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Management's Discussion & Analysis

**FOR THE THREE MONTH ENDED
September 30, 2025**

Dated November 10, 2025

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2025

GENERAL INFORMATION

The following is Titanium Transportation Group Inc.'s management discussion and analysis dated November 10, 2025 ("MD&A"), which provides a comparative overview of the Company's performance for the three month and nine month periods ended September 30, 2025 with the corresponding three-month and nine-month periods ended September 30, 2024, and it reviews the Company's financial position as at September 30, 2025. 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, 2024, as well as the unaudited condensed consolidated interim financial statements of the Company for the third quarter ended September 30, 2025 ("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, 2025, were approved by its Board of Directors on November 10, 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 is dated as of November 10, 2025. 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, Windsor, ON, Oakwood, GA and Falkville, AL with additional parking/switch yards in Brockville and Trenton, ON and freight brokerage offices in Bolton, Windsor, ON, Montreal, QC, Charlotte, NC, Nashville, TN, Chicago, IL, Denver, CO, Atlanta, GA, Fayetteville, AR, Jacksonville, FL, Virginia Beach, VA and Irving, TX. 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 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 both in Canada and the United States, 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 impacting operational results include freight demand, overall industry capacity, trade policy, 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.

Q3 2025 Key Highlights

- ◆ Consolidated revenue for Q3 2025 was \$115.7 million, a 2.3% decrease over Q3 2024. The decrease was attributable to volume decrease reflecting our strategic exist from unprofitable service offerings in the Truck Transportation segment, and weaker transactional pricing due to softening market conditions, which was partially offset by a modest volume increase in the Logistics segment.
- ◆ Operating income was \$2.2 million for Q3 2025, representing a 2.2% operating margin¹, compared to \$1.7 million and 1.6%, respectively, in Q3 2024. The increase was driven by operating efficiency improvements in the Truck Transportation segment as part of aforementioned exits in 2024.
- ◆ Truck Transportation segment revenue for Q3 2025 was \$53.8 million, a 7.3% decrease year over year. Operating income was \$1.4 million, resulting in an operating margin of 2.9%, compared to a loss of \$0.5 million and -1.0%, respectively, in Q3 2024.
- ◆ Logistics segment revenue was \$63.0 million in Q3 2025 -- 3.3% increase over the \$61.0 million recorded during the same period in 2024. Operating income was \$2.3 million, representing a 4.2% operating margin for the quarter, compared to \$3.6 million and 6.5%, respectively, in Q3 2024. Increase in revenue is mainly driven by the Company's focus on organic volume growth, offset by significant volatility in transactional pricing on both revenue and cost.

Revenue by Industry

Manufactured Goods	40.1%
Food & Beverages	20.1%
Logistics/Trucking	10.7%
Retail	7.2%
Automotive	4.7%
Chemical & Explosives	3.9%
Forest Products	3.8%
Metals & Mining	3.4%
Other	6.1%

Based on Q3 2025 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 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Revenue	102,267	105,038	316,825	305,343
Fuel surcharge	13,454	13,361	39,423	41,062
	115,721	118,399	356,248	346,405
Operating expenses	106,815	108,107	328,582	316,210
EBITDA ⁽¹⁾⁽²⁾	8,906	10,292	27,666	30,195
EBITDA margin ⁽¹⁾⁽²⁾	8.7 %	9.8 %	8.7 %	9.9 %
Depreciation	6,682	8,145	20,325	25,157
Amortization of customer lists	-	459	-	1,374
Operating income ⁽¹⁾⁽²⁾	2,224	1,688	7,341	3,664
Operating margin ⁽¹⁾⁽²⁾	2.2 %	1.6 %	2.3 %	1.2 %
Loss (gain) on sale of property and equipment	(724)	324	2,846	(2,568)
Finance costs	2,456	2,858	7,738	9,760
Finance income	(81)	(65)	(264)	(264)
Foreign exchange loss (gain)	118	(736)	(712)	1,043
Income (loss) before income taxes	455	(693)	(2,267)	(4,307)
Income tax expense (recovery)	(105)	(286)	(458)	(2,213)
Net income (loss) from continuing operations	560	(407)	(1,809)	(2,094)
Net income (loss) from discontinued operations	-	(1,093)	-	(1,053)
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Earnings (loss) per share:				
Net income (loss) per share - basic	0.01	(0.03)	(0.04)	(0.07)
Net income (loss) per share - diluted	0.01	(0.03)	(0.04)	(0.07)
Earnings per share from continuing operations:				
Net income (loss) per share - basic	0.01	(0.01)	(0.04)	(0.05)
Net income (loss) per share - diluted	0.01	(0.01)	(0.04)	(0.05)

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

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EXECUTIVE SUMMARY AND OUTLOOK

Titanium's third quarter performance confirmed the effectiveness of the strategic actions taken over the past several quarters. While external conditions have not materially improved year-to-date, with ongoing trade tensions, industry overcapacity, and subdued consumer confidence weighing on broader freight activity, Titanium's operating results continue to reflect the benefits of our strategic shift to strictly sustainable service offerings. Our disciplined approach to pricing, cost management, and operational execution enabled us to deliver positive operating income in both segments for a second consecutive quarter. The third quarter of 2025 marks the first time since Q4 2023 that both Truck Transportation and Logistics have simultaneously generated positive operating results, underscoring the progress we are making through this cycle.

Our Truck Transportation segment continued its progress, reflecting the benefits of last year's efforts to reduce redundant assets, and our intensified focus on profitable, sustainable service offerings. Pricing for the segment increased by nearly 7% year over year, offsetting a 16% decline in volume year-over-year resulting from our deliberate exit from unprofitable and non-core business. Profitability improved for the third consecutive quarter, and Q3 represented our most efficient quarter in nearly two years, with improved margins demonstrating improved efficiency in our operations and improving our quality of revenue.

The Logistics segment delivered solid growth of 6% year-over-year, supported primarily by continued strength in U.S. volumes. While geopolitical uncertainty and shifts in supplier market dynamics resulted in margin compression of approximately 1.2%, our strategy remains focused on sustainable, organic volume growth. Consistent with our approach in Truck Transportation, we are prioritizing long-term, strategic customer relationships over transactional business. We believe this disciplined approach will drive improved profitability as market conditions stabilize.

Financial discipline remains a cornerstone of our strategy. We further strengthened our balance sheet in Q3 2025, with our net-debt-to-equity ratio improving from 1.66 to 1.53 quarter-over-quarter. We also repaid \$8.9 million of debt during the quarter, ensuring Titanium maintains the financial flexibility to navigate ongoing market uncertainty and capitalize on strategic opportunities as they arise.

