)

(in '000 Canadian dollars)

| | 3 months ended March 31 2024 | 3 months ended March 31 2023 |
|---|---------------------------------------|---------------------------------------|
| Truck Transportation | | |
| Revenue | 59,575 | 51,562 |
| Operating expenses | 52,084 | 42,880 |
| EBITDA ⁽¹⁾ | 7,491 | 8,682 |
| EBITDA margin ⁽¹⁾ | 14.6 % | 20.3 % |
| Depreciation and amortization | 8,827 | 7,127 |
| Operating income ⁽¹⁾ | (1,336) | 1,555 |
| Operating margin ⁽¹⁾ | (2.6)% | 3.6 % |
| Logistics | | |
| Revenue | 56,223 | 56,249 |
| Operating expenses | 53,154 | 51,645 |
| EBITDA/ Operating income ⁽¹⁾ | 3,069 | 4,604 |
| EBITDA/ Operating margin ⁽¹⁾ | 6.1 % | 9.3 % |
| Corporate | | |
| Operating expenses | 1,101 | 710 |

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

For the Truck Transportation segment, operating expenses increased by \$9.2 million or 21.5%, for the three-month period ended March 31, 2024, compared to the same period in 2023. This was mainly a reflection of the increase in volume from the Crane acquisition and integration costs. An operating loss for the segment of \$1.3 million was recorded, alongside an operating margin of -2.6%, a 500-basis point decrease compared to the three-month period ended March 31, 2023. Profitability is normally expected to temporarily soften following an acquisition as the segment integrates the new operations. In addition, continued pricing pressure compressed margins further as operating cost per economic unit remained similar to prior year.

For the Logistics segment, operating expenses increased by \$1.5 million or 2.9% for the three month period ended March 31, 2024 compared to the same quarter in 2023. Operating income and operating margins declined to \$3.1 million from \$4.6 million, and 6.1% from 9.3%, respectively, when compared to the three months ended March 31, 2023. The decrease in operating income and margins reflects the soft market conditions, which led to significant overcapacity and put substantial pressure on transactional freight rates.

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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:

| | Q1'24 | Q4'23 | Q3'23 | Q2'23 | Q1'23 | Q4'22 | Q3'22 | Q2'22 |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | 115,144 | 119,299 | 112,685 | 100,379 | 106,322 | 110,849 | 113,356 | 136,183 |
| EBITDA ⁽¹⁾ | 9,460 | 14,877 | 13,456 | 12,025 | 12,576 | 14,912 | 15,524 | 16,335 |
| EBITDA margin ⁽¹⁾ | 9.3 % | 14.2 % | 13.6 % | 13.6 % | 13.8 % | 15.9 % | 16.0 % | 14.0 % |
| Operating income ⁽¹⁾ | 376 | 4,980 | 5,066 | 4,997 | 5,282 | 6,619 | 8,267 | 10,131 |
| Operating margin ⁽¹⁾ | 0.4 % | 4.8 % | 5.0 % | 5.6 % | 5.8 % | 7.1 % | 8.5 % | 8.7 % |
| Net income | 681 | 1,398 | 2,558 | 4,163 | 3,588 | 4,800 | 6,537 | 7,577 |
| Per share - basic | 0.02 | 0.03 | 0.06 | 0.09 | 0.08 | 0.11 | 0.15 | 0.17 |
| Per share - diluted | 0.02 | 0.03 | 0.06 | 0.09 | 0.08 | 0.11 | 0.14 | 0.17 |

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

Changes from quarter-to-quarter are mainly 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 stem 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 trend continued into 2023 and dampened the North American economy as the transportation industry became mired in one of the longest freight recessions in history. As we head into 2024, interest rates have begun to stabilize. Inflationary pressure, while persistent, have shown some signs of moderation and indications of an improved balance between freight demand and industry capacity are starting to emerge. We are anticipating freight market conditions to improve by end of 2024.

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 Crane integration, which began Q3 2023, to follow a similar pattern.

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LIQUIDITY AND CAPITAL RESOURCES

(in '000 Canadian dollars)

| | March 31 2024 | December 31 2023 |
|---|--------------------------|-----------------------------|
| Working capital ⁽¹⁾ | (19,073) | (19,228) |
| Total assets | 352,605 | 355,995 |
| Net debt ⁽²⁾ | 188,191 | 191,545 |
| Shareholders' equity | 105,717 | 104,549 |
| Net debt to equity ratio ⁽³⁾ | 1.78 | 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 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.

The Company's working capital position slightly improved as at March 31, 2024, in comparison to December 31, 2023. Notwithstanding current market conditions, we are committed to reducing the Company's net debt level for the balance of 2024. During the quarter, we identified and subsequently disposed of redundant assets, which will allow us to deploy the capital into debt reduction. Notably, we sold 21 acres in Cornwall, ON during the quarter, with the sale completed subsequent to the quarter. The net proceeds of this sale will be used for debt reduction and improving our working capital deficit. We expect to return to positive working capital within the year after deploying capital for the acquisition of Crane in August 2023.

In terms of rolling stock expenditures, we have committed \$8.0 million towards the purchase of 100 trailers over the next year. In addition, we expect to realize proceeds from the sale of excess aged equipment of approximately \$5.0 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 recent 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 | 152,916 | 35,729 | 36,193 | 33,543 | 23,243 | 13,760 | 10,448 |
| Finance leases | 25,888 | 6,984 | 5,712 | 4,070 | 2,190 | 2,212 | 4,720 |
| | 178,804 | 42,713 | 41,905 | 37,613 | 25,433 | 15,972 | 15,168 |

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.

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The portion of the Company's bank credit facilities which was unused as of March 31, 2024, include approximately \$31.0 million under the revolving demand operating facility, and \$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 March 31, 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 a ratio of total liabilities plus future minimum lease payments on non-lease 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 non-cash items, less unfinanced capital expenditures, plus proceeds of 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 a ratio of net income before interest income and expenses, gains on 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 in order 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, 614,408 (December 31, 2023 - 570,259) have not vested.

On October 18, 2023, we renewed Titanium's 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.

For the quarter ended March 31, 2024, the Company repurchased 161,000 (2023 - 72,275) 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 May 13, 2024, there are 44,794,257 common shares of the Company outstanding. In addition, there are 3,229,000 stock options outstanding, of which 1,706,100 are exercisable.

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 \$4.2 million for the three-month period ended March 31, 2024 (2023 - \$3.9 million).

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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 \$470 million to \$490 million and between EBITDA Margins of 10.0% to 12.0% for fiscal 2024.

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NON-IFRS FINANCIAL MEASURES

This MD&A includes the following financial measures and ratios 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 accelerated customer list amortization and goodwill impairment.

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

We believe 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.

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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.

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 March 31, 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 March 31, 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 March 31, 2024, Crane constituted 6.8% current assets, 26.2% long term assets, 13.3% current liabilities, 16.7% long term liabilities, 0.0% revenue and contributed -275.6% 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 intend to include Crane in the first half of 2024.

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the first quarter ended March 31, 2024

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are not yet effective for the quarter ended March 31, 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.