



01 Communique Provides Quarterly Update on Business Developments and Third Quarter Fiscal 2021 Results

TORONTO, ON – September 9, 2021. 01 Communique Laboratory Inc. (the "Company") (TSX-V: ONE; OTCQB: OONEF) one of the first-to-market, enterprise level cybersecurity providers for the quantum computing era is pleased to report the Company's third quarter 2021 results as it continues to move forward building its business in Asia-Pacific along with an increase in its investment in IronCAP™.

Andrew Cheung, CEO of 01 Communique, stated, "We have seen our revenue more than double year to date to \$749,324 from \$349,827 for nine months ended July 31, 2020. This has allowed us to increase our investment in development and commercialization of IronCAP™. As announced on July 28th we completed and released a new version of DoMobile with enhanced security putting us ahead of our competitors. It is now being marketed in Japan by our partner Hitachi Solutions Create, Ltd. We look forward to a continued increase in subscriber numbers and revenue. Throughout the third quarter we also continued with development of our business version of IronCAP X™, which we believe to be the world's first quantum-safe email security product effectively preventing email phishing/fraud. We are excited about the prospects this additional revenue generating service presents to us and now with an increase in our sales and marketing team supported by a strong development team we are preparing to launch it later this year in October. As we get closer to launch date, we will provide an update to our shareholders."

Second quarter 2021 results:

The loss for the third quarter was \$228,762 (2020 - \$39,816) an increase of \$188,946 and year to date the loss was \$406,278 (2020 - \$483,341) a decrease of \$77,063. Revenue for the third quarter was \$211,831 (2020 - \$235,160) a decrease of \$23,329 and year to date revenue was \$722,324 (2020 - \$349,827) an increase of \$372,497.

The adjusted loss for the third quarter was \$156,135 (2020 - \$14,828) an increase of \$141,307 and year to date the adjusted loss was \$264,233 (2020 - \$382,251) a decrease of \$118,018. The adjusted loss excludes stock-based compensation and depreciation which are non-cash operating expenses.

1. During the third quarter 2020 the majority of the revenue recognized was for server licenses, which are a one-time amount. For the third quarter 2021 the majority of revenue is the result of recurring subscription revenue. Over the past year our Asia-Pacific business has seen growth from our remote access service with an increase in both subscriber numbers and recurring revenue.
2. There was an increase in sales and marketing expenses as we added sales and marketing personnel to work with existing partners and build new partnerships with companies for the integration of the IronCAP™ API with third party applications.
3. Research and development expenses were increased to complete development of DoMobile V4 for the Japanese market which was launched on July 28th and for development of the business version of IronCAP X™ scheduled for release later this quarter in October.

The Company expects to make significant investments in Company infrastructure over the next few years including marketing, sales and business development, R&D, finance and business processes. The Company expects these investments will support the growth of the business thereby enabling significant future levels of profitability.

Conference Call Reminder and Information:

01 Communique will host a live teleconference allowing for questions and answers later today at 10:00AM EST (September 9, 2021) to discuss the Company's results as well as providing an update on the business prospects for IronCAP™ and IronCAP X™.

Browser (please cut-and-paste the following link into your browser):

https://us02web.zoom.us/j/83272630612?pwd=ZGRGMU5aWUY0Z3N3SFgyT2s0VlVrZz09
Passcode: ironcap21

Dial-in:

Within Canada (647) 374-4685 or (647) 558-0588
Within the USA (646) 558 8656 or (669) 900 9128
Webinar ID when prompted is 832 7263 0612
Passcode: 724051661

About 01 Communique

Established in 1992, 01 Communique (TSX-V: ONE; OTCQB: OONEF) has always been at the forefront of technology. The Company's cyber security business unit focuses on post-quantum cybersecurity with the development of its IronCAP™ technology. IronCAP™'s patent-pending cryptographic system is an advanced Goppa code-based post-quantum cryptographic technology that can be implemented on classical computer systems as we know them today while at the same time can also safeguard against attacks in the future post-quantum world of computing. The Company's remote access business unit provides its customers with a suite of secure remote access services and products under its I'm InTouch and I'm OnCall product offerings. The remote access offerings are protected in the U.S.A. by its patents #6,928,479 / #6,938,076 / #8,234,701; in Canada by its patents #2,309,398 / #2,524,039 and in Japan by its patent #4,875,094. For more information, visit the Company's web site at www.ironcap.ca and www.01com.com.

Cautionary Note Regarding Forward-looking Statements.

