



01 Communique Provides Update on Business Developments and Fiscal 2021 Results

TORONTO, ON –January 13, 2022. 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 fiscal 2021 results.

Andrew Cheung, CEO of 01 Communique, stated, "As the trend to work from home continues to be popular, we have seen our revenue increase during the year. We completed DoMobile V4, a new release of our remote access service, to help capitalize on this trend in Japan and look forward to a continued increase in subscriber numbers and revenue. This increase in revenue allowed us to increase our investment in the future of our company with continued development and commercialization of IronCAP™. We added an additional six partners to assist us in making IronCAP™ available around the globe. We expect more partners to come on board throughout 2022. Throughout the year we also continued with development of the 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 will provide an update to our shareholders as launch date gets closer. In addition to the business version our plan is to incorporate IronCAP™ into our existing remote access product making what we believe will be the world's first quantum-safe remote access solution. As we enter 2022, we believe we are well positioned with strong technology and go to market strategy designed to build our business for the future."

Financial highlights:

Revenue for the year ended October 31, 2021 was \$885,345 (2020 - \$521,791) an increase of \$363,554. For the fourth quarter revenue was \$163,021 (2020 - \$171,964) a decrease of \$8,943. As the trend to working from home continues to be popular our Asia-Pacific business has seen growth from our remote access service with an increase in both subscriber numbers and recurring revenue. Revenue for the fourth quarter 2021 consisted of recurring subscription revenue compared to previous quarters where there were also development fees associated with DoMobile v4 and one-time fees for server licenses.

The loss for fiscal 2021 was \$656,847, consistent with the loss in 2020 of \$657,168. For the fourth quarter the loss was \$250,569 (2020 - \$173,827) an increase of \$76,742.

The adjusted loss for fiscal 2021 was \$446,832 (2020 - \$538,938) a decrease of \$92,106. For the fourth quarter the adjusted loss was \$182,599 (2020 - \$156,687) an increase of \$25,912. The adjusted loss excludes stock-based compensation and depreciation which are non-cash operating expenses.

The increase in revenue allowed for an increase in investment in the Company's sales and marketing as well as product development initiatives which we believe will position the Company for future growth.

The Company completed the year with cash of \$994,924.

Operational highlights:

The Company has entered into partnership agreements, all previously announced, with six more companies to bring IronCAP™ to their enterprise customers. IronCAP™ is now available through its ever expanding partnerships not only in North America but also throughout Asia/Pacific as well as Europe and Western Africa.

On November 9, 2021 the Company received a Notice of Allowance from the United States Patent and Trademark Office ("USPTO") stating that the Company's patent application (application no. 16/268,098) for a Cryptographic System and Method has been examined, prosecution is now closed and it is allowed for issuance as a patent.

The Company released a new version of the IronCAP™ API making it available for mobile platforms. This latest version allows mass adoption of IronCAP™ across virtually all computing environments including Windows, Linux, Mac, plus the newly added iOS and Android mobile platforms.

The Company successfully conducted a second annual global based Bounty Contest challenge. There were 807 cybersecurity challengers that attempted to crack IronCAP™'s quantum-safe encryption during the one-month CAD\$100,000 Bounty Contest. No contestants managed to break the code and IronCAP™'s encryption has again proven its resilience and robustness.

The Company released DoMobile v4, a new release of its secure remote access solution, that is exclusively marketed by the Company's partner in Japan. The strong security underlying DoMobile allows for marketing not only to small to medium sized businesses, but also to government agencies, financial industries, health sectors, etc. which require a highly secure remote access environment. There are more than 3,800 corporations using DoMobile as their telework solution with the numbers continuing to grow.

The Company was awarded the Editor's Choice as Top Remote Access Company 2021 by Enterprise Security Magazine. I'm InTouch, the Company's "Zero Trust" solution, out ranked all industry competitors.

Conference Call Reminder and Information:

01 Communique will host a live teleconference allowing for questions and answers later today at 10:00AM EST (January 13, 2022) 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=K1ZmRGhYKy9xaVE4UUVRMzJYTUFyQT09>
Passcode: ironcap22

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: 066489703

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-protected 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
As at October 31, 2021 and October 31, 2020

