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## ***01 Communique Provides Quarterly Update on Business Developments and Fourth Quarter Fiscal 2020 Results***

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**TORONTO, ON – January 14, 2021.** 01 Communique Laboratory Inc. (the "Company") (TSX-V: ONE; OTCQB: OONEF) is pleased to report that the Company made significant developments throughout 2020 to help ensure the successful commercialization of its IronCAP™ technology and build revenue from its remote access service business.

Andrew Cheung, 01 Communique CEO, stated, "We are pleased with our developmental and commercialization progress in 2020 and our new business partnership arrangements that showcase our IronCAP™ products. Our goal is to offer products with the most advanced and secure quantum safe cryptographic system available, and as such, we have developed what we believe to be the first-to-market enterprise level cybersecurity software for the quantum computing era. Our strong partnerships show there is confidence and reliability in our IronCAP™ and IronCAP X™ products. In 2021, we will continue to focus on adding more partnerships to increase our visibility, product use and revenue growth."

### **Business Development Highlights:**

In 2020, the Company focused on the key initiatives of its fiscal 2021-2025 business plan designed to achieve growth in revenues and earnings. The Company continued working to help ensure the successful commercialization of IronCAP X™ and IronCAP™ API by securing major new global enterprise partners and expects to add more new partners throughout fiscal 2021 and beyond. Discussions with other leading technology firms are currently in progress.

### **Highlights of fiscal 2020 are as follows:**

On October 19, 2020, the Company commenced trading on the OTCQB market which the Company believes will increase visibility to U.S. investors and provide improved liquidity for investors in all jurisdictions.

On April 23, 2020, the IronCAP X™ personal usage end-to-end email encryption/authenticity product was made available free to individual subscribers through a simple download from our web site. The Company believes it to be the world's first product of its kind that is safe against conventional and future quantum computer attacks addressing the growing concern about email authenticity and personal information that can be collected, shared, and maliciously hacked. Version 1.1 was released in August 2020.

On July 20, 2020, the Company signed a partnership agreement with a global technology and system integration company headquartered in Montreal, Quebec. Under the agreement, 01 Communique would provide tools to showcase the strength of IronCAP™ cryptographic system ensuring safety against cyber-attacks.

On October 29, 2020, 01 Communique entered a joint business relationship with PwC, one of the world's leading professional services firm, to bring IronCAP™'s post-quantum cryptography technology and its related services to enterprise customers.

On December 8, 2020, 01 Communique and ixFintech announced the introduction of the world's first quantum-safe Bitcoin ATM machine, DAEM (Digital Asset Exchange Machine) by ixFintech, using IronCAP™'s quantum-safe cryptographic technology. The work is the result of a previous MOU with ixFintech to adopt IronCAP™ as their quantum computing security solution in the development of future technology solutions.

On December 14, 2020, the Company signed a partnership agreement with U.K. based Mirata Ltd. to provide patent-pending IronCAP™ post-quantum cybersecurity technology to their web-based technology solutions. Mirata services and solutions include email security, website hosting and server management, e-learning, web software and application development, etc. using both a cloud-based platform and a single-server platform.

In March 2020, the Company along with business partner Hitachi Solutions Create announced a 3-month free usage offer of DoMobile remote access services in Japan. DoMobile, which is marketed by Hitachi Solutions Create, is based on our I'm InTouch remote access service. The offer was intended to support the business

community with increased telecommunications usage during the coronavirus pandemic. User numbers and revenue for DoMobile increased substantially during fiscal 2020.

On June 9, 2020, the United States Patent and Trademark Office ("USPTO") issued the Company a receipt for its Patent Application No.16/893,709 for a Cryptographic System and Method that facilitates sending encrypted emails to a recipient. In August IronCAP X™ v1.1 was released utilizing the June 9th patent application, offering a personal usage email encryption with a "seamless invitation" to automatically insert an invitation to non-IronCAP X™ recipients to join IronCAP X™ and read the encrypted message. The end-to-end encryption of emails in IronCAP X™ offers complete protection and privacy for all our emails; including attachments.

