

For Immediate Release

Pioneering Technology Reports 2020 Q3 Financial Results

Mississauga, ON (August 31, 2020) – Pioneering Technology Corp. (TSXV: PTE) (“Pioneering” or the “Company”), a technology company and North America’s leader in cooking fire prevention technology and products reports its unaudited condensed interim financial results for the third quarter ended June 30, 2020. Pioneering’s unaudited condensed interim financial statements and MD&A are available on SEDAR (www.sedar.com).

While revenue declined in Q3 due to impact of COVID-19 on customer orders, the Company’s 2020 year-to-date results continue to be well ahead of 2019. Pioneering believes that the impact of the pandemic will be short-lived and that revenues will resume their upward trajectory as businesses activity in the United States resumes. The Company has worked hard to overcome the challenges it faced in fiscal 2018 and 2019 and believes that its current strategic plan will help position it for future growth.

Financial Highlights:

- Revenue in Q3 was \$822,321 (down 19%) vs. \$1,013,362 during the same period last year.
- Revenue for the first nine months of fiscal 2020 is \$5,538,263 – a 73% increase over the \$3,201,780 in revenue during the same period last year and 41% higher than 2019 full year revenue of \$3,941,621.
- Balance sheet remains strong with \$3.8M in cash and over \$2.4M in accounts receivable and inventory as of June 30, 2020.
- Gross margins declined due to US tariffs, special incentives for select customers, inventory accounting consequences of supplier price increases.

Selected Financial Results for the Third Quarter & Nine-months Ended June 30, 2020 & 2019:

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
Revenue	822,321	1,013,362	5,538,263	3,201,780
Gross Profit	300,638	545,700	2,316,436	1,785,213
Expenses	853,315	1,294,059	2,696,680	3,760,062
Net Income (Loss)	(602,939)	(747,328)	(538,220)	(1,974,472)
EPS Basic (Loss)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.04)
Adjusted EBITDA ¹	(457,131)	(354,195)	2,252	(1,202,757)
Tariff Adjusted EBITDA ¹	(410,818)	(354,195)	420,280	(1,202,757)

(1) Adjusted EBITDA and Tariff Adjusted EBITDA are non-IFRS measures. Please refer to “Non-IFRS Measures” at the end of this press release.

Pioneering CEO Kevin Callahan said of the results, “Despite the temporary setback due to COVID-19, we are pleased with the progress we have been making in 2020 and we have taken proactive steps to decrease expenses, manage pricing, cost of goods sold and gross profit while continuing to pursue top-line revenue growth. We have faced challenges like this before and feel confident that we will come out of it stronger than ever”.

Revenue during the quarter decreased approximately 19% to \$822,321 as compared to \$1,013,362 in Q3, 2019. For the nine months ended June 30, 2020, revenue is up 73% to \$5,538,263 versus \$3,201,780 during the same period last year. This strong revenue performance means that in the first nine months of fiscal 2020

the Company has surpassed the total revenue generated in all of fiscal 2019 (\$3,941,621) by 41%.

While revenue, gross profits and Adjusted EBITDA have all significantly increased in fiscal 2020 relative to the comparable period in fiscal 2019, gross profit margin during the third quarter of fiscal 2020 declined versus the same quarter in fiscal 2019. This was due to the impact of tariffs imposed by the United States on the products produced in China and sold in the United States and special incentives and discounts offered to some customers as part of their commitment to make recurring purchases. These special incentives and discounts to select customers will be discontinued at end of this fiscal year. Gross profit margin Q3 2020 YTD is 42% as compared to 56% vs Q3 YTD 2019.

The COVID-19 pandemic and U.S. tariffs on Chinese made goods present ongoing short-term challenges, but the Company has a strong sales pipeline and balance sheet and a plan going forward to strengthen gross margins which it expects will allow it to manage these challenges and take advantage of new opportunities while continuing to invest in new product development and meet customer demand.

Although Pioneering currently expects that its strong sales performance will continue into the fourth quarter of fiscal 2020, it did see a decline in product shipments in Q3 2020 due to COVID-19. It is not possible to reliably estimate the impact of the pandemic on the Company's financial results or operations in future periods, although distributors and end customers have reiterated their commitment to complete the projects previously identified for completion in fiscal 2020 that were interrupted in Q3 due to COVID-19.

The pandemic has triggered a number of economic and social responses aimed at reducing the spread of COVID-19, including the closure of restaurants and self-isolation and "work from home" measures. These changes have significantly increased the amount of home cooking and, as a consequence, cooking related fires. This has increased awareness of the problem and the need for solutions to reduce the risk of cooking fires. Pioneering believes that these circumstances provide an opportunity for it to strengthen the profile of its products and to attract new customers.

In Q3 the pandemic continued to affect the Company's supply chain temporarily interrupting its supply of product. However, the Company believes it has now resolved these temporary issues and currently expects that its product supply will be sufficient to satisfy the anticipated demand for the remainder of fiscal 2020 and into 2021. Any future supplier disruptions could create delays in the Company's ability to fulfill customer orders on a timely basis.

##

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.

For investor relations please contact:

Michael Quast
VP Marketing & Communications
Phone: 647-945-7521
Email: michaelquast@pioneeringtech.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, governmental regulation and the impact of the COVID-19 pandemic. These forward- looking statements are made as of the date hereof an, 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.

Tariff Adjusted EBITDA, defined as Adjusted EBITDA adjusted for tariff and tariff related costs, is used by management to measure operating performance of the Company and is a supplement to our unaudited condensed interim financial statements presented in accordance with IFRS. Tariff Adjusted EBITDA is a helpful measure of operating performance, similar to Adjusted EBITDA, enabling management and investors to gain a clearer understanding of the underlying financial performance of the Company without the impact of U.S. Section 301 tariffs and related costs. While management considers Tariff Adjusted EBITDA a meaningful measure for assessing the underlying financial performance of the Company, Tariff Adjusted EBITDA is a non-IFRS measure and does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Readers are cautioned that Tariff 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 Tariff 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 Tariff Adjusted EBITDA as presented by Pioneering to net income, please refer to Pioneering's management's discussion and analysis.

Neither the TSXV nor its Regulation Services Provider (as that term is defined under the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.