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## ***01 Communique Provides Update on Business Developments and Third Quarter Fiscal 2023 Results***

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**TORONTO, ON – September 21, 2023.** 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 fiscal 2023 results, which ended July 31, 2023.

Andrew Cheung, CEO of the Company, commented, "Global recognition of threat from quantum computers has never been higher. Following through with their recommendation in July 2022, the National Institute of Standards and Technologies (NIST) published 3 standards of Post-Quantum Cryptography (PQC) algorithms on Aug 24 last month (FIPS 203, FIPS 204, and FIPS 205). Lockstep with NIST's progress, these standards are already part of our IronCAP Toolkits. Being the forerunner in building practical PQC applications such as quantum-safe email security, quantum-safe blockchain, quantum-safe remote access, etc., I am confident that IronCAP™ will add significant value to help our partners to provide enhanced security against bad actors using Quantum Computers,"

Andrew Cheung continued, "As announced during our last quarterly results, with the major portion of our development efforts having been completed we expect a reduction in our operating expenses and switching focus on integrating applications and features enhancements for our partners. This is clearly reflected in our Q3 results with a new partner signing up and a significant reduction on our quarterly loss. We expect this trend to continue in upcoming quarters."

### **Operational Highlights:**

- As announced on July 10, 2023 we entered into a partnership with Keyfactor, the identity-first security solution for modern enterprises. Our partnership fosters the development, in conjunction with joint marketing, of quantum-safe X.509 certificates for the Enterprise Certification Authority solution (EJBCA) as well as cybersecurity solutions for global businesses, organizations, and governments to help them achieve cyber resilience.
- On June 6<sup>th</sup> our quantum-safe blockchain endpoints protection patent was officially issued in the US. The US patent # is 11,669,833 and can be found on the USPTO site.
- We have received a notice of allowance for our Japanese patent application #2020-534978 about the IronCAP Modern McEliece code-based post-quantum cryptography technology. Official patent issuance is in the process.
- Earlier in fiscal 2023 we completed integrating IronCAP™ into one of our partners' military-grade Hardware Security Modules ("HSM") making post quantum cryptography functionality seamless. Joint-marketing activities have been in process since April 2023 beginning with our participation at the RSA Conference held in San Francisco as part of our partner's PQC Palooza event where together we promoted post-quantum cryptography to enterprise customers. Throughout the third quarter other activities have taken place which have been very encouraging with expectations of more partnerships on the horizon.
- As announced on June 14<sup>th</sup> we released IronCAP X™ v2.0, which we believe to be the world's first commercially available quantum-safe end-to-end email security product for enterprises of all sizes.
- Global partners have been signed and integration efforts have begun with the goal to capitalize on the quantum-readiness transformation market embraced by enterprises of all sizes internationally.

## Financial Highlights:

- Revenue for the third quarter was \$106,197 (2022 - \$236,002) a \$129,805 decrease. Royalty revenue remained fairly steady quarter over quarter. Royalties are received from the Company's remote access business which is marketed on a subscription fee basis with recurring royalties. The overall decrease in revenue is a result of one time development fees recognized in 2022 for the completed portion of a Quantum-Safe Blockchain project.
- The loss for the third quarter was \$119,652 (2022 - \$190,242). The adjusted loss excluding stock-based compensation and depreciation which are non-cash expenses, for the second quarter was \$73,998 (2022 - \$135,374) a reduction of \$61,376. The Company completed the quarter with \$370,360 of cash and a GIC.
- Cash operating expenses which exclude stock-based compensation and depreciation for the third quarter were \$173,395 (2022 - \$361,036) a reduction of \$187,036 primarily the result of:
  - Completion of a number of R&D projects which included enhancements to the Company's remote access product, integration of IronCAP™ into the Company's partners' HSM, and the integration of IronCAP™ into existing public blockchains has contributed to the reduction in development expenses for fiscal 2023.
  - Contributing factors to the lower selling, general and administrative expenses included costs incurred in fiscal 2022 for non-recurring legal expenses pertaining to the prosecution of patent applications including the patent received in fiscal 2023 as well as investor relations campaigns that were completed in fiscal 2022.
  - As a result, the Company has been able to reduce cash operating expenses with a goal to keep them in line with the ongoing recurring revenue.

