



Pioneering Technology Corp.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

August 29, 2025

This Management Discussion and Analysis (“MD&A”) is prepared as at June 30, 2025 and should be read in conjunction with the unaudited condensed financial statements and related notes of Pioneering Technology Corp. (“Pioneering” or the “Company”) for the three- and nine -month periods ended June 30, 2025 along with the audited annual financial statements and related notes of the Company for year ended September 30, 2024, each of which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company’s activities can be found on the Company’s profile on SEDAR at www.sedarplus.com.

Certain information in the MD&A is forward-looking and is subject to important risks and uncertainties. The results of events predicted in this information may differ from actual results or events. Forward-looking statements are often, but not always, identified by using words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “project”, “predict”, “potential” “could”, “might”, “should” and other similar expressions. The Company believes the expectations reflected in forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Forward-looking statements are not guarantees as to the Company’s future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. These forward-looking statements speak only to the date of the MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise except as required pursuant to applicable securities laws.

Non-IFRS Measures

In addition to disclosing results in accordance with IFRS, the Company also provides supplementary non-IFRS measures as a method of evaluating the Company’s performance.

Adjusted EBITDA

Management uses Adjusted EBITDA as a measure of enterprise-wide performance. Adjusted EBITDA is defined as net income (loss) for the year plus income tax expense, fair value movement – derivative liability, depreciation of property and equipment, amortization of patents and intangibles, stock-based compensation, unrealized foreign exchange, interest expense, interest income and other non-recurring gains or losses including transaction costs related to acquisitions. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons. Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) prepared in accordance with IFRS. 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 an indicator of performance, cash flow or profitability.

Corporate Overview

Vision:

To be the leader in cooking fire prevention technologies to save lives and homes.

Mission:

To be North America's leader in cooking fire prevention technologies and protect people and property from the leading cause of household fire – cooking fires.

The Company's business is focused on cooking fire prevention and the Company's product innovations also help end users save energy and deliver a return on investment. All of the Company's intellectual property is protected by patents, patents pending or trademarks. The Company's business model is to sell its proprietary technologies and products through third party distribution channel partnerships and/or to license its technologies to original equipment manufacturers ("OEMs").

The Problem:

Cooking fires are the number one cause of household fires globally. In the United States cooking is the cause of over 49% of all reported home fires. This equates to approximately 172,000 cooking related structure fires and \$1.1 billion in direct property damage annually and Indirect costs of more than \$7 billion. (*Source: National Fire Protection Association www.nfpa.org*). Of the 172,000 cooking fires reported to the fire service each year in the U.S. there are, on average, an additional 4.7 million cooking fires that go unreported. (*Source: Consumer Product Safety Commission*). Cooking fires have increased as a percentage of overall household fires from 20% in 1980 to 49% today and are a significant problem in the U.S. and around the world.

The Solutions:

The Company's product solutions help reduce cooking fires and false alarms by helping prevent these types of fires from starting in the first place. They help reduce energy consumption and deliver a proven return on investment. Pioneering's patented "temperature limiting control (TLC) technology[®]" and products have been recognized by the fire prevention community as the most compelling technology and products available in the market today that help prevent cooking fires and help solve the multi-billion-dollar cooking fire problem. Pioneering has installed over 1.5 million of its TLC burners to date without a single confirmed cooking fire. These technology/product solutions that protect people and properties include but are not limited to:

The **Smart Element (SE)** cooking system, (previously known as Safe-T-element "STE") is engineered to help prevent stovetop cooking fires on electric coil stoves before they start due to its temperature limiting control (TLC) technology[®]. The product is available as a professionally installed aftermarket solution or pre-equipped on new ranges and is sold to multi-residential channels and institutions throughout North America.

Smart Burner[®] (SB) is an easy to install (plug and play) version of Pioneering's "SE" that delivers all the benefits of the Smart Element but does not require professional installation. This product is targeted to multi-residential channels but is also available to consumers at retail or online. Pioneering's patented temperature limiting control (TLC) technology[®] has been installed on over 1.5 million burners without a single cooking fire.

