YEAR 2024

Titanium Transportation Group Inc.

Management's Discussion & Analysis

FOR THE THREE MONTH AND YEAR ENDED DECEMBER 31, 2024

Dated March 17, 2025

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management discussion and analysis dated March 17, 2025 ("MD&A"), which provides a comparative overview of the Company's performance for its three month period and year ended December 31, 2024 with the corresponding three month period and year ended December 31, 2023, and it reviews the Company's financial position as at December 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 audited consolidated financial statements and accompanying notes ("consolidated financial statements") as at and for the year ended December 31, 2024.

The consolidated financial statements of the Company and extracts from those consolidated financial statements contained in this MD&A were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The Company's presentation currency is the Canadian dollar. All financial information presented has been rounded to the nearest thousand dollars, except per share amounts and where otherwise indicated. The Company's consolidated financial statements for the year ended December 31, 2024 were approved by its Board of Directors on March 17, 2025. 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 are as of March 17, 2025. Additional information relating to the Company, including the Company's annual information form, 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 Sudbury, 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, 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 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 climate-controlled and multi-axle services. Through its 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, and creates a platform for revenue growth and cost efficiencies through the integration of acquisitions.

The Logistics segment is a non-asset based third-party provider of ancillary transportation services, such as freight brokerage, North American and international freight forwarding, intermodal, special and expedited services. The Logistics segment's success is due in large part to the experience and expertise of the Company's dedicated personnel, cutting-edge and innovative information technology and systems, and strong strategic relationships with third-party providers.

The Company's operational results are influenced by industry-wide economic factors including freight demand, trucking capacity, fuel prices, driver availability, overall economic conditions, exchange rates, government regulation, weather, and by capital allocation including operating and spending decisions. The Company makes key decisions when allocating capital between its Truck Transportation and Logistics segments, hiring employees or contract 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 EBITDA[1] and operating income, revenue generated per truck and per mile, empty miles, driver retention and fuel efficiency.

Q4 and Fiscal 2024 Key Highlights

- Consolidated revenue for Q4 2024 was $113.8 million -- a 1.0% increase from Q4 2023. Revenue after adjusting for discontinued operations reflects volume growth in Logistics segment offset by volume decrease from Truck Transportation and pricing pressure from soft market conditions. For 2024, annual consolidated revenue was $460.2 million, a 11.3% increase from 2023, attributable to revenue acquired with the acquisition of Crane Transport, Inc. ("Crane") in August 2023, as well as volume increase in the Logistics segment, offset by pricing pressure from soft market conditions.
- Operating income[(1)] was $5.0 million for Q4 2024, representing a 4.9% operating margin[(1)] -- a 14.6% increase in margin, compared to $4.3 million and a 4.4% operating margin[(1)] in Q4 2023. For 2024, operating income[(1)] was $8.6 million - a decrease of 54.8% from 2023.
- Truck Transportation segment revenue for Q4 2024 was $54.9 million, representing a 10.3% decrease year-over-year, mainly reflecting softer market conditions throughout the year. Operating income[(1)] was $1.1 million -- an 2.2% operating margin[(1)], for Q4 2024. This compares to a Q4 2023 operating income[(1)] of $0.7 million and a 1.4% operating margin[(1)].
- Logistics segment revenue was $61.5 million for Q4 2024, an 18.4% increase compared to $52.0 million in Q4 2023 -- due to significant increase in volume in the segment despite market conditions. Operating income[(1)] was $5.6 million, a $0.9 million increase from $4.7 million in Q4 2023. Operating margin[(1)] for the same period was 10.0%, a 10 basis point increase from 9.9% in Q4 2023. For 2024, logistics segment revenue was $234.9 million, an increase of 10.6% from 2023. Operating income was $15.3 million in 2024, down 14.2% from the previous year. Operating margins decreased from 9.4% to 7.2% over the same period.

Revenue by Industry

Manufactured goods	39.2%
Food & Beverages	19.5%
Logistics/Trucking	13.0%
Retail	8.0%
Automotive	5.2%
Metals & Mining	4.5%
Services	4.0%
Recycling	1.2%
Other	5.4%

Based on Q4 2024 revenue

[1] Refer to "Results of Operations" on page 3 and "Non-IFRS Financial Measures" on page 15 for more information about EBITDA and operating income and for a reconciliation of EBITDA and operating income to net income.