Looking ahead, we remain cautiously optimistic. Public and private infrastructure and industrial investments are expected to gradually support freight demand, though we recognize that a meaningful recovery will take time. In the interim, Titanium's strategic focus remains clear: protect margins, maintain balance sheet strength, and leverage our people, technology, and network to navigate through this cycle with discipline and agility.

Every decision we make is anchored in our commitment to delivering sustainable, profitable growth. Our focus on operational excellence, prudent capital management and long-term value creation continues to be the backbone of our company. As market conditions evolve, Titanium remains well positioned to emerge stronger, with a solid foundation for future growth.

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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 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Truck Transportation				
Revenue	47,955	50,701	145,757	151,102
Fuel surcharge	5,892	7,402	18,581	23,803
	53,847	58,103	164,338	174,905
Operating expenses				
Carriers and independent contractors	21,053	19,076	62,192	55,666
Vehicle operating	11,229	14,277	35,821	42,314
Wages and casual labour	11,649	14,749	38,085	47,035
Other operating	2,191	2,142	6,307	6,356
	46,122	50,244	142,405	151,371
EBITDA ⁽¹⁾	7,725	7,859	21,933	23,534
EBITDA margin ⁽¹⁾	16.1 %	15.5 %	15.0 %	15.6 %
Depreciation	6,350	7,887	19,391	24,385
Amortization of customer lists	-	459	-	1,374
Operating income (loss) ⁽¹⁾	1,375	(487)	2,542	(2,225)
Operating margin ⁽¹⁾	2.9 %	(1.0)%	1.7 %	(1.5)%
Loss (gain) on sale of property and equipment	(724)	324	2,846	(2,568)
Finance costs	1,859	2,613	6,225	8,732
Finance income	(81)	(65)	(264)	(264)
Income (loss) before income taxes	321	(3,359)	(6,265)	(8,125)
Income tax expense (recovery)	300	(1,035)	(1,121)	(3,286)
Net income (loss) from continuing operations	21	(2,324)	(5,144)	(4,839)
Net income (loss) from discontinued operations	-	(1,093)	-	(1,053)
Net income (loss)	21	(3,417)	(5,144)	(5,892)

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

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Selected Segmented Financial Information (unaudited), continued

(in '000 Canadian dollars)

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Logistics				
Revenue	55,391	55,004	173,832	156,093
Fuel surcharge	7,562	5,959	20,841	17,260
	62,953	60,963	194,673	173,353
Operating expenses				
Carriers and independent contractors	54,658	51,628	167,814	146,748
Wages and casual labour	4,677	5,373	14,240	14,574
Other operating	1,315	402	3,819	2,266
	60,650	57,403	185,873	163,588
EBITDA/ Operating income ⁽¹⁾	2,303	3,560	8,800	9,765
EBITDA/ Operating margin ⁽¹⁾	4.2 %	6.5 %	5.1 %	6.3 %
Depreciation	332	258	934	772
Finance costs	597	245	1,513	1,028
Income tax expense	-	836	1,339	2,161
Net income	1,374	2,221	5,014	5,804

(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 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Truck Transportation				
Revenue	47,955	50,701	145,757	151,102
Fuel surcharge	5,892	7,402	18,581	23,803
	<u>53,847</u>	<u>58,103</u>	<u>164,338</u>	<u>174,905</u>
Logistics				
Revenue	55,391	55,004	173,832	156,093
Fuel surcharge	7,562	5,959	20,841	17,260
	<u>62,953</u>	<u>60,963</u>	<u>194,673</u>	<u>173,353</u>

For the three-month and nine-month periods ended September 30, 2025, the Company's consolidated revenues decreased by \$2.7 million and increased by \$9.8 million, respectively, or 2.3% and 2.8%, compared to the same periods in 2024. The decrease in revenue reflected an increase in volume in the Logistics segment, offset by decrease in volume in Truck Transportation caused by deliberate strategic exit from unprofitable service offerings.

Truck Transportation segment revenue from continuing operations decreased \$4.3 million, or 7.3% during the quarter, compared to the same quarter in 2024. It also decreased \$10.6 million, or 6.0%, for the nine-month period ended September 30, 2025 compared to 2024 -- mainly reflecting a reduction in capacity from our strategic realignment of the segment towards more sustainable business.

Logistics segment revenue increased \$2.0 million or 3.3%, for the three-months ended September 30, 2025 and \$21.3, million, or 12.3%, for the nine-month period to start 2025, compared to 2024. The increase in revenue was primarily a result of continued organic volume growth of 5.8% reflecting our strategic expansion in both the Canadian and US divisions. This was slightly offset by pricing pressure in transactional pricing in 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 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Truck Transportation				
Revenue	53,847	58,103	164,338	174,905
Operating expenses	46,122	50,244	142,405	151,371
EBITDA ⁽¹⁾	7,725	7,859	21,933	23,534
EBITDA margin ⁽¹⁾	16.1 %	15.5 %	15.0 %	15.6 %
Depreciation and amortization	6,350	8,346	19,391	25,759
Operating income ⁽¹⁾	1,375	(487)	2,542	(2,225)
Operating margin ⁽¹⁾	2.9 %	(1.0)%	1.7 %	(1.5)%
Logistics				
Revenue	62,953	60,963	194,673	173,353
Operating expenses	60,650	57,403	185,873	163,588
EBITDA/ Operating income ⁽¹⁾	2,303	3,560	8,800	9,765
EBITDA/ Operating margin ⁽¹⁾	4.2 %	6.5 %	5.1 %	6.3 %
Corporate				
Operating expenses	1,122	1,127	3,067	3,104

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

For the Truck Transportation segment, operating expenses decreased by \$4.1 million, or 8.2%, for the three month period ended September 30, 2025 and by \$9.0 million, or 5.9%, for the nine month period of 2025, compared to the same periods in 2024. For the three and nine-month periods ended September 30, 2025, the segment operating margin was 2.9% and 1.7%, compared to a margin of -1.0% and -1.5%, respectively, for the same periods in 2024. The improvement reflects the segment's strategic realignment initiated in 2024, which involved cessation of unprofitable geographic regions and certain service offerings, as well as fleet operating cost mitigation using data-driven analytics.

For the Logistics segment, operating expenses increased by \$3.2 million, or 5.7%, for the three month period ended September 30, 2025 and increased by \$22.3 million, or 13.6%, for the first nine months of the year, compared to the same periods in 2024. Operating income and operating margins decreased by \$1.3 million, or 35.3%, for the third quarter of 2025 and decreased by \$1.0 million or 9.9%, for the nine month period ended September 30, 2025 -- with the segment revenue increase being somewhat offset by continued transactional freight rate pressure and subcontractor transactional cost reflected significant volatility due to ongoing geopolitical uncertainty.