The **SmartMicro[™] (SM)** - (Safe-T-sensor 2.0), designed for microwave ovens to help prevent microwave fires and false/nuisance alarms. This product is most relevant in high volume/people college, seniors, health and office environments where a microwave smoke/fire alarm evacuation results in a dangerous situation, a significant cost and/or a loss of productivity. The STS/SM delivers a significant and proven return on investment.

New Products:

Pioneering has other products solutions and is focused on commercializing/distributing other fire prevention technologies and product opportunities to its channel partners and end customers that will provide safety and drive incremental revenue growth. The Company's goal is to deliver cooking fire prevention solutions for both the OEM and the aftermarket for all stovetop cooking platforms (electric coil, ceramic glass top, induction, gas), microwave ovens, and other common household appliances that endanger people and properties.

Overall Performance

Revenue for the nine-month period ended June 30, 2025, was down slightly (5%) at \$1,962,036 as compared to revenue of \$2,067,475 during the nine-month period ended June 30, 2024.

Net loss for the nine-months was \$(374,344) versus a loss of \$(691,841) in 2024. Adjusted EBITDA for the period was \$(266,601), an increase from Adjusted EBITDA of \$(518,773) in 2024.

Gross profit margin for the nine-month period in 2025 was 48%, an increase from gross profit margin of 43% during the same period in 2024. The Company's cost management initiatives have resulted in a decrease in operating expenses during the nine months to \$1,365,376, as compared to \$1,674,157 during the same period year ago, a decrease of 18% or \$308,781.

2025 Strategic Objectives

The Company is cautiously optimistic that more favourable operating conditions will emerge soon having removed a number of the challenges it has faced over the past few years.

While revenue remained flat during the first nine months of 2025, the Company continues to define success as a return to profitability and profitable growth over the next 36 months. The Company remains committed to its mission of helping protect people and properties; its focus on leadership share of mind when it comes to cooking fire safety within the multi-residential and institutional markets; and continuing to manage pricing and expenses to control gross margins.

The Company's 2025 strategic plan, as with its 2024 strategic plan, is focused on the following four key objectives:

1. Continue to Build a Strong 36-month Pipeline: The Company has focused over the past 12 months on developing a stronger pipeline for its product offerings. During 2024, the Company implemented a number of effective lead generation, data analysis and CRM tools to assist in these efforts. In 2025, the Company is focused on generating profits from its core business, while growing its new business opportunities and long-term pipeline. The Company also expects to introduce new product offerings soon to broaden its reach and extend its customer engagements.

2. More Effective Planning and Execution: In 2025, the Company will optimize newly acquired/better resources and partners to deliver more effective planning and execution. Newly incorporated professional marketing capabilities and automated marketing activities will target specifically identified needs and behaviours in a cost-efficient manner.

3. Take a Targeted Approach to Existing Business Channels: In 2025 and beyond the Company intends to take a targeted approach to each channel opportunity it is focused on with individual goals, tactics, revenue targets and accountable channel owners and responsible support teams working in tandem to drive higher close rates amongst a larger qualified lead base.

4. Leverage Pioneering's Product Advantage: The Company will continue to differentiate its superior capabilities versus new competitors who have recently entered the market. The Company is investing time and resources in collaborative efforts with the U.S. fire service community to set Pioneering and its products apart from its competition.

Three-Months Ended June 30, 2025, Compared to Three-Months Ended June 30, 2024

Revenue for the three-months ended June 30, 2025, decreased slightly to \$841,403 as compared to \$890,214 during the same period in 2024, a decrease of 5.5% or \$48,811. It is believed that the threat of tariffs to be imposed on Chinese made goods shipped to the US and market uncertainty has resulted in a wait and see attitude on the part of the Company's distributors and customers.

During the three-months ended June 30, 2025, the Company's gross profit margin was \$406,208 or 48% of revenues as compared to gross profit margin of \$385,761 or 43% of revenues during the three-months ended June 30, 2024.