	31-Oct-21	31-Oct-20
Assets		
Current assets		
Cash	\$ 994,924	\$ 962,337
Guaranteed investment certificate	-	60,000
Accounts receivable	205,507	202,974
Prepaid expenses and other assets	31,743	25,343
	<u>1,232,174</u>	<u>1,250,654</u>
Plant and equipment	125,584	35,253
Total assets	<u>\$ 1,357,758</u>	<u>\$ 1,285,907</u>
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable	\$ 182,354	\$ 151,111
Deferred revenue	6,502	7,679
Lease liability	42,532	18,704
	<u>231,388</u>	<u>177,494</u>
Non-current liabilities		
Lease liability	66,915	-
Loan payable	40,000	-
Total liabilities	338,303	174,494
Shareholders' deficit		
Share capital	43,963,582	43,395,752
Contributed surplus	5,890,297	5,717,636
Warrants	93,533	266,135
Deficit	<u>(48,927,957)</u>	<u>(48,271,110)</u>
	<u>1,019,455</u>	<u>1,108,413</u>
Contingencies		
Total liabilities and shareholders' deficit	<u>\$ 1,357,758</u>	<u>\$ 1,285,907</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, 2021 and 2020

	<i>three months ended</i>		<i>for the years ended</i>	
	<u>31-Oct-21</u>	<u>31-Oct-20</u>	<u>31-Oct-21</u>	<u>31-Oct-20</u>
Revenue	\$ 163,021	\$ 171,964	\$ 885,345	\$ 521,791
Expenses:				
Selling, general and administrative	270,627	171,052	841,028	586,776
Research and development	128,348	131,962	614,219	455,177
Withholding taxes	15,807	16,633	86,458	50,805
	<u>414,782</u>	<u>319,647</u>	<u>1,541,705</u>	<u>1,092,758</u>
Loss before accretion on liability component of debenture, interest, and other income	(251,761)	(147,683)	(656,360)	(570,967)
Interest on debenture	-	12,718	-	(57,718)
Accretion on liability component of debenture	-	17,165	-	(30,997)
Foreign exchange gain (loss)	(17,554)	675	(17,554)	675
Interest income	215	2,155	966	3,030
Interest expense	(1,468)	909	(3,899)	(1,191)
Government assistance	20,000	-	20,000	-
Net loss for the period and comprehensive loss	<u>\$ (250,569)</u>	<u>\$ (173,827)</u>	<u>\$ (656,847)</u>	<u>\$ (657,168)</u>
Loss per common share				
Basic	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares				
Basic	94,451,221	86,125,334	92,788,400	81,720,040
Diluted	94,451,221	86,125,334	92,788,400	81,720,040

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
Unaudited
For the 3 and 12 month periods ended October 31, 2021 and 2020

	<i>three months ended</i>		<i>for the years ended</i>	
	<u>31-Oct-21</u>	<u>31-Oct-20</u>	<u>31-Oct-21</u>	<u>31-Oct-20</u>
Cash provided by (used in):				
Operating activities:				
Comprehensive loss for the period	\$ (250,569)	\$ (173,827)	\$ (656,847)	\$ (657,168)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	1,783	1,500	7,214	5,840
Amortization of right-of-use asset	11,219	11,061	45,517	44,244
Stock-based compensation expense	66,187	15,640	202,801	112,390
Accretion on liability portion of debenture	-	17,165	-	30,997
Government assistance income	(20,000)	-	(20,000)	-
Change in non-cash working capital	34,460	71,123	21,133	(112,217)
	<u>(156,920)</u>	<u>(57,338)</u>	<u>(400,182)</u>	<u>(575,914)</u>
Financing activities:				
Exercise of stock options	-	92,500	43,500	92,500
Exercise of warrants	-	788,775	293,850	788,775
Exercise of compensation options	-	140,000	27,738	140,000
Exercise of debenture warrants	-	52,000	-	52,000
Redemption of debenture	-	(200,000)	-	(200,000)
Proceeds from private placement	-	-	-	202,000
Issuance costs on private placement	-	-	-	(10,438)
Proceeds from loan	-	-	60,000	-
Lease payments made	(10,439)	(11,778)	(43,891)	(44,879)
	<u>(10,439)</u>	<u>861,497</u>	<u>381,197</u>	<u>1,019,958</u>
Investing activities:				
Proceeds from guaranteed investment certificate	-	50,000	60,000	360,000
Purchase of guaranteed investment certificate	-	-	-	(120,000)
Purchase of property and equipment	498	(3,002)	(8,428)	(5,419)
	<u>498</u>	<u>46,998</u>	<u>51,572</u>	<u>234,581</u>
Increase (decrease) in cash	(166,861)	851,157	32,587	678,625
Cash, beginning of period	1,161,785	111,180	962,337	283,712
Cash, end of period	<u>\$ 994,924</u>	<u>\$ 962,337</u>	<u>\$ 994,924</u>	<u>\$ 962,337</u>

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