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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:

	Q3'25	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23
Revenue	115,721	119,123	121,405	113,840	118,399	115,085	112,921	113,051
EBITDA ⁽¹⁾	8,906	9,965	8,796	11,734	10,292	10,218	9,684	13,665
EBITDA margin ⁽¹⁾	8.7 %	9.3 %	8.2 %	11.6 %	9.8 %	10.1 %	9.8 %	14.1 %
Operating income ⁽¹⁾	2,224	3,638	1,480	4,981	1,688	1,375	599	4,684
Operating margin ⁽¹⁾	2.2 %	3.4 %	1.4 %	4.9 %	1.6 %	1.4 %	0.6 %	4.8 %
Adjusted net income ⁽¹⁾	560	1,019	(3,387)	2,235	(1,500)	(2,329)	681	1,398
Per share - basic	0.01	0.02	(0.08)	0.05	(0.03)	(0.05)	0.02	0.03
Per share - diluted	0.01	0.02	(0.07)	0.05	(0.03)	(0.05)	0.02	0.03
Net income	560	1,019	(3,387)	(20,865)	(1,500)	(2,329)	681	1,398
Per share - basic	0.01	0.02	(0.08)	(0.47)	(0.03)	(0.05)	0.02	0.03
Per share - diluted	0.01	0.02	(0.07)	(0.46)	(0.03)	(0.05)	0.02	0.03

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

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

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.

In 2023, industry overcapacity; mounting inflationary pressure, leading to a tightening in monetary policy, dampened the North American economies, contributing to the onset of the longest freight recession in history. In 2024, inflation, while persistent, began to moderate, taking some pressure off interest rates. Early, tentative signs of an improved balance between freight demand and industry capacity – in large part reflecting exits from the industry – started to emerge.

However, in Q1 2025, the US Administration – for a variety of stated reasons including trade balances, migration, drug interdiction, revenue generation, etc. -- began imposing tariffs on Canadian (and many other countries') exports to the United States. Due to the uncertain and everchanging nature of these measures, the impacts on many end markets was difficult to anticipate. Some markets built up inventories to reduce the impact of anticipated tariffs, while others reduced investment and production until matters were clarified.

The Company has stayed close to the evolving demands from our customers and saw minimal impact to the business in Q3 2025. However, a prolonged trade dispute will likely have adverse effects on cross-border freight volume. As a result, we continue to monitor the situation closely.

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 expected the integration of our first-ever U.S. asset-based acquisition, which began in Q3 2023, to follow a similar pattern. However, the ongoing challenges of industry overcapacity and ongoing trade uncertainty has lengthened the margin improvement timeframe.

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LIQUIDITY AND CAPITAL RESOURCES

(in '000 Canadian dollars)

	September 30	December 31
	2025	2024
Working capital (deficit) ⁽¹⁾	(17,295)	(15,601)
Total assets	286,177	297,317
Net debt ⁽²⁾	122,402	159,923
Shareholders' equity	79,997	79,909
Net debt to equity ratio ⁽³⁾	1.53	2.00

(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 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 was similar to December 31, 2024, despite continued market weakness. Our net debt to equity ratio declined due to an asset impairment recorded in 2024. Our efforts towards debt reduction and improving financial health have been progressing, positioning our company for sustainable growth.

In terms of rolling stock expenditures, we are not committed to any purchases over the next year. 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.

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	103,352	31,816	28,896	22,876	13,148	4,431	2,185
Finance leases	18,454	5,813	3,048	2,595	2,553	2,559	1,886
	121,806	37,629	31,944	25,471	15,701	6,990	4,071

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 was unused as of September 30, 2025, include approximately \$31.4 million under the revolving demand operating facility, and \$7.5 million under a finance lease loan facility.

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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 complied with all covenants as of September 30, 2025 and 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. 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 for the third quarter of 2025. 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 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, 833,559 (December 31, 2024 - 693,419) have not vested.

As of November 10, 2025, there are 46,477,329 common shares of the Company outstanding. In addition, there are 2,967,700 stock options outstanding, of which 1,387,966 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 \$12.0 million for the nine-month period ended September 30, 2025 (2024 - \$13.6 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 \$112 million to \$117 million and between EBITDA margins of 8.5% to 9.5% for fourth quarter of 2025.

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2025

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. Management relies on EBITDA as a measurement since it represents our ability to generate operating cash flow from core operating activities before financing costs, taxes and other extraordinary items.

"EBITDA margin" is calculated as EBITDA as a percentage of revenue before fuel surcharge. Management relies on this measurement as an indicator of our ability to generating operating cash flow from core operating activities as a percentage of revenue, net of fuel related line items.

"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. Management relies on operating income as it demonstrates our ability to generate a return from core operating activities as compared to the assets required to operate the segment.

"Operating margin" is calculated as operating income as a percentage of revenue before fuel surcharge. Management relies on this measurement since it's an indicator of our efficiency to generate a return from our core operating activities.

"Adjusted net income" is calculated as net income before items that are not in the normal course of business, such as goodwill impairment. Management relies on this measurement as it demonstrates our ability to generate profit from core operating activities, before any extraordinary items.

"Adjusted net income per share" is calculated as adjusted net income divided by the weighted average shares outstanding during the periods presented. Management relies on this measurement in assessing the underlying performance of ongoing operations on a per share basis.

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.

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2025

NON-IFRS FINANCIAL MEASURES - continued

(in '000 Canadian dollars)

The tables below provide the reconciliation of net income (loss) to EBITDA, operating income, adjusted net income (loss) and adjusted net income (loss) per share for the periods presented:

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Add (deduct)				
Loss (gain) on sale of property and equipment	(724)	324	2,846	(2,568)
Finance costs	2,456	2,858	7,738	9,760
Finance income	(81)	(65)	(264)	(264)
Foreign exchange loss (gain)	118	(736)	(712)	1,043
Income tax recovery	(105)	(286)	(458)	(2,213)
Loss from discontinued operations	-	1,093	-	1,053
Operating income	2,224	1,688	7,341	3,664
Depreciation	6,682	8,145	20,325	25,157
Amortization of customer lists	-	459	-	1,374
EBITDA	8,906	10,292	27,666	30,195

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Add (deduct)				
Reconciling items	-	-	-	-
Adjusted net income (loss)	560	(1,500)	(1,809)	(3,147)
Weighted average number of common shares outstanding - basic	45,504,657	44,358,497	45,079,323	44,315,351
Weighted average number of common shares outstanding - diluted	46,496,758	45,507,072	46,065,460	45,460,429
Adjusted net income (loss) per share - basic	0.01	(0.03)	(0.04)	(0.07)
Adjusted net income (loss) per share - diluted	0.01	(0.03)	(0.04)	(0.07)

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2025

NON-IFRS FINANCIAL MEASURES - continued

(in '000 Canadian dollars)

EBITDA Margin

EBITDA margin is calculated as EBITDA as a percentage of revenue before fuel surcharge. Management relies on this measurement as an indicator of our ability to generating operating cash flow from core operating activities as a percentage of revenue, net of fuel related line items.