During the three-months ended June 30, 2025, the Company incurred approximately \$484,906 in expenses, as compared to \$505,863 during the same period last year. These decreased costs were mainly driven by lower sales and marketing expenditures of \$177,502 compared to \$245,376 in the prior year period, a savings of \$67,874 or 28%. These costs were offset by foreign exchange losses of \$20,480 this year compared to a gain of \$(34,264) last year.

Net loss for the period was \$(86,927) versus a net loss of \$(131,640) in the same period last year. The decrease is mainly driven by the increased gross profit of \$20,447 and decreased operating expenses of \$20,957.

Adjusted EBITDA for the period was \$(49,633), an increase from Adjusted EBITDA of \$(80,023) in Q3 2024.

Nine-Months Ended June 30, 2025, Compared to Nine-Months Ended June 30, 2024

Revenue was down slightly (5%) at \$1,962,036 for the nine-months ended June 30, 2025, versus \$2,067,475 for the nine-months ended June 30, 2024. We believe revenue was also adversely affected by the tariffs and market uncertainty described above.

Gross profit for the nine months ended June 30, 2025, was flat at \$1,016,237 as compared to gross profit of \$1,024,103 during the nine months ended June 30, 2024. At the same time gross profit margin increased to 52% compared to 50% in the prior year period as a result of continued cost management measures, price increases and a reduction in shipping costs.

During the nine-months ended June 30, 2025, the Company incurred \$1,365,376 in expenses as compared to \$1,674,157 during the same period last year. These decreased costs were mainly driven by the following:

- sales and marketing costs decreased to \$524,686 during the nine-months from \$776,931 in the prior year, a decrease of \$252,245; and
- foreign exchange gains of \$90,980 this year compared to gains of \$37,614 in the prior year, an improvement of \$53,366.

Net loss for the period was \$(374,344) versus a loss of \$(691,841) in the same period last year.

Adjusted EBITDA for the period was \$(266,601), an increase from Adjusted EBITDA of \$(518,773) for the same period year ago.

Adjusted EBITDA

The Company has provided a reconciliation of Adjusted EBITDA to IFRS net income in the following table. Adjusted EBITDA is defined as net income (loss) for the year plus income tax expense, depreciation of property and equipment, amortization of patents and intangibles, stock-based compensation, unrealized foreign exchange, interest expense, interest income and other non-recurring gains or losses including transaction costs related to acquisitions. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons.

For the period ended June 30	For the three-months ended June 30		For the nine months ended June 30	
	2025	2024	2025	2024
Net profit/(loss) for the period	\$ (86,927)	\$ (131,640)	\$ (374,344)	\$ (691,841)
Deferred tax expense	-	-	-	-
Depreciation of property plant and equipment	35,462	36,398	105,333	108,986
Amortization of patents and intangibles	1,066	1,522	3,197	4,567
Stock based compensation	-	4,043	-	27,155
Unrealized foreign exchange gain (loss)	(7,463)	2,159	(25,992)	17,728
Gain on derecognition of lease	-	-	-	(9,472)
Interest expense	16,470	17,962	51,648	57,078
Interest income	(8,241)	(10,467)	(26,444)	(32,974)
Adjusted EBITDA	\$ (49,633)	\$ (80,023)	\$ (266,601)	\$ (518,773)

Selected Annual Information

For The Years Ended (\$'000's)			
	Sep 30 2024	Sep 30 2023	Sep 30 2022
Revenues	2,742.5	2,872.0	2,437.9
Loss	(952.6)	(671.8)	(625.2)
Assets	3,533.0	4,693.5	5,859.1
Non-current liabilities	697.3	926.0	1,419.6
Earnings (loss) per share (basic)	\$ (0.02)	\$ (0.01)	\$ (0.01)
Earnings (loss) per share (diluted)	\$ (0.02)	\$ (0.01)	\$ (0.01)

