

For Immediate Release

Pioneering Technology Reports 2018 Year-end Financial Results

Mississauga, ON (January 29, 2019) – Pioneering Technology Corp. (TSXV: PTE) (“Pioneering” or the “Company”), a technology company and North America’s leader in cooking fire prevention technologies and products, reports its audited 2018 financial results and some business highlights for the fiscal year ended September 30, 2018. Pioneering’s audited financial statements and MD&A are available on SEDAR (www.sedar.com).

In 2018, Pioneering accomplished much on the operational side of the business: investing in its future growth including strengthening its management and US field sales team; bringing discipline to its internal operations; making important headway with its growing distributor network; investing in marketing activities; and researching and rebranding the Company’s future product sales strategy for both B2B and retail. The Company believes these initiatives were necessary and will help the Company grow going forward. At the same time the Company did not deliver the financial results it had anticipated for 2018.

Selected Financial Information for the twelve months ended September 30, 2018:

- Revenue was \$4,749,536 down 54% versus the same period year ago (\$10,287,537).
- Net loss for the period was \$3,305,329 versus net income of \$245,054 in 2017.
- Adjusted EBITDA¹ was (\$2,240,678) a decline from positive EBITDA of \$1,961,574 year ago.
- The Company lost \$0.06 per share in 2018.
- Gross profit remained strong at 52%, and
- The Company has a strong balance sheet to help with supporting future growth.

After three consecutive years of delivering 50% year-over-year revenue growth and profitability, the Company experienced a setback in 2018. Pioneering CEO Kevin Callahan said of the results, “While we did accomplish a great deal in 2018 and despite recent events, we are disappointed with the poor results we delivered. I would like to assure shareholders that we believe that our 2019 strategic plan, which we are currently executing, will help reverse this trend and accelerate our growth going forward.”

Selected Financial Results - Past Four Fiscal Years Ended September 30th

	FY2018 (audited)	FY2017 (audited)	FY2016 (audited)	FY2015 (audited)
Revenue	\$4,749,536	\$10,287,537	\$6,644,252	\$4,393,534
Gross Profit	2,488,279	5,243,254	4,430,048	2,936,677
Expenses	*6,072,092	4,251,713	3,392,519	2,420,416
Net Income (Loss)	(3,305,329)	245,054	1,388,962	140,976
EPS Basic (Loss)	0.06	0.00	0.04	0.00
Adjusted EBITDA	(2,240,678)	1,961,574	1,683,346	652,641

*Includes \$1,228,945 of stock-based compensation expense.

Current Situation:

The Company is not aware of any industry related trends in the market place that are working against it, in fact it believes that the UL 858 change, which requires all electric coil stoves sold in North America to pass an oil ignition test and will become a requirement as of April 2019, will assist Pioneering with both its current aftermarket products and the future products it is developing.

Pioneering believes its recent results are the result of, among other things:

1. Its recent shift from a direct sales model to a distributor model;
2. Investments in people, operations, research and marketing; and
3. A scheme constructed by three key employees that undermined Pioneering's business.

1. Shift from Direct to Distributor Sales Model:

The Company's transition from a direct sales model to a distributor model, which started in FY2017, has resulted in longer than normal sales cycles as many customers targeted by distributors require pilot programs to evaluate the Company's products before making portfolio wide purchasing decisions. Although they require longer sales cycles, these kinds of customers offer the long-term benefit of large, steady and repeat sales volume. As we develop deeper relationships with distributors and their customers based on relationships and our proven results, we anticipate that this will translate into a strong pipeline and shorter sales cycles.

2. Investment in Operations:

Pioneering believes that continued investment in its business going forward is important. Many of these costs were one time and the Company believes it has made the investments that were required to help better position the business and to efficiently help build it going forward.

3. The Scheme:

On January 23, 2019 the Company announced that it had terminated the employment of Laird Comber, Vice-President of Sales, and Wayne Zu, Director of Engineering and Manufacturing and the engagement of Steph Cooper as the Company's controller for cause as a result of their participation in a scheme aimed at competing directly with Pioneering in the cooking fire prevention market in North America using Pioneering's confidential information, intellectual property, trade secrets and know how. Pioneering initiated litigation against the three individuals in the Ontario Superior Court of Justice seeking appropriate remedies including damages and an injunction against any further improper use or disclosure of Pioneering's confidential information, competitive activities or interference with Pioneering's business relationships.

This scheme significantly disrupted Pioneering's business, its new product development efforts and the momentum it had enjoyed up until the beginning of FY 2018. The Company has implemented various measures in connection with its 2019 business plan intended to re-establish normalcy in operations, improve performance, accelerate new product development activities and capitalize on Pioneering's position as North America's leader in innovative cooking fire prevention technologies and products, including retaining:

- Focus Sales Management, a proven, Toronto-based, professional B2B sales consulting firm, to assist with Pioneering's sales planning and execution which will now be led by Pioneering's President, Dan MacDonald and VP Marketing Michael Quast;
- BDO to assist Pioneering with financial advisory, daily accounting and reporting obligations; and
- Pioneering has initiated a search for a highly qualified engineering and manufacturing executive to help lead its current product development efforts.

See the Company MDA on SEDAR for 2018 Business Highlights

About Pioneering Technology Corp: Pioneering, based in Mississauga, Ontario is an "energy smart" technology company and North America's leader in innovative cooking fire prevention technologies and products. Our mission is simple: To help save lives and property from the number one cause of household fire – cooking fires. We do this by engineering and bringing to market energy-smart solutions that make consumer appliances safer, smarter, and more efficient. Our patented cooking-fire prevention products address the multi-billion-dollar problem of cooking fires. According to the National Fire Protection Association, stovetop cooking is the number one cause of household fire and fire injuries in North America. Pioneering's temperature limiting control (TLC) technology is now installed in over 300,000 multi-residential housing units across North America without a single cooking fire being reported, delivering peace of mind and a solid return on investment for its customers. Pioneering's proprietary cooking fire prevention solutions include Safe-T-element, SmartBurner, RangeMinder & Safe-T-sensor and are suitable for the majority of the more than 140 million stoves/ranges and over 140 million microwave ovens in use throughout North America. For more info, go to www.pioneeringtech.com.

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Forward Looking Statements

The statements made in this press release include forward-looking statements that involve a number of risks and uncertainties. These statements relate to future events or future performance and reflect management's current expectations and assumptions. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements, such as the economy, generally, competition in Pioneering's target markets, the demand for Pioneering's products, the availability of funding and the efficacy of Pioneering's technology and governmental regulation. These forward-looking statements are made as of the date hereof and, except as required by applicable law, Pioneering does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from Pioneering's expectations and projections.

Non-IFRS Measures

Adjusted EBITDA is a measure not recognized under International Financial Reporting Standards ("IFRS"). However, management of Pioneering believes that most shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow, and to facilitate valuation analysis. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, impairment losses, stock-based compensation, restructuring costs included in general and administration expense, fair value movement – derivative liability and other non-recurring gains or losses including transaction costs related to acquisition. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons. Adjusted EBITDA does not have any standard meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that Adjusted EBITDA is not an alternative to measures determined in accordance with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Pioneering's Adjusted EBITDA should be read in conjunction with the financial statements and management's discussion and analysis of Pioneering posted on SEDAR (www.sedar.com). For a reconciliation of Adjusted EBITDA as presented by Pioneering to net income, please refer to Pioneering's management's discussion and analysis.

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