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
EBITDA	8,906	10,292	27,666	30,195
Revenue	102,267	105,038	316,825	305,343
EBITDA margin	8.7 %	9.8 %	8.7 %	9.9 %

Operating Margin

Operating margin is calculated as operating income as a percentage of revenue before fuel surcharge. Management relies on this measurement since it's an indicator of our efficiency to generate a return from our core operating activities.

	3 months ended	3 months ended	9 months ended	9 months ended
	Sept 30 2025	Sept 30 2024	Sept 30 2025	Sept 30 2024
Operating income	2,224	1,688	7,341	3,664
Revenue	102,267	105,038	316,825	305,343
Operating margin	2.2 %	1.6 %	2.3 %	1.2 %

Titanium Transportation Group Inc.

Management's Discussion and Analysis for the third quarter ended September 30, 2025

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 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 September 30, 2025, 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, 2025, 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 quarter ended September 30, 2025, 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 September 30, 2025, and have not been applied in preparing the consolidated interim financial statements:

IFRS 18, Presentation and Disclosure in Financial Statements



Y E A R 2 0 2 5

**Unaudited Condensed Consolidated
Interim Financial Statements**

**FOR THE THREE MONTH PERIOD ENDED
September 30, 2025**

Titanium Transportation Group Inc.

Notice To Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice to this effect. The accompanying unaudited interim condensed consolidated financial statements of Titanium Transportation Group Inc. have been prepared by, and are the responsibility of, management of Titanium Transportation Group Inc..

Titanium Transportation Group Inc.'s independent auditor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the accompanying interim condensed consolidated financial statements. Readers are cautioned that these financial statements may not be appropriate for their intended purposes.

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Financial Position

(in '000 Canadian dollars)

(unaudited)

	September 30	December 31
	2025	2024
Assets		
Current		
Cash	20,743	4,317
Trade and other receivables	70,949	72,732
Current taxes recoverable	376	175
Finance lease receivables (note 6)	2,637	2,234
Prepaid expenses and deposits	3,862	3,663
Assets held for sale	-	1,942
	<u>98,567</u>	<u>85,063</u>
Finance lease receivables (note 6)	2,474	3,841
Property and equipment (note 7)	167,674	188,560
Right of use assets (note 8)	14,103	19,510
Deferred tax assets	3,359	2,952
	<u>286,177</u>	<u>299,926</u>
Liabilities		
Current		
Bank indebtedness (note 9, 12)	26,450	20,230
Acquisition loan (note 9)	-	1,125
Trade and other payables	50,071	39,793
Current taxes payable	-	12
Loans payable (note 9)	31,816	33,564
Finance lease liabilities (note 9)	7,525	5,940
	<u>115,862</u>	<u>100,664</u>
Loans payable (note 9)	71,536	96,565
Finance lease liabilities (note 9)	10,929	14,833
Deferred tax liabilities	7,853	7,955
	<u>206,180</u>	<u>220,017</u>
<i>Commitments and contingencies</i>		
Shareholders' Equity		
Share capital (note 10)	53,991	51,755
Contributed surplus (note 11)	10,447	10,434
Accumulated other comprehensive income	1,459	1,811
Retained earnings	14,100	15,909
	<u>79,997</u>	<u>79,909</u>
	<u>286,177</u>	<u>299,926</u>

On behalf of the Board

"Ted Daniel"

Director

"Bill Chyfetz"

Director

See accompanying notes

2.

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Income

Nine months ended September 30, 2025 and 2024

(in '000 Canadian dollars, except for share amounts)

(unaudited)

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Revenue	102,267	105,038	316,825	305,343
Fuel surcharge	13,454	13,361	39,423	41,062
	<u>115,721</u>	<u>118,399</u>	<u>356,248</u>	<u>346,405</u>
Operating expenses				
Carriers and independent contractors	74,632	70,037	227,243	200,562
Vehicle operating	11,229	14,277	35,821	42,314
Wages and casual labour (note 14)	16,904	20,860	53,908	63,110
Other operating	4,050	2,933	11,610	10,224
	<u>106,815</u>	<u>108,107</u>	<u>328,582</u>	<u>316,210</u>
Income before the following	<u>8,906</u>	<u>10,292</u>	<u>27,666</u>	<u>30,195</u>
Depreciation (note 7, 8)	6,682	8,145	20,325	25,157
Loss (gain) on sale of property and equipment	(724)	324	2,846	(2,568)
Finance costs	2,456	2,858	7,738	9,760
Finance income	(81)	(65)	(264)	(264)
Foreign exchange loss (gain)	118	(736)	(712)	1,043
Amortization of customer lists	-	459	-	1,374
	<u>8,451</u>	<u>10,985</u>	<u>29,933</u>	<u>34,502</u>
Income (loss) before income taxes	455	(693)	(2,267)	(4,307)
Income tax recovery	(105)	(286)	(458)	(2,213)
Income (loss) from continuing operations	560	(407)	(1,809)	(2,094)
Loss from discontinued operations	-	(1,093)	-	(1,053)
Net income (loss)	<u>560</u>	<u>(1,500)</u>	<u>(1,809)</u>	<u>(3,147)</u>
Earnings (loss) per share:				
Basic	0.01	(0.03)	(0.04)	(0.07)
Diluted	0.01	(0.03)	(0.04)	(0.07)
Earnings (loss) per share from continuing operations:				
Basic	0.01	(0.01)	(0.04)	(0.05)
Diluted	0.01	(0.01)	(0.04)	(0.05)
Weighted average number of shares outstanding (in number of shares):				
Basic (note 10)	45,504,657	44,358,497	45,079,323	44,315,351
Diluted (note 10)	46,496,758	45,507,072	46,065,460	45,460,429

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Comprehensive Income

Nine months ended September 30, 2025 and 2024

(in '000 Canadian dollars)