Certain statements in this news release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this news release, such statements use such words as "may", "will", "expect", "believe", "plan", "intend", "are confident" and other similar terminology. Such statements include statements regarding the commercial success of IronCAP X™, the future of quantum computers and their impact on the Company's product offering, the functionality of the Company's products and the intended product lines for the Company's technology and the potential licensing of the Company's technology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk and Uncertainties" in the Company's Management's Discussion and Analysis document filed on SEDAR. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Neither TSX Venture Exchange ("TSX-V") nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Financial Position
Unaudited
As at July 31, 2021 and October 31, 2020

	31-July-21	31-Oct-20
Assets		
Current assets		
Cash and cash equivalents	\$ 1,161,785	\$ 962,337
Guaranteed investment certificate	-	60,000
Accounts receivable	231,469	202,974
Prepaid expenses and other assets	28,234	25,343
	<u>1,421,488</u>	<u>1,250,654</u>
Plant and equipment	139,084	35,253
Total assets	<u><u>\$ 1,560,572</u></u>	<u><u>\$ 1,285,907</u></u>
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	\$ 168,184	\$ 151,111
Deferred revenue	8,665	7,679
Lease liability	42,822	18,704
	<u>219,671</u>	<u>177,494</u>
Non-current liabilities		
Lease liability	77,066	-
CEBA loan payable	60,000	-
Total liabilities	<u>137,066</u>	<u>177,494</u>
Shareholders' deficit		
Share capital	43,963,581	43,395,752
Contributed surplus	5,824,110	5,717,636
Warrants	93,532	266,135
Deficit	(48,677,388)	(48,271,110)
	<u>1,203,835</u>	<u>1,108,413</u>
Total liabilities and shareholders' deficit	<u><u>\$ 1,560,572</u></u>	<u><u>\$ 1,285,907</u></u>

01 Communicue Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
Unaudited
For the 3 and 9 month periods ended July 31, 2021 and 2020

	<i>three months ended</i>		<i>nine months ended</i>	
	<u>31-Jul-21</u>	<u>31-Jul-20</u>	<u>31-Jul-21</u>	<u>31-Jul-20</u>
Revenue	\$ 211,831	\$ 235,160	\$ 722,324	\$ 349,827
Expenses:				
Selling, general and administrative	207,909	111,153	570,400	415,724
Research and development	209,766	120,717	485,871	323,215
Withholding taxes	20,660	22,900	70,651	34,172
	<u>438,334</u>	<u>231,870</u>	<u>1,126,922</u>	<u>738,939</u>
Loss before accretion on liability component of debenture, interest, and other income	(226,503)	3,290	(404,598)	(389,112)
Interest on debenture	-	15,000	-	45,000
Accretion on liability portion of debenture	-	4,535	-	13,832
Loss before other income and expense	<u>(226,503)</u>	<u>(16,245)</u>	<u>(404,598)</u>	<u>(447,944)</u>
Interest income	(2,166)	-	(751)	875
Interest expense	1,595	671	2,431	2,100
Loss for the period and comprehensive loss	<u>\$ (228,762)</u>	<u>\$ (39,816)</u>	<u>\$ (406,278)</u>	<u>\$ (483,341)</u>
Loss per common share				
Basic	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares				
Basic	93,278,000	80,985,653	92,246,000	80,243,450
Diluted	93,278,000	80,985,653	92,246,000	80,243,450

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
Unaudited
For the 3 and 9 month periods ended July 31, 2021 and 2020

	<i>three months ended</i>		<i>nine months ended</i>	
	<u>31-Jul-21</u>	<u>31-Jul-20</u>	<u>31-Jul-21</u>	<u>31-Jul-20</u>
Cash provided by (used in):				
Operating activities:				
Comprehensive loss for the period	\$ (228,762)	\$ (39,816)	\$ (406,278)	\$ (483,341)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	1,777	1,388	5,431	4,340
Amortization of right-of-use asset	11,219	11,061	34,298	33,183
Stock-based compensation expense	70,850	23,600	136,614	96,750
Accretion on liability portion of debenture	-	4,535	-	13,832
Change in non-cash working capital	96,870	(185,167)	(13,327)	(183,340)
	<u>(48,046)</u>	<u>(185,274)</u>	<u>(243,262)</u>	<u>(519,451)</u>
Financing activities:				
Exercise of stock options	41,750	-	43,500	-
Exercise of warrants	269,587	-	321,587	-
Proceeds from private placement	-	202,000	-	202,000
Issuance costs on private placement	-	(10,438)	-	(10,438)
Proceeds from loan	-	-	60,000	-
Lease payments made	(11,338)	(10,296)	(33,451)	(32,226)
	<u>299,999</u>	<u>181,266</u>	<u>391,636</u>	<u>159,336</u>
Investing activities:				
Proceeds from guaranteed investment certificate	-	-	60,000	190,000
Purchase of property and equipment	(4,225)	(266)	(8,926)	(2,417)
	<u>(4,225)</u>	<u>(266)</u>	<u>51,074</u>	<u>187,583</u>
Increase in cash and cash equivalents	247,728	(4,274)	199,448	(172,532)
Cash and cash equivalents, beginning of period	914,057	115,454	962,337	283,712
Cash and cash equivalents, end of period	<u>\$ 1,161,785</u>	<u>\$ 111,180</u>	<u>\$ 1,161,785</u>	<u>\$ 111,180</u>

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