RESULTS OF OPERATIONS

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

	3 months ended Dec 31 2024	3 months ended Dec 31 2023	12 months ended Dec 31 2024	12 months ended Dec 31 2023	12 months ended Dec 31 2022
Revenue(1)	101,101	98,116	406,444	357,938	396,871
Fuel surcharge	12,739	14,647	53,802	55,756	67,559
	113,840	112,763	460,246	413,694	464,430
Operating expenses(1)	102,106	99,173	418,316	365,607	409,842
EBITDA(1)	11,734	13,590	41,930	48,087	54,588
EBITDA margin(1)	11.6 %	13.9 %	10.3 %	13.4 %	13.8 %
Depreciation	6,347	8,688	31,504	27,408	22,840
Amortization of customer lists	406	556	1,780	1,538	1,308
Operating income(1)(2)	4,981	4,346	8,646	19,141	30,440
Operating margin(1)(2)	4.9 %	4.4 %	2.1 %	5.3 %	7.7 %
Loss (gain) on sale of property and equipment(2)	(304)	(745)	(2,872)	(4,473)	(6,876)
Finance costs	2,543	3,270	12,303	9,134	4,540
Finance income	(126)	(106)	(390)	(518)	(204)
Foreign exchange loss (gain)	(724)	(861)	320	125	1,570
Transaction costs	-	-	-	1,285	200
Adjusted Impairment loss(2)	-	-	-	-	-
Adjusted income tax expense(1)(2)	3,183	1,804	1,648	4,019	8,077
Adjusted net income (loss) from continuing operations	409	984	(2,363)	9,569	23,133
Adjusted net income (loss) from discontinued operations	(1,287)	414	(2,650)	660	1,749
Adjusted net income (loss)(1)	(878)	1,398	(5,013)	10,229	24,882
Earnings (loss) per share:					
Adjusted net income (loss) per share - basic	(0.02)	0.03	(0.11)	0.23	0.55
Adjusted net income (loss) per share - diluted	(0.02)	0.03	(0.11)	0.22	0.55
Earnings (loss) per share from continuing operations:					
Adjusted net income (loss) per share - basic	0.01	0.02	(0.05)	0.22	0.52
Adjusted net income (loss) per share - diluted	0.01	0.02	(0.05)	0.21	0.51

(1) Refer to "Non-IFRS Financial Measures
(2)Adjusted asset impairment due to revised future cashflow to the amount of $23.1million, and a corresponding deferred tax recovery of $4.1 million.

EXECUTIVE SUMMARY AND OUTLOOK

In a year marked by economic uncertainty and industry challenges, Titanium remained focused on executing our strategic priorities, with a primary focus on debt reduction, sustainable growth and continued operational efficiencies.

Despite challenging market conditions, revenue grew by 5% from 2023 to 2024, reflecting our disciplined approach to technology-driven solutions and the commitment of our experienced team. Additionally, we continued to generate free cashflow from our operations and strategic initiatives, which supported debt repayment and strengthened our financial position. In an increasingly volatile geopolitical environment, we view this financial discipline as critical in mitigating risks and positioning the Company to capitalize on emerging opportunities.

We remain mindful of current macro-economic conditions, particularly the potential impact of tariffs on U.S.-Canada trade. A trade dispute could disrupt cross-border trucking volumes, influencing supply chains and trade flows. The potential impact of these imposed tariffs, if sustained, remains uncertain but the trucking industry continues to be a cornerstone of North American commerce. Trucks transport 85% of freight between the U.S. and Mexico and 67% of shipments between the U.S. and Canada, underscoring the sector's resilience. In addition, approximately 2/3rds of our freight volume are domestic movements which are not exposed to tariff effects.

Titanium is well-positioned to navigate these challenges while continuing to maintain the cross-border and domestic freight needs of our diverse customer base. Additionally, our Truck Transportation and Logistics divisions are prepared to service any additional domestic freight should customers pivot toward temporary onshoring in response to trade restrictions. Our recent U.S. acquisition has further strengthened our presence in the U.S. market, enhancing our asset-based service offerings to customers south of the border. Despite pricing pressures caused by industry overcapacity and weakened end-market demand, Crane's contribution helped stabilize revenue in our Truck Transportation segment and provide service options necessary to respond to pivoting US markets.