(unaudited)

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Other comprehensive income (loss)				
Foreign currency translation	53	(858)	(352)	951
Comprehensive income (loss)	613	(2,358)	(2,161)	(2,196)

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Nine months ended September 30, 2025 and 2024

(in '000 Canadian dollars)

(unaudited)

	Share Contributed Capital	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balances at December 31, 2024	51,755	10,434	15,909	1,811	79,909
Share issuance (note 10)	550	-	-	-	550
Shares vested (note 10)	440	(440)	-	-	-
Options exercised (note 11)	1,246	(481)	-	-	765
Share-based compensation expense (note 11, 14)	-	934	-	-	934
Comprehensive income (loss)	-	-	(1,809)	(352)	(2,161)
Balances at September 30, 2025	53,991	10,447	14,100	1,459	79,997
Balances at December 31, 2023	50,675	9,832	43,652	390	104,549
Share issuance (note 10)	624	-	-	-	624
Shares vested (note 10)	336	(336)	-	-	-
Options exercised (note 11)	11	(3)	-	-	8
Share-based compensation expense (note 11, 14)	-	814	-	-	814
Share cancellation (note 10)	(231)	-	(138)	-	(369)
Dividends paid (note 10)	-	-	(2,689)	-	(2,689)
Comprehensive income (loss)	-	-	(3,147)	951	(2,196)
Balances at September 30, 2024	51,415	10,307	37,678	1,341	100,741

Titanium Transportation Group Inc.

Condensed Consolidated Interim Statements of Cash Flows

(in '000 Canadian dollars)

(unaudited)

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Cash flows from operating activities				
Net income (loss)	560	(1,500)	(1,809)	(3,147)
Adjustments:				
Depreciation (note 7, 8)	6,682	8,145	20,325	25,157
Loss (gain) on sale of property and equipment	(724)	1,417	2,846	(2,883)
Finance costs	2,456	2,858	7,738	9,760
Finance income	(81)	(65)	(264)	(264)
Amortization of customer lists	-	459	-	1,374
Share-based compensation expense (note 11)	314	271	934	814
Income tax recovery	(105)	(369)	(509)	(1,840)
	<u>9,102</u>	<u>11,216</u>	<u>29,261</u>	<u>28,971</u>
Net change in non-cash operating working capital	1,827	(1,390)	11,616	10,645
	<u>10,929</u>	<u>9,826</u>	<u>40,877</u>	<u>39,616</u>
Interest paid	(2,416)	(2,736)	(7,768)	(9,589)
Interest received	81	65	264	264
Income taxes refund (paid)	924	(139)	(265)	(1,863)
	<u>9,518</u>	<u>7,016</u>	<u>33,108</u>	<u>28,428</u>
Cash flows from investing activities				
Proceeds from finance lease receivables (note 12)	676	716	2,155	1,855
Acquisition of property and equipment (note 7)	(1,514)	(171)	(2,560)	(11,485)
Disposition of property and equipment (note 7)	2,828	4,134	4,798	18,188
	<u>1,990</u>	<u>4,679</u>	<u>4,393</u>	<u>8,558</u>
Cash flows from financing activities				
Repayment of bank indebtedness (note 12)	-	(261)	-	(11,052)
Proceeds from bank indebtedness (note 12)	763	-	5,606	-
Repayment of acquisition loans (note 12)	-	(625)	(1,125)	(1,875)
Proceeds from loans payable (note 12)	-	-	-	11,277
Repayment of loans payable (note 12)	(8,348)	(10,109)	(24,919)	(31,797)
Proceeds from finance lease liabilities (note 12)	1,514	-	2,466	-
Repayment of finance lease liabilities (note 12)	(1,265)	(1,992)	(4,418)	(5,891)
Dividends paid (note 10)	-	(900)	-	(2,689)
Issuance of shares (note 10)	180	203	1,315	632
Share repurchase (note 10)	-	-	-	(369)
	<u>(7,156)</u>	<u>(13,684)</u>	<u>(21,075)</u>	<u>(41,764)</u>
Increase (decrease) in cash	4,352	(1,989)	16,426	(4,778)
Cash, beginning	16,391	6,545	4,317	9,334
Cash, ending	<u>20,743</u>	<u>4,556</u>	<u>20,743</u>	<u>4,556</u>

Refer to note 12 for supplemental cash flow information.

Titanium Transportation Group Inc.

Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

1. REPORTING ENTITY

Titanium Transportation Group Inc. (the "Company" or "Titanium") commenced operations as a transportation company on July 3, 2002. The Company is a truck-based carrier and logistics broker servicing all of North America with distribution terminals in Bolton, Belleville, Bracebridge, Brantford, Napanee, Windsor, ON, Oakwood, GA and Falkville, AL with additional parking/switch yards in Sudbury, Brockville and Trenton, ON and freight brokerage offices in Bolton, Windsor, ON, Montreal, QC, Charlotte, NC, Nashville, TN, Chicago, IL, Denver, CO, Atlanta, GA, Fayetteville, AR, Jacksonville, FL, Virginia Beach, VA and Irving, TX. The registered head office of the Company is at 32 Simpson Rd, Bolton, Ontario, L7E 1G9. Titanium was incorporated on July 11, 1989, under the Canada Business Corporations Act.

Trunkeast Investments Canada Limited ("Trunkeast") and the ultimate controlling shareholder, De Zen Investments Canada Limited, are significant shareholders of the Company.

The common shares of the Company trade on the Toronto Stock Exchange under the symbol "TTNM", and the OTCQX under the symbol "TTNMF".

The condensed consolidated interim financial statements include the accounts of the Company and all of its subsidiaries.

2. BASIS OF PRESENTATION

Basis of Consolidation

The condensed consolidated interim financial statements consolidate the accounts of the Company and all its subsidiaries. Subsidiaries are entities over which the Company has the power to govern financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date control ceases. Fully consolidated means that all transactions with subsidiaries and any intercompany balances, gains or losses with subsidiaries have been eliminated on consolidation. The accounting policies have been applied consistently by all subsidiaries.

All the Company's subsidiaries are wholly-owned, are domiciled in Canada and the United States, and are in the truck transportation or logistics industries.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured at the fair value of the assets acquired, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Acquisition costs are expensed as incurred. The excess of the cost of the acquisition over the fair value of the acquisition's identifiable net assets is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated statements of comprehensive income. Contingent consideration is included in total consideration and is recognized at its fair value as at the acquisition date.

Titanium Transportation Group Inc.

Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

2. BASIS OF PRESENTATION - continued

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards, and with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), ("IFRS"). These condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Company, including the notes thereto, for the year ended December 31, 2024.

