

Pioneering Technology Reports Record Financial Results for 2017 Fiscal Year

- ***Record annual highs for revenue, gross profit & adjusted EBITDA***
- ***A very strong balance sheet positions the Company for long-term growth***

Mississauga, ON (January 18, 2018) – Pioneering Technology Corp. (TSXV: PTE) (“Pioneering” or the “Company”), a technology company and North America’s leader in cooking fire prevention technologies and products, is pleased to report its audited 2017 financial results and some business highlights for the fiscal year ended September 30, 2017. Pioneering’s audited financial statements and MD&A are available on SEDAR (www.sedar.com).

The Company continues to grow and enjoyed its best year to date, meeting all of its 2017 stated objectives and surpassing its topline guidance forecast of 50% revenue growth for the third year in a row, achieving new annual highs in revenue, gross profit and adjusted EBITDA.

Highlights for the year ended September 30, 2017 include:

- Revenue of \$10,287,537 (an increase of 55% versus 2016).
- Quarterly revenue exceeded \$3 million for the first time in the Company’s history.
- Cash generated from operations increased by approximately \$1.6 million in 2017 versus 2016.
- Net income of \$245,054 and Adjusted EBITDA¹ of approximately \$2 million.
- 65% compound annual revenue growth over the past four years.
- Completion of \$6.6 million private placement and repayment of all long-term debt.
- Strong balance sheet with \$7.5 million in cash, positions the Company for long-term growth.

Pioneering CEO Kevin Callahan said of the results, “As a Company we are very happy with what we have continued to be able to accomplish this year. Once again, we have met all of our annual objectives, and delivered more than 50% top-line growth and profitability for the third year in a row. After much hard work we are now, for the first time in our history, well capitalized and well positioned to maximize on the potential of this multi-billion-dollar category and industry that we have created and that we helped disrupt.”

Pioneering’s patented solutions are easy to understand and to date have delivered 100% efficacy. The Company believes that the market for its products is huge, awareness is growing and the Company is still in the early stages of market penetration.

Mr. Callahan went on to say, “Given our growing and profitable business, and stronger financial position, we have been investing in our business over the past nine months to help further accelerate our long-term growth. We are working hard to capitalize on the opportunities that are now before us and new opportunities that we believe will help us deliver even greater long-term value. We would like to thank our shareholders and partners for their support as Pioneering continues to successfully execute on its strategic plan.”

¹ Adjusted EBITDA is a non-IFRS measure. Please see “Non-IFRS Measures” below.

Selected Financial Highlights - Past 4 Fiscal Years Ended September 30th

	FY2017 (audited)	FY2016 (audited)	FY2015 (audited)	FY2014 (audited)
Revenue	\$10,287,537	\$6,644,252	\$4,393,534	\$2,924,472
Gross Profit	5,243,254	4,430,048	2,936,677	1,756,788
Expenses	*4,251,713	*3,392,519	2,420,416	2,736,978
Net Income (Loss)	245,054	1,388,962	140,976	(1,183,915)
EPS Basic (Loss)	0.00	0.04	0.00	(0.08)
Adjusted EBITDA**	1,961,574	1,683,346	652,641	(364,535)

*Includes \$515,383 and \$586,794 respectively of stock-based compensation.

** Adjusted EBITDA is a non-IFRS measure. Please see "Non-IFRS Measures" below.

2017 Business Highlights

Financing and Strong Balance Sheet

In April of 2017, the Company completed a "bought deal" private placement of approximately \$6.6 million of units. Each unit consisted of one common share and one-half of one common share purchase warrant, exercisable at a price of \$1.80 per share for 24 months from the date of issuance, subject to acceleration in certain circumstances. The financing included several institutional buyers.

The Company used a portion of the proceeds of the private placement to repay all its outstanding indebtedness, including its \$1.75 million long-term loan with Roynat Capital (a division of Scotiabank) and to accelerate its business expansion by making significant additions to its management and sales teams and investing in new product development and sales and marketing activities.

The Company now has a very strong balance sheet. Together with cash generated from operations during the year the Company has \$7.5 million in cash and is well positioned for long term growth.

Recognition and Shareholder Value

In 2017, Pioneering was recognized in a number of different ways: the Company was included on the 2017 TSX Venture 50 as one of the exchange's top performers; it was also recognized as one of Canada's fastest growing companies by PROFIT magazine for the 4th time; the Company's SmartBurner™ product was acknowledged with a silver award at the 30th annual (Thomas) Edison Awards in New York City honoring the best in innovations and innovators; and the Company was recognized as a finalist in Ernst & Young's Entrepreneur of the Year awards.

While awareness in the investment community is growing and volume/liquidity is increasing, Pioneering's story is still not well known yet. Pioneering plans to continue to make this a strategic objective on 2018 to better communicate its story and growing potential as the leader in this multi-billion category it has created.