Meanwhile, our Logistics segment continued to face pricing headwinds but delivered strong performance, supported by an expanded footprint in Virginia Beach, VA, [and Irving, TX,] as well as an enhanced sales presence and service offerings from our recent U.S acquisition. The segment grew an impressive 25% in volume year-over-year. Our asset-light model in the U.S. provides the flexibility to navigate potential disruptions while maintaining financial stability amid challenges such as tariffs, fuel costs, and broader market uncertainty. We are encouraged by the continued organic growth of this segment and remain focused on growing our U.S. freight brokerage business.

Amid a complex geopolitical and economic landscape, Titanium remains committed to driving sustainable growth and building a foundation for long-term profitability. To further strengthen our balance sheet, we continued to divest non-core assets through 2024 and streamline our service offerings to focus on sustainable pricing. As part of this strategic realignment, we ceased operations in Cornwall and North Bay and discontinued select service offerings in Oakwood. While all redundant assets were divested in 2024, except for the North Bay terminal, proceeds were directed toward debt reduction, enhancing our liquidity and financial flexibility.

Our prioritization of debt reduction not only lowers interest expenses but also positions us to capitalize on future growth opportunities as the market stabilizes. Given current market conditions, we recognized an asset impairment in our Truck Transportation segment to reflect revised future cash flow projections. However, we remain confident that as industry fundamentals improve and pricing normalizes, cash flow in this segment will recover.

As previously announced, we have temporarily suspended our dividend to prioritize financial discipline and prudent capital allocation. This decision aligns with our strategy of reinforcing our balance sheet amid ongoing market uncertainty. As we enter 2025, we remain committed to a disciplined approach to capital management, ensuring Titanium is well-positioned for long-term success.

While near-term challenges persist, we are confident in Titanium's ability to scale effectively, enhance operational resilience, and capitalize on our various product lines both in Canada and the United States . As the industry stabilizes, our diversified services, operational efficiencies, and strategic initiatives will drive continued competitiveness and sustainable long-term value creation.

Selected Segmented Financial Information (unaudited)
(in '000 Canadian dollars)

	3 months ended Dec 31 2024	3 months ended Dec 31 2023	12 months ended Dec 31 2024	12 months ended Dec 31 2023
Truck Transportation				
Revenue[1]	47,918	51,520	199,020	172,215
Fuel surcharge	7,021	9,715	30,825	33,794
	54,939	61,235	229,845	206,009
Operating expenses[1]				
Carriers and independent contractors	28,860	23,373	84,526	73,655
Vehicle operating	8,910	11,474	51,225	43,846
Wages and casual labour	8,400	12,971	55,436	46,094
Other operating	1,210	3,643	7,566	8,401
	47,380	51,461	198,753	171,996
EBITDA[1]	7,559	9,774	31,092	34,013
EBITDA margin[1]	15.8 %	19.0 %	15.6 %	19.8 %
Depreciation	6,089	8,480	30,475	26,659
Amortization of customer lists	406	556	1,780	1,538
Operating income[1]	1,064	738	(1,163)	5,816
Operating margin[1]	2.2 %	1.4 %	(0.6)%	3.4 %
Gain on sale of property and equipment	(304)	(745)	(2,872)	(4,473)
Finance costs	2,328	2,781	11,061	7,739
Finance income	(126)	(106)	(390)	(311)
Transaction costs	-	-	-	1,285
Adjusted impairment loss[2]	-	-	-	-
Adjusted income tax expense (recovery)[1]	5,023	(233)	2,416	477
Adjusted net income (loss) from continuing operations	(5,857)	(959)	(11,378)	1,099
Adjusted net income (loss) from discontinued operations	(1,287)	414	(2,650)	660
Adjusted net income (loss)[1]	(7,144)	(545)	(14,028)	1,759

(1) Refer to "Non-IFRS Financial Measures"
(2)Adjusted asset impairment due to revised future cashflow to the amount of $23.1million, and a corresponding deferred tax recovery of $4.1 million.