These condensed consolidated interim financial statements have been prepared by and are the sole responsibility of the Company's management.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 10, 2025.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a going concern basis using historical cost, except for assets and liabilities acquired in business combinations, which are measured at fair value at the acquisition date.

Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Canadian dollars ("CAD"), which is the functional currency of the Company and its wholly owned subsidiaries unless otherwise stated. All financial information presented has been rounded to the nearest thousands of dollars, except per share amounts and where otherwise indicated.

The following subsidiaries operating primarily in the United States and have a functional currency of United States Dollar "USD": Titanium Transportation USA, Inc., Titanium American Logistics, Inc., Crane Transport, Inc., Titanium American Trucking, Inc., Flexmor Financial America, Inc. and Flexmor Trailers America, Inc.

Seasonality of Interim Operations

The activities of the Company are subject to seasonal demand for truck transportation. Historically, the Company has experienced weaker demand in the first quarter, moderate demand in the third and fourth quarters and stronger demand in the second quarter. In addition, harsher winter conditions generally result in lower fuel economy and increased repair costs. Furthermore, the timing of acquisitions and variations in industry conditions could have a considerable impact on quarterly results. Consequently, the results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

Titanium Transportation Group Inc.

Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

3. MATERIAL ACCOUNTING POLICIES

The accounting policies described in the Company's annual consolidated financial statements have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated. The accounting policies have been applied consistently by all subsidiaries.

Use of Judgment

The preparation of these condensed consolidated interim financial statements in accordance with IFRS, requires management to make judgments that affect the application of accounting policies and the interpretation of accounting standards. Management periodically reviews its judgments and underlying assumptions with regards to the significant items outlined below. Readers are cautioned that the foregoing list is not exhaustive and other items may also be affected by judgment.

- a) *Impairment of non-financial assets* - Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). The Company must determine its CGU units grouping for the purpose of goodwill impairment testing. These CGUs consist of the Company's operating units: trucking and logistics.
- b) *Lease contracts* – Lease contracts with extensions, terminations or early buyout options are evaluated based on management judgment 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 assets, recent market renewals and third-party valuations. In addition, management also evaluates relevant factors such as bank mortgage rate, interest rates and borrowing conditions when assessing the incremental borrowing rate to measure the lease liability.

Titanium Transportation Group Inc.

Notes to Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2025 and 2024

(Tabular amounts in '000 Canadian dollars, unless otherwise noted)

(unaudited)

3. MATERIAL ACCOUNTING POLICIES - continued

Use of Estimates and Assumptions

The preparation of condensed consolidated interim financial statements in accordance with IFRS, requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses for the period. Management makes estimates based on specific facts or circumstances as well as past experiences. Management periodically reviews its estimates and underlying assumptions with regards to the significant items outlined below. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. As adjustments become necessary, they are reported in the condensed consolidated interim statement of comprehensive income in the period in which they become known. Readers are cautioned that the foregoing list is not exhaustive and other items may also be affected by estimates. Actual results could differ materially from these estimates, in which case the impact would be recognized in the consolidated financial statements in future periods.

- a) *Impairment of non-financial assets* – 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 revenue growth rates, terminal growth rate, post-tax discount rate and capital expenditures.
- b) *Business combinations* – Tangible net 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 determined using an income approach. The customer list was fair valued using the multi-period excess earnings method. The significant assumptions in determining the fair value of the customer list include cash flow forecasts, estimated annual attrition rates and discount rates. Discount rates are estimated based on industry averages, company size and capital structure.
- c) *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.
- d) *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.
- e) *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.
- f) *Provisions* – Estimates of expected settlements arising from matters involving litigation or accident claims are based on information provided by legal counsel or insurance professionals.

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3. MATERIAL ACCOUNTING POLICIES - continued

- g) *Income Taxes* – Deferred 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.
- h) *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.

Revenue Recognition

The Company recognizes revenue, including fuel surcharge revenue, at the expected entitled amount for the transfer of promised services to customers. Revenue is measured on an "over time" basis, when the control of promised services is transferred to customers, at the fair value of the consideration received or receivable, with typical credit terms of 30 days, to the extent collection is probable. The Company does not engage in financing amounts receivable from customers.

The Truck Transportation and Logistics segment recognizes revenue on an "over time" basis, determined using the proportion of days completed to date compared to the estimated total days of service. For estimation of total days required for a load to be delivered, the Company utilizes satellite tracking and operational knowledge to reliably estimate the total length of haul in days, which allows the Company to measure percentage of completion. The Truck Transportation segment services its customers by physically transporting commodities and goods from the point of origin to the destination using the Company's resources. The Logistics segment offers freight transportation services to its customers using third party subcontractors, whom have their own insurance and operating authorities. The Company directs the activities of our third-party carriers to provide transportation services, is primarily responsible for fulfilling the promise, and has discretion in setting the prices with our customers. As such, the Company acts as a principal in the arrangement and recognizes revenue on a gross basis over time.

The Company recognizes sales under financing type leases when significant risks and rewards of ownership are transferred to the Company's independent contractors and the Company ceases to have effective control over the assets.

Finance income is recognized as it accrues in income, using the effective interest method.

New Standards not yet adopted

IFRS 18, Presentation and Disclosure in Financial Statements, was issued by the IASB in April 2024 and will replace the standards and interpretations in IAS 1, Presentation of Financial Statements. IFRS 18 will streamline the requirements for the presentation and disclosure of information in general purpose financial statements to help ensure that they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 will be applied to an annual reporting period beginning on or after January 1, 2027. The Company has not early adopted these amendments.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

Titanium Transportation Group Inc.

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4. OPERATING SEGMENTS

The Company's business activities are made up of two main segments: Truck Transportation and Logistics. The Truck Transportation segment represents the pickup and delivery of full loads across Canada and the United States using a van, flatbed or other specialized equipment. The Logistics segment represents the brokering of freight across North America. The Company's CEO reviews internal management reports for each operating segment on a monthly basis. Operating segment results that are reported include items directly attributable to each operating segment, as well as those that can be allocated on a reasonable basis. Unallocated items ("Corporate") are comprised mainly of expenses required to operate a publicly traded and multi-entity organization.