Selected Quarterly Results

For the Quarters Ended (\$'000's)								
	Fiscal 2025			Fiscal 2024				Fiscal 2023
	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024	Dec 31 2023	Sep 30 2023
Revenues	841.40	407.15	713.49	675.00	890.21	523.63	653.66	682.96
Gross Profit	406.21	237.73	372.30	314.90	385.76	253.10	385.28	283.75
Gross Profit %	48%	58%	52.2%	46.7%	43.3%	48.3%	58.9%	41.5%
Expenses	484.91	490.49	389.98	562.03	505.86	592.48	598.61	561.16
Interest & Other Expenses	8.23	8.44	8.54	13.92	11.54	8.00	(0.85)	(31.83)
Income (loss)	(86.93)	(261.20)	(26.22)	(261.06)	(131.64)	(347.38)	(212.48)	(245.59)
Earnings (loss) per share (basic)	\$ -	\$ (0.01)	\$ -	\$ (0.01)	\$ -	\$ (0.01)	\$ -	\$ (0.01)
Earnings (loss) per share (diluted)	\$ -	\$ (0.01)	\$ -	\$ (0.01)	\$ -	\$ (0.01)	\$ -	\$ (0.01)

Liquidity, Capital Management

The Company manages its liquidity by continuously monitoring forecasted and actual gross profit, expenses, and cash flows from operations.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the growth and development of its operations and brings new products to market and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company will continue to assess new opportunities and seek to acquire an interest in growth situations if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

The Company has historically relied on equity and debt financing as well as cash generated by ongoing operations to fund its capital requirements.

The Company believes that its existing cash on hand, together with cash generated from operations and availability under its existing revolving demand facility, will be sufficient to fund its working capital requirements for fiscal 2025 and to fund future planned growth and development activities. As at June 30, 2025, the Company had cash on hand of \$0.3M and positive working capital of \$1.0M.

Management reviews its approach to capital management on an ongoing basis and believes that its approach, given the relative size of the Company and the current state of the development stage of its products, is reasonable.

There were no changes in the Company's approach to capital management during the year.

Disclosure of Outstanding Share Information

The following table sets forth information concerning the issued securities of the Company as at June 30, 2025.

Description	Number
Common Shares	
Outstanding at September 30, 2024	56,041,746
Issued	-
Outstanding at June 30, 2025	56,041,746
Stock Options	
Outstanding at September 30, 2024	9,775,000
Expired	(2,525,000)
Forfeited	-
Outstanding at June 30, 2025	7,250,000

Contingencies and Commitments

As at August 29, 2025, management is not aware of any material liabilities, contingent or otherwise, that have not been recorded in financial statements of the Company as at June 30, 2025. In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

Related Party Transactions

Related party transactions and balances are as follows:

	June 30, 2025	September 30, 2024
Type of payment		
Compensation and benefits	\$ 185,063	\$ 246,750
Stock option expense	-	12,926
	\$ 185,063	\$ 259,676
Amounts due to related parties at period end	\$ 40,129	\$ 5,778

The amounts due to related parties are included in the trade payables and accrued liabilities. The Company defines Key Management as its CEO and its Board of Directors.

Stock options held by related parties and Board of Directors under the stock option plan to purchase ordinary shares have the following expiry dates and exercise prices:

Issuance Date	Expiry Date	Exercise Price	30-Sep 2024 Number Outstanding
May 2023	May 2028	\$0.05	3,450,000

Management's Responsibility for Financial Information

The financial statements of the Company and all the information in this report are the responsibility of management and the Board of Directors.

The financial statements have been prepared by management in accordance with IFRS. Under these principles, management has made certain estimates and assumptions that are reflected in the financial statements. Management believes that these financial statements fairly present the Company's financial position, results of operations and cash flows.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The board carries out this responsibility principally through the Audit Committee which consists of three independent directors appointed by the Board.

The Audit Committee meets periodically with management as well as with the independent external auditors to discuss auditing matters and financial reporting issues. The Audit Committee reviews the financial statements and external auditors' report thereon and reports its findings to the board for consideration when the Board approves the financial statements for issuance to the Company's shareholders. The Committee also considers, for review by the Board and approval by shareholders, the engagement or reappointment of the external auditors. The external auditors have full and free access to the Audit Committee.

Risks and Uncertainties

Readers should consider the risks and other information included in the Company's audited financial statements and related notes for the period-ended June 30, 2025.