Selected Segmented Financial Information (unaudited)**, continued**
(in '000 Canadian dollars)

	3 months ended Dec 31 2024	3 months ended Dec 31 2023	12 months ended Dec 31 2024	12 months ended Dec 31 2023
Logistics				
Revenue	55,816	47,055	211,909	190,486
Fuel surcharge	5,718	4,932	22,978	21,962
	61,534	51,987	234,887	212,448
Operating expenses				
Carriers and independent contractors	52,322	42,554	199,070	171,490
Wages and casual labour	3,643	4,309	18,217	18,965
Other operating	9	455	2,275	3,301
	55,974	47,318	219,562	193,756
EBITDA/ Operating income(1)	5,560	4,669	15,325	18,692
EBITDA/ Operating income margin(1)	10.0 %	9.9 %	7.2 %	9.8 %
Depreciation	257	208	1,029	749
Finance costs	215	489	1,242	1,395
Income tax expense (recovery)	(2,161)	2,007	-	4,476
Adjusted net income	7,249	1,965	13,054	12,072

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

Revenue
(in '000 Canadian dollars)

	3 months ended Dec 31 2024	3 months ended Dec 31 2023	12 months ended Dec 31 2024	12 months ended Dec 31 2023
Truck Transportation				
Revenue[1]	47,918	51,520	199,020	172,215
Fuel surcharge	7,021	9,715	30,825	33,794
	54,939	61,235	229,845	206,009
Logistics				
Revenue	55,816	47,055	211,909	190,486
Fuel surcharge	5,718	4,932	22,978	21,962
	61,534	51,987	234,887	212,448

For the three-month period and year ended December 31, 2024, the Company's consolidated revenues increased by $1.1 million or 1.0%, and increased by $46.6 million or 11.3% when compared to the year ended December 31, 2023. Included in consolidated revenue was a contribution of $53.1 million from the acquisition of Crane, as compared to $35.0 million in 2023. As part of management's strategy to streamline operations, the Company has ceased operations in several geographic regions as well as certain service offerings. The decrease in revenue from discontinued operations was offset by significant increase in Logistics segment volume.

The Truck Transportation segment experienced a decrease in revenue of $6.3 million or 10.3%, for the three-month period ended December 31, 2024 and an increase of $23.8 million or 11.6% for the year ended December 31, 2024, compared the same periods in 2023. The decrease is mainly a result of adverse economic conditions affecting transactional pricing in the U.S. Truck Transportation segment.

The Logistics segment reported an increase in revenue of $9.5 million or 18.4%, for the three-month period ended December 31, 2024 and an increase of $22.4 million, or 10.6%, for 2024 in total, compared to 2023. Increase in revenue is mainly attributable to 25.2% increase in volume year-over-year, offset by continuous pricing pressure due to adverse market conditions.

Operating Expenses
(in '000 Canadian dollars)

	3 months ended Dec 31 2024	3 months ended Dec 31 2023	12 months ended Dec 31 2024	12 months ended Dec 31 2023
Truck Transportation				
Revenue(1)	54,939	61,235	229,845	206,009
Operating expenses(1)	47,380	51,461	198,753	171,996
EBITDA(1)	7,559	9,774	31,092	34,013
EBITDA margin(1)	15.8 %	19.0 %	15.6 %	19.8 %
Depreciation and amortization	6,495	9,036	32,255	28,197
Operating income(1)	1,064	738	(1,163)	5,816
Operating margin(1)	2.2 %	1.4 %	(0.6)%	3.4 %
Logistics				
Revenue	61,534	51,987	234,887	212,448
Operating expenses	55,974	47,318	219,562	193,756
EBITDA/ Operating income(1)	5,560	4,669	15,325	18,692
EBITDA margin/ Operating margin(1)	10.0 %	9.9 %	7.2 %	9.8 %
Corporate				
Operating expenses	1,384	853	4,488	3,785

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

Operating expenses in the Truck Transportation segment, decreased by $4.1 million or 7.9%, for the three-month period ended December 31, 2024 and increased by $26.8 million or 15.6%, for the year ended December 31, 2024, compared to the same periods in 2023 - primarily reflecting discontinued operations and margin compression due to adverse market conditions. For the three month and year-to-date periods, the segment operating margin was 2.2% and -0.6%, compared to a margin of 1.4% and 3.4% respectively, for the same periods in 2023.