	Truck Transportation	Logistics	Corporate	Elimination	Total
Three months ended September 30, 2025					
Revenue - external	52,768	62,953	-	-	115,721
Revenue - internal	1,079	-	-	(1,079)	-
Total revenue	<u>53,847</u>	<u>62,953</u>	<u>-</u>	<u>(1,079)</u>	<u>115,721</u>
Operating expenses	46,122	60,650	1,122	(1,079)	106,815
Depreciation	6,350	332	-	-	6,682
Finance costs	1,859	597	-	-	2,456
Finance income	(81)	-	-	-	(81)
Income (loss) before income taxes	321	1,374	(1,240)	-	455
Income taxes (recoveries)	300	-	(405)	-	(105)
Capital expenditures	<u>1,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,514</u>
Three months ended September 30, 2024					
Revenue - external	57,436	60,963	-	-	118,399
Revenue - internal	667	-	-	(667)	-
Total revenue	<u>58,103</u>	<u>60,963</u>	<u>-</u>	<u>(667)</u>	<u>118,399</u>
Operating expenses	50,244	57,403	1,127	(667)	108,107
Depreciation	7,887	258	-	-	8,145
Finance costs	2,613	245	-	-	2,858
Finance income	(65)	-	-	-	(65)
Income (loss) before income taxes	(3,359)	3,057	(391)	-	(693)
Income taxes (recoveries)	(1,035)	836	(87)	-	(286)
Capital expenditures	<u>171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171</u>

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4. OPERATING SEGMENTS - continued

	Truck Transportation	Logistics	Corporate	Elimination	Total
Nine months ended September 30, 2025					
Revenue - external	161,575	194,673	-	-	356,248
Revenue - internal	2,763	-	-	(2,763)	-
Total revenue	164,338	194,673	-	(2,763)	356,248
Operating expenses	142,405	185,873	3,067	(2,763)	328,582
Depreciation	19,391	934	-	-	20,325
Finance costs	6,225	1,513	-	-	7,738
Finance income	(264)	-	-	-	(264)
Income (loss) before income taxes	(6,265)	6,353	(2,355)	-	(2,267)
Income taxes (recoveries)	(1,121)	1,339	(676)	-	(458)
Capital expenditures	2,560	-	-	-	2,560
Nine months ended September 30, 2024					
Revenue - external	173,052	173,353	-	-	346,405
Revenue - internal	1,853	-	-	(1,853)	-
Total revenue	174,905	173,353	-	(1,853)	346,405
Operating expenses	151,371	163,588	3,104	(1,853)	316,210
Depreciation	24,385	772	-	-	25,157
Finance costs	8,732	1,028	-	-	9,760
Finance income	(264)	-	-	-	(264)
Income (loss) before income taxes	(8,125)	7,964	(4,146)	-	(4,307)
Income taxes (recoveries)	(3,286)	2,161	(1,088)	-	(2,213)
Capital expenditures	11,485	-	-	-	11,485

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4. OPERATING SEGMENTS - continued

Revenue is attributed to geographical locations based on the location of the origin of the service. Majority of the Company's assets are located in Canada.

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Canada	57,038	58,476	175,600	174,771
United States	58,683	59,923	180,648	171,634
	115,721	118,399	356,248	346,405

Segment assets are based on the geographical location of the assets.

All of the Company's assets are located in Canada and United States. The assets presented below include property and equipment, right-of-use assets and assets held for sale.

	Sept 30 2025	Dec 31 2024
Canada	136,550	155,732
United States	45,227	54,280
	181,777	210,012

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5. DISCONTINUED OPERATIONS

On April 1, 2024, the Company began ceasing operations in its Cornwall terminal, and selected operations in other geographical areas.

The financial information presented below is directly attributable to ceased operations. All administrative expenses and various selling and distribution expenses from shared, centralized and common functions of the Company are excluded from the determination of discontinued operations.

Income (loss) from discontinued operations

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Revenue	-	-	-	3,253
Operating expenses				
Carriers and independent contractors	-	-	-	2,007
Wages and casual labour	-	-	-	298
Vehicle operating	-	-	-	1,446
Other operating	-	-	-	192
Results from operating activities	-	-	-	(690)
Loss (Gain) from sale of equipment	-	1,093	-	(315)
Income (Loss) before income taxes	-	(1,093)	-	(375)
Income tax expense	-	-	-	678
Income (loss) from discontinued operations	-	(1,093)	-	(1,053)
Loss per share from discontinued operations:				
Basic	0.00	(0.02)	0.00	(0.02)
Diluted	0.00	(0.02)	0.00	(0.02)

The following table presents the effect of discontinued operations on the condensed consolidated interim statements of cash flows:

Net cash flow from operating activities	-	-	-	(690)
Net cash flow from investing activities	-	587	-	2,442
Net cash flow for the period	-	587	-	1,752

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6. FINANCE LEASE RECEIVABLES

During the nine month period ended September 30, 2025, the Company entered into new finance leases totaling \$1.7 million which are receivable over 9 to 60 months with interest rates ranging from 4.75% to 8.00%.

7. PROPERTY AND EQUIPMENT

	Land, Buildings and Leaseholds	Furniture and Equipment	Rolling Stock	Total
Cost				
Balances, December 31, 2024	29,880	4,079	215,641	249,600
Other additions	-	-	94	94
Reacquisition - Rolling stock	-	-	649	649
Sale of rolling stock relating to finance lease receivables	-	-	(2,531)	(2,531)
Purchase of lease assets	-	-	4,640	4,640
Other disposals	-	-	(7,881)	(7,881)
Effect of movements in exchange rates	(276)	(8)	(1,541)	(1,825)
Balances, September 30, 2025	29,604	4,071	209,071	242,746
Accumulated depreciation				
Balances, December 31, 2024	5,441	3,856	51,743	61,040
Depreciation	554	123	16,531	17,208
Other disposals	-	-	(2,110)	(2,110)
Sale of rolling stock relating to finance lease receivables	-	-	(838)	(838)
Effect of movements in exchange rates	(6)	(5)	(217)	(228)
Balances, September 30, 2025	5,989	3,974	65,109	75,072
Net carrying amounts				
At December 31, 2024	24,439	223	163,898	188,560
At September 30, 2025	23,615	97	143,962	167,674

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8. RIGHT OF USE ASSETS

	Land and Buildings	Furniture and Equipment	Rolling Stock	Total
Balances, December 31, 2024	20,518	1,532	13,424	35,474
Other additions	2,466	-	-	2,466
Other disposals	(898)	-	-	(898)
Purchase of lease assets	-	-	(5,510)	(5,510)
Effect of movements in exchange rates	3	-	(309)	(306)
Balances, September 30, 2025	22,089	1,532	7,605	31,226
Accumulated depreciation				
Balances, December 31, 2024	8,950	1,532	5,482	15,964
Depreciation	2,000	-	1,117	3,117
Purchase of lease assets	-	-	(970)	(970)
Other disposals	(836)	-	-	(836)
Effect of movements in exchange rates	-	-	(152)	(152)
Balances, September 30, 2025	10,114	1,532	5,477	17,123
Net carrying amounts				
At December 31, 2024	11,568	-	7,942	19,510
At September 30, 2025	11,975	-	2,128	14,103