On October 7, 2020, the Company entered into a non-binding agreement for a drawdown equity facility of up to \$5 million with Alumina Partners (Ontario) Ltd. ("Alumina Partners"), a subsidiary of Alumina Partners LLC, a New York-based private equity firm. The agreement was structured with the goal to provide the Company quick access to capital when required. The agreement provides for equity private placement offerings, to be conducted in drawdowns of up to \$250,000 per tranche over a period of 24 months with the timing of each tranche to be made by the Company at its sole discretion. The amount and terms of each tranche will be subject to the mutual agreement of the Company and Alumina Partners.

#### **Fiscal 2020 results:**

The Company reported a comprehensive loss for fiscal 2020 of \$657,168 (2019 - \$313,757). The Company reduced its adjusted loss by \$71,868 for the year to \$538,938 from \$610,806 in 2019. The adjusted loss excludes stock-based compensation of \$112,390 (2019 - \$139,384) and depreciation of \$5,840 (2019 -\$5,376) which are non-cash expenses and the one-time reversal of an accrued liability which had been included in 2019 of \$441,809. While the Company made a larger investment in the development and commercialization of its IronCAP™ technology during fiscal 2020 with an increase in operating expenses there was also an increase in revenue from its remote access service which allowed the Company to reduce its adjusted loss for the year.

The Company strengthened its balance sheet during the year completing the year with \$1,022,337 of cash, cash equivalents and guaranteed investment certificate.

#### **Fourth quarter 2020 results:**

For the fourth quarter the Company reported a comprehensive loss of \$173,827 compared to a profit in 2019 of \$238,494. The adjusted loss for the quarter was \$156,687 (2019 - \$177,070) a reduction of \$20,383. The adjusted loss excludes the one-time reversal of an accrued liability in 2019 as well as non cash operating expenses.

Revenue for the quarter was \$171,964 compared to \$80,832 in 2019 an increase of \$91,132 a result of an increase in revenue from the Company's remote access service business.

Cash operating expenses to operate the business (excludes stock-based compensation, depreciation and amortization and withholding tax), for the fourth quarter were \$285,199 (2019 - \$237,254) an increase of \$47,945. The Company continues to make an investment in the development of products based on its IronCAP™ technology and hence an increase in research and development costs. SG&A increased as there were additional costs incurred during the quarter pertaining to listing the Company's common shares on the OTCQB market. In addition, the Company is executing on sales and marketing activities to commercialize IronCAP X™ as well as continuing in efforts to build partnerships with companies for the integration of the IronCAP™ API with third party applications.

#### **Conference Call Reminder and Information:**

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

**January 14, 2021 at 10:00 AM**

**Dial in Numbers:**

**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**

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## **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](http://www.ironcap.ca) and [www.01com.com](http://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 Communicque Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Financial Position**  
**As at October 31, 2020 and October 31, 2019**

	31-Oct-20	31-Oct-19
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 962,337	\$ 283,712
Guaranteed investment certificate	60,000	300,000
Accounts receivable	202,974	96,055
Prepaid expenses and other assets	25,343	11,124
	<u>1,250,654</u>	<u>690,891</u>
Right-of-use asset	19,339	-
Plant and equipment	15,914	16,335
<b>Total assets</b>	<u>\$ 1,285,907</u>	<u>\$ 707,226</u>
<b>Liabilities and Shareholders' Deficit</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 151,111	\$ 140,962
Deferred revenue	7,679	8,907
Lease liability	18,704	-
Liability component of debenture	-	390,703
	<u>117,494</u>	<u>540,572</u>
<b>Shareholders' deficit</b>		
Share capital	43,408,952	41,414,233
Contributed surplus	5,704,436	5,668,916
Warrants	266,135	598,247
Compensation options	-	99,200
Equity	<u>(48,271,110)</u>	<u>(47,613,942)</u>
	<u>1,108,413</u>	<u>166,654</u>
<b>Total liabilities and shareholders' deficit</b>	<u>\$ 1,285,907</u>	<u>\$ 707,226</u>