In the Logistics segment, operating expenses increased by $8.7 million, or 18.3% for the three-month period ended December 31, 2024, but decreased by $25.8 million or 13.3%, for the year ended December 31, 2024, when compared to the same periods in 2023. Transactional freight rates continued to face downward pressure stemming from soft market conditions and over-capacity but decrease in transaction pricing was offset partially with 25.2% increase in volume year-over-year. Operating income and operating margins increased by $0.9 million, or 19.1%, for the three-month period, and decreased by $2.5 million for the full year -- in line with the drop in segment revenue.

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:

	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23
Revenue	113,840	118,400	115,085	112,921	113,051	106,437	94,132	100,074
EBITDA[1]	11,734	10,283	10,218	9,684	13,665	12,244	10,814	11,364
EBITDA margin[1]	11.6 %	9.8 %	10.1 %	9.8 %	14.1 %	13.5 %	13.5 %	13.7 %
Operating income[1]	4,981	1,689	1,376	599	4,684	4,770	4,701	4,986
Operating margin[1]	4.9 %	1.6 %	1.4 %	0.6 %	4.8 %	5.0 %	5.6 %	5.8 %
Net income (loss)[1]	(18,590)	(1,500)	(2,329)	3,069	1,029	2,189	3,793	3,218
Per share - basic	(0.47)	(0.03)	(0.05)	0.02	0.03	0.06	0.09	0.08
Per share - diluted	(0.46)	(0.03)	(0.05)	0.02	0.03	0.06	0.09	0.08
Adjusted net income	(1,865)	(1,283)	(2,329)	3,069	1,029	2,189	3,793	3,218
Per share - basic	(0.04)	(0.03)	(0.05)	0.08	0.03	0.06	0.09	0.08
Per share - diluted	(0.04)	(0.03)	(0.05)	0.07	0.03	0.06	0.09	0.08

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

(2) The amounts above are inclusive of discontinued operations.

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 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 second 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. However the downturn of the industry due to overcapacity and ongoing geopolitical uncertainty has lengthened the margin improvement timeframe.

LIQUIDITY AND CAPITAL RESOURCES
(in '000 Canadian dollars)

	December 31 2024	December 31 2023	December 31 2022
Working capital (deficit)(1)	(15,601)	(19,228)	31,469
Total assets	297,317	355,995	281,142
Net debt(2)	159,923	191,545	91,288
Shareholders' equity	79,909	104,549	98,220
Net debt to equity ratio(3)	2.00	1.83	0.93

(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, finance lease receivables and assets held for sale, 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, our working capital deficiency improved when compared to December 31, 2023, despite continued market weakness. Net debt to equity ratio declined due to the asset impairment recorded as part of the CGU evaluation. 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. In addition, we have also identified our North Bay terminal as redundant asset and are in the process of disposing said property. 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 $1.0 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 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.

LIQUIDITY AND CAPITAL RESOURCES - continued

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	130,129	33,564	32,291	28,357	20,419	11,128	4,370
Finance leases	20,773	5,940	5,103	2,239	2,185	2,332	2,974
	150,902	39,504	37,394	30,596	22,604	13,460	7,344

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 bank credit facilities which were unused as of December 31, 2024 include approximately $31.6 million under the revolving demand operating facility, and $7.5 million under a finance lease loan facility.

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 December 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-realty operating leases to shareholder's equity less goodwill, customer lists and deferred tax assets. For Q4 2024, 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.

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, 693,419 (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.

LIQUIDITY AND CAPITAL RESOURCES - continued

For the year ended December 31, 2024, the Company repurchased 161,000 (2023 - 987,745) common shares at a weighted average price of $2.29 and a total purchase price of $0.37 million. The excess of the purchase price paid over the carrying value of the shares repurchased, totaled $0.14 million and was charged to retained earnings as a share repurchase premium.

As of March 17, 2025, there are 45,365,662 common shares of the Company outstanding. In addition, there are 3,218,000 stock options outstanding, of which 1,718,433 are exercisable.

During the year ended December 31, 2024, dividends of $3.6 million or $0.08 per common share (2023 - $3.6 million) was declared and paid by the Company to its shareholders.

Subsequent to the reporting date, the Company has elected to suspend its dividend as the Company continues to execute a disciplined financial strategy amid ongoing market challenges.