Terms and conditions of right of use assets are presented below:

	Effective Interest Rate	Net Carrying Amount
Real estate	4.49% - 7.00%	11,975
Rolling stock	2.43% - 10.30%	2,128
		<u>14,103</u>

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9. LONG-TERM DEBT

Terms and conditions of outstanding long-term debt are as follows:

	Effective Interest Rate	Year of Maturity	Carrying Amount
Bank indebtedness	PRIME+0.50%	N/A	26,450
Loans payable	2.00% - 7.66%	2025-2033	103,352
Finance lease liabilities	2.43% - 10.30%	2026-2033	18,454
			148,256
Current portion			65,791
			<u>82,465</u>

10. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value

	Common Shares #	Share Capital \$
Issued		
Balances, December 31, 2024	45,279,164	51,755
Shares issued as part of share purchase plan	648,164	990
Shares issued on exercise of options	510,000	1,246
Balances, September 30, 2025	<u>46,437,328</u>	<u>53,991</u>

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, 833,559 (December 31, 2024 - 693,419) have not vested. During the three month and nine month period ended September 30, 2025, the Company recognized an expense of \$0.2 million and \$0.6 million (2024 - \$0.2 million and \$0.5 million) relating to the Plan, with a corresponding increase to contributed surplus.

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10. SHARE CAPITAL - continued

During the quarter ended September 30, 2025, no dividends (2024 - \$0.9 million) were declared and paid by the Company to its shareholders.

The weighted average number of common shares outstanding has been calculated as follows:

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Issued common shares, beginning	46,205,976	44,949,613	45,279,164	44,774,905
Effect of unvested common shares	(816,996)	(676,047)	(778,923)	(631,839)
Effect of issued common shares	115,677	84,931	579,082	252,785
Effect of repurchased common shares	-	-	-	(80,500)
Weighted average number of common shares	45,504,657	44,358,497	45,079,323	44,315,351
Dilutive effect of restricted common shares and stock options	992,101	1,148,575	986,137	1,145,078
Weighted average number of diluted common shares	46,496,758	45,507,072	46,065,460	45,460,429

11. CONTRIBUTED SURPLUS

Share-based compensation expense is comprised of the following:

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Share purchase plan	206	166	617	533
Stock options	108	105	317	281
	314	271	934	814

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11. CONTRIBUTED SURPLUS - continued

The Company offers a stock option plan for the benefit of certain of its directors, employees and consultants. The maximum number of shares which may be issued under this plan may not exceed 10% of the number of issued and outstanding shares of the Company. Each stock option entitles its holder to receive one common share upon exercise. The majority of options vests over a period of six years, with half vesting three years from issuance and the other half vesting six years from issuance. The following table summarizes the changes in outstanding stock options:

	Grant #	Exercise Price
Balances, December 31, 2024	3,218,000	2.12
Issued	393,900	2.30
Exercised	(510,000)	1.50
Expired	(134,200)	1.50
Balances, September 30, 2025	2,967,700	2.28

Of the total stock options issued during the period, 236,400 (2024 - 212,800) stock options were issued to key management personnel. The estimated fair value of stock options was calculated using the Black-Scholes option pricing model with the following assumptions: i) the expected life of each stock option is 6.9 years; ii) the risk-free rate is 2.89%; iii) the dividend yield will be 3.65%; and iv) expected volatility is 49.93%. Volatility was determined using the Company's trading data from the first day of trading to the date of issuance. Variables used in the Black-Scholes option pricing model are based on highly subjective assumptions and any change in the assumptions can materially affect the fair value estimate.

The following table summarizes information about stock options outstanding as at September 30, 2025:

Exercise Price \$	Options Outstanding #	Weighted Average Remaining Life in years	Options Exercisable #
1.50	572,800	3.3	522,800
2.25	1,058,300	8.1	109,600
2.50	215,000	8.1	26,666
2.60	911,600	6.0	526,400
2.85	195,000	0.4	195,000
3.00	15,000	5.8	7,500
2.28	2,967,700	6.0	1,387,966

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12. SUPPLEMENTAL CASH FLOW INFORMATION

- a) A reconciliation of assets arising from investing activities is as follows:

	Balance Dec 31 2024	Cash Flows	Non-Cash Changes		Balance Sept 30 2025
			New Leases	Reacquired Leases	
Finance lease receivables	6,075	(2,155)	1,736	(545)	5,111

- b) A reconciliation of liabilities arising from financing activities is as follows:

	Balance Dec 31 2024	Cash Flows	Non-Cash Changes		Balance Sept 30 2025
			New Leases /Loans	Foreign Exchange Movement	
Bank indebtedness	20,230	5,606	-	614	26,450
Acquisition loan	1,125	(1,125)	-	-	-
Loan payable	130,129	(24,919)	-	(1,858)	103,352
Finance lease liabilities	20,773	(2,063)	-	(256)	18,454
	172,257	(22,501)	-	(1,500)	148,256

13. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, Trunkeast held a significant portion of the shares of the Company. Neither Trunkeast nor its ultimate parent produce consolidated financial statements available for public use.

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Provided truck transportation services to Vision Extrusions Group Limited and Vision Profile Extrusions Ltd., companies under common control	3,784	4,835	12,018	13,595

Included in trade and other receivables as at September 30, 2025, is a total of \$2.2 million (2024 - \$3.0 million) due from these related companies.

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.

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14. WAGES AND CASUAL LABOUR

Included in wages and casual labour are the following:

	3 months ended Sept 30 2025	3 months ended Sept 30 2024	9 months ended Sept 30 2025	9 months ended Sept 30 2024
Share-based compensation expense	314	271	934	814
Employee benefits	322	423	988	1,296
Key management personnel:				
Salaries and benefits	389	340	1,541	1,215
Share-based compensation expense	68	64	203	169

Board members and executive officers are deemed to be key management personnel.

15. COMMITMENTS AND CONTINGENCIES

- a) As at September 30, 2025, the Company is not committed to purchasing additional rolling stock.
- b) The Company is regularly subject to litigation in the normal course of business. In the opinion of management, the outcome of current pending claims, in aggregate, is not likely to be material to the financial condition or results of operations of the Company.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to reflect amounts related to discontinued operations that were determined in 2024.