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Operations and Comprehensive Income**  
**For the 3 and 12 month periods ended October 31, 2020 and 2019**

	<i>for the 3 months ended</i>		<i>for the years ended</i>	
	<i>31-Oct-20</i>	<i>31-Oct-19</i>	<i>31-Oct-20</i>	<i>31-Oct-19</i>
Revenue	\$ 171,964	\$ 80,832	\$ 521,791	\$ 283,107
Expenses:				
Selling, general and administrative	170,377	158,532	586,101	562,200
Research and development	131,962	104,967	455,177	384,007
Withholding taxes	16,633	6,334	50,805	24,635
	<u>318,972</u>	<u>269,833</u>	<u>1,092,083</u>	<u>970,842</u>
Loss before accretion of liability component of debenture, interest, other income and expense	(147,008)	(189,001)	(570,292)	(687,735)
Interest on debenture	12,718	15,000	57,718	60,000
Accretion on liability portion of debenture	17,165	4,320	30,997	17,731
Loss before other income and expense	<u>(176,891)</u>	<u>(208,321)</u>	<u>(659,007)</u>	<u>(765,466)</u>
Interest income	2,155	5,006	3,030	9,900
Interest expense	(909)	-	1,191	-
Reversal of accrued liability	-	441,809	-	441,809
Profit (loss) for the period and comprehensive profit (loss)	<u>\$ (173,827)</u>	<u>\$ 238,494</u>	<u>\$ (657,168)</u>	<u>\$ (313,757)</u>
Basic loss per common share	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)
Diluted loss per common share	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.00)
Weighted average number of common shares				
Basic	86,125,334	80,212,646	81,720,040	77,488,373
Diluted	86,125,334	80,212,646	81,720,040	77,488,373

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Cash Flows**  
**For the 3 and 12 month periods ended October 31, 2020 and 2019**

	<i>for the 3 months ended</i>		<i>for the years ended</i>	
	<i>31-Oct-20</i>	<i>31-Oct-19</i>	<i>31-Oct-20</i>	<i>31-Oct-19</i>
Cash provided by (used in):				
Operating activities:				
Comprehensive loss for the period	\$ (173,827)	\$ 238,494	\$ (657,168)	\$ (313,757)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	1,500	1,439	5,840	5,376
Amortization of right-of-use asset	11,061	-	44,244	-
Stock-based compensation expense	15,640	24,806	112,390	139,384
Accretion on liability portion of debenture	17,165	4,320	30,997	17,731
Change in non-cash working capital	71,123	(385,574)	(112,217)	(481,346)
	(57,338)	(116,515)	(575,914)	(632,612)
Financing activities:				
Exercise of stock options	92,500	2,500	92,500	2,500
Exercise of warrants	788,775	-	788,775	-
Exercise of compensation options	140,000	-	140,000	-
Exercise of debenture warrants	52,000	-	52,000	-
Redemption of debenture	(200,000)	-	(200,000)	-
Proceeds from private placement	-	-	202,000	437,000
Issuance costs on private placement	-	-	(10,438)	(31,279)
Lease payments made	(11,778)	-	(44,879)	-
Total cash provided by financing activities	861,497	2,500	1,019,958	408,221
Investing activities:				
Proceeds from guaranteed investment certificate	50,000	-	360,000	700,000
Purchase of guaranteed investment certificate	-	(100,000)	(120,000)	(300,000)
Purchase of property and equipment	(3,002)	(311)	(5,419)	(5,657)
	46,998	(100,311)	234,581	394,343
Increase in cash and cash equivalents	851,157	(214,326)	678,625	169,952
Cash and cash equivalents, beginning of period	111,180	498,038	283,712	113,760
Cash and cash equivalents, end of period	\$ 962,337	\$ 283,712	\$ 962,337	\$ 283,712

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