Government Activities

U.S. Federal Grants. The Company's products continued to be supported by the Federal Emergency Management Agency's (FEMA) Fire Prevention and Safety grant program with large public housing authorities and universities receiving grants from FEMA in 2017 for both the SmartBurner™ and Safe-T-sensor™ products. These competitive grant programs are administered by the U.S. Department of Homeland Security (DHS) in cooperation with the U.S. Fire Administration (USFA).



U.S. Government Expansion. In early 2017 the Company announced that its SmartBurner™ product was available for sale through US Communities, the leading national government purchasing cooperative providing government procurement resources and solutions for public agencies, educational institutions and non-profit organizations across the United States. There are approximately 55,000 public and non-profit agencies who participate in this program.

Industry Developments

Pioneering has disrupted the multi-billion-dollar cooking appliance industry in North America. The UL standard change for electric coil stoves has been finalized and published and will become a requirement of sale as of April 2019. This new standard change will require all electric coil stoves sold in North America to pass an oil ignition test. To the best of its knowledge Pioneering's SmartBurner™ with its Temperature Limiting Control™ (TLC) technology is the only product currently available that meets this new standard for electric coil stoves – the stove type of choice in multi-residential housing.

Pioneering created this cooking fire prevention category and led the efforts that resulted in this new industry standard. Pioneering is currently working on developing new products that will help prevent cooking fires on ALL stove platforms which could result in additional standard changes in future.

Sales Activities of Note

Expansion in Core Channels. The Company continued to increase its penetration into the multi-family social housing and rental housing channels, the university and college channel, the U.S. military and the retail channel. Through its new and growing distributor relationships in both the U.S. and Canada, the Company significantly increased sales of its products in these channels in 2017, but believes that there are significant opportunities for further expansion. Pioneering expects that additional sales opportunities with its current large housing customers will help it to achieve its 2018 objectives and believes its growing relationships with its distribution partners will help fuel deeper penetration in 2018 and in the years to come.

Hotel/Motel Channel Validation. In 2017, Pioneering received follow-on purchase orders from one of its distribution channel partners for one of North America's largest suite style hotel chains to equip its remaining electric coiled stove properties with Pioneering's SmartBurner product. This hotel chain has now ordered and installed SmartBurner™ in approximately 74,000 hotel rooms in more than 600 of its hotel properties over the past two years validating the effectiveness of Pioneering's product with this customer and its relevance in this new channel.

Hotel/Motel Channel Expansion. During the year Pioneering announced that another major suite style hotel chain in North America began equipping their approximately 5,700 hotel rooms with Pioneering's SmartBurner™ product. The Company expects to announce further hotel opportunities soon. There are over 3,200 major suite style hotel chain properties (with kitchens) in North America and approximately 320,000 hotel units.

Insurance Premium Reductions - Ontario's Housing Services Corporation (HSC) now provides an annual discount of 4% off the property insurance premiums to all Ontario social housing operators in its insurance program who install either the SmartBurner or Safe-T-element products in their properties. HSC delivers services to over 100,000 housing units in Ontario. HSC's insurance program is one of the largest group programs in North America.

Pioneering's SmartBurner Added to HD Supply's U.S. National Distribution Program – During the year, Pioneering announced a new national distribution program in the United States with HD Supply Corporation of Atlanta GA, one of the largest industrial & facility distributors in the U.S. This program included HD Supply purchasing inventory to stock 12 distribution centers nationwide, inclusion in HD



Supply's 2017 catalogue and a sales and marketing program to drive awareness/support for SmartBurner.

Finalized Distribution Partnership with Innohome Oy – In June 2017, the Company announced that it had finalized a definitive partnership agreement with Innohome Oy of Finland with the objective of generating incremental revenue and profit by enabling sales of each company's products in the other's markets while reducing duplication of effort in R&D, sales/marketing, manufacturing and logistics. Both companies view each other's technology and products as complementary and will be accretive to the revenue, gross profit and net income of both companies. The new product is a strategic fit for Pioneering and will be branded as a Pioneering product offering, complementing its current family of cooking fire prevention solutions and will be available as an aftermarket application for electric smooth top ranges. Pioneering has executed an initial trial installation of the technology at Princeton University.

Subsequent Events

Pioneering moving head office to accommodate rapid growth. In December 2017, the Company agreed to lease a new head office and warehouse facility. The Company will occupy its current facility until June 2018, at which time it will move to its new location located in Mississauga, Ontario. This new facility will accommodate the Company's growing needs for staffing, distribution and research and development.

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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 250,000 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.

For more information, please contact:

Pioneering Technology Corp.
Kevin Callahan, CEO
Phone: 905-712-2061 ext.101
Email: kcallahan@pioneeringtech.com

For investor relations please contact:

Contact Financial Corp.
Rob Gamley
Phone: 604-689-7422
Email: rob@contactfinancial.com

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.

The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy and accuracy of this release.

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