TRANSACTIONS WITH RELATED PARTIES

The Company provides truck transportation services to companies related to a shareholder with significant influence, Trunkeast Investments Canada Limited. These companies include Vision Extrusions Group Limited and Vision Profile Extrusions Ltd. Aggregate revenues from these companies totaled $18.0 million for the year ended December 31, 2024 (2023 - $17.1 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 to provide investors with insight into the current size of the Company and do not consider 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. Due to significant economic volatility and uncertainty caused by potential trade dispute between Canada and the U.S., management will not provide estimates for 2025 at this time.

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:

"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.

"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.

"Net debt" is defined as bank indebtedness, acquisition loan, loans payable and finance lease liabilities, net of cash, finance lease receivables and assets held for sale, both current and long-term portions.

"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.

We believes that these financial measures are useful for investors and other readers, when used in conjunction with other IFRS financial measures, as they are 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.

On February 1, 2025, the President of the United States issued three executive orders directing the United States to impose new tariffs on imports originating from Canada, Mexico and China. These orders call for additional 25% duty on imports into the United States of Canadian-origin and Mexican-origin products and 10% duty on Chinese origin products, except for Canadian energy resources that are subject to an additional 10% duty.

Since the original orders, Canada has responded with retaliatory tariffs of 25% on imports into Canada of U.S.-origin products, total goods affected by this tariff amounts to approximately $124.8 billions.

The Company is assessing the direct and indirect impacts to its business of such tariffs, retaliatory tariffs or other trade protectionist measures implemented as this situation develops, and such impacts could be material.

CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2024 and have not been applied in preparing the consolidated financial statements:

IAS 1, Presentation of 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.

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 December 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 December 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.

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make judgments, assumptions and estimates that affect the reported amounts of revenues and expenses, the carrying amounts of assets and liabilities and disclosures regarding contingent assets and liabilities. The following describes critical accounting estimates management used in preparing the consolidated financial statements:

Impairment test of intangible assets and goodwill – An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The determination of value in use requires the estimation and discounting of expected future cash flows which involves key estimates related to future growth rates, terminal growth rate, post-tax discount rate.

Impairment of trade and other receivables – An allowance for lifetime expected credit losses is established based on a combined approach of specific account identification and the use of a provision matrix. Management regularly analyzes its approach and exposure to credit loss based on an analysis of all relevant current information as well as historical trends.

Depreciation and impairment of property and equipment and Right of Use Assets – Estimates of useful lives for straight line depreciation are based on management's historical experience and are reviewed on an ongoing basis. Property and equipment, as well as Right-of-Use Assets, is assessed for impairment when events or changes in circumstances indicate that the Company may not be able to recover its carrying value.

Amortization and impairment of intangible assets – Amortization periods for customer lists are based on management's past experience and regular assessments of customer attrition. Goodwill and customer lists are assessed annually for impairment by comparing future discounted expected cash flows for cash-generating units against carrying values. Cash flows are estimated based on past performance and future expected conditions. Discount rates are estimated based on industry averages, company size and capital structure.

Business combinations – Tangible assets acquired as part of a business combination are valued based on management estimates of current market values, recent selling activity and third-party valuations. Intangible assets are valued based on future discounted expected cash flows, customer attrition and workforce turnover. Discount rates are estimated based on industry averages, company size and capital structure.

Lease contracts – Lease contracts with extensions, terminations or early buyout options are evaluated based on management judgement on whether it is reasonably certain that the option will be exercised. Management considers all relevant factors and economic incentives such as current market values of underlying asset, recent market renewals and third-party valuations. In addition, management also evaluate relevant factors such as bank mortgage rate, interest rates and borrowing conditions when assessing the incremental borrowing rate to measure the lease liability.

Income Taxes – Future tax balances are estimated based on expected future tax rates and the probability of future taxable income needed to realize deferred tax assets. Expected future tax rates are based on currently enacted tax rates or pronounced changes. Future taxable income is based on past performance and future expected conditions.

Share based payments – Management estimates expected volatility, the expected life of the instrument and expected forfeitures when valuing share-based payments. Volatility is estimated based on historical trading data. The expected life of the instrument and expected forfeitures is based on past experience.

Provisions – Estimates of expected settlements arising from matters involving litigation or accident claims are based on information provided by legal counsel or insurance professionals.