## Grant of Stock Options

The Company granted stock options pursuant to its stock option plan to directors and executives of the Company to purchase up to an aggregate of 1,240,000 common shares in the Company. The options were granted on September 20, 2023 and are exercisable at a price of \$0.12 per share for a period of four years from the date of grant. The options vest over a period of two years, with 25% vesting on each of March 20, 2024, September 20, 2024, March 20, 2025 and September 20, 2025. The options, and the shares issuable upon exercise, will be subject to applicable securities and regulatory laws. After granting these stock options there will be a total of 6,365,000 options outstanding under the stock option plan.

## Conference Call Reminder and Information:

01 Communique will host a live teleconference allowing for questions and answers later today at 10:00AM EST (September 21, 2023) 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=UUdOcVNLOVpiZE56NVNNZHUrDlFmUT09>  
Passcode: ironcap23

## 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: 286832739

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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™ product line. IronCAP™'s technologies are patent-protected in the U.S.A. by its patents #11,271,715 and #11,669,833. 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 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Financial Position**  
**Unaudited**  
**As at July 31, 2023 and October 31, 2022**

	31-July-23	31-Oct-22
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 290,360	\$ 487,179
Guaranteed investment certificate	80,000	150,000
Accounts receivable	89,431	316,270
Prepaid expenses and other assets	42,385	64,131
	<u>502,176</u>	<u>1,017,580</u>
Plant and equipment	51,156	90,911
Investment	1,500	1,500
	<u>51,156</u>	<u>90,911</u>
<b>Total assets</b>	<u><u>\$ 554,832</u></u>	<u><u>\$ 1,109,991</u></u>
<b>Liabilities and Shareholders' Deficit</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 75,194	\$ 272,784
Deferred revenue	5,324	5,487
Lease liability	32,230	46,349
Canadian emergency business loan	40,000	-
	<u>152,748</u>	<u>364,620</u>
<b>Non-current liabilities</b>		
Lease liability	-	20,517
Canadian emergency business loan	-	40,000
	<u>-</u>	<u>40,000</u>
<b>Total liabilities</b>	<u>152,748</u>	<u>385,137</u>
<b>Shareholders' deficit</b>		
Share capital	44,282,090	44,214,590
Contributed surplus	6,247,532	6,083,350
Warrants	16,875	16,875
Deficit	(50,144,413)	(49,589,961)
	<u>402,084</u>	<u>724,854</u>
<b>Total liabilities and shareholders' deficit</b>	<u><u>\$ 554,832</u></u>	<u><u>\$ 1,109,991</u></u>

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Operations and Comprehensive Income**  
**Unaudited**  
**For the 3 and 9 month periods ended July 31, 2023 and 2022**

	<i>three months ended</i>		<i>nine months ended</i>	
	<u>31-Jul-23</u>	<u>31-Jul-22</u>	<u>31-Jul-23</u>	<u>31-Jul-22</u>
Revenue	\$ 106,197	\$ 236,002	\$ 340,782	\$ 782,627
Expenses:				
Selling, general and administrative	145,054	221,772	530,407	650,056
Research and development	73,995	194,132	339,990	559,893
Withholding taxes	10,220	10,400	32,865	51,523
	<u>229,269</u>	<u>426,304</u>	<u>903,262</u>	<u>1,261,472</u>
Loss before other income and expense	(123,072)	(190,302)	(562,480)	(478,845)
Interest income	3,925	1,125	10,267	1,770
Interest expense	(505)	1,065	(2,239)	3,687
Loss for the period and comprehensive loss	<u>\$ (119,652)</u>	<u>\$ (190,242)</u>	<u>\$ (554,452)</u>	<u>\$ (480,762)</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	96,101,646	94,916,728	96,101,646	94,607,495
Diluted	96,101,646	94,916,728	96,101,646	94,607,495

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Cash Flows**  
**Unaudited**  
**For the 3 and 9 month periods ended July 31, 2023 and 2022**

	<i>three months ended</i>		<i>nine months ended</i>	
	<u>31-Jul-23</u>	<u>31-Jul-22</u>	<u>31-Jul-23</u>	<u>31-Jul-22</u>
Cash provided by (used in):				
Operating activities:				
Loss and comprehensive loss for the period	\$ (119,652)	\$ (190,242)	\$ (554,452)	\$ (480,762)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	2,354	1,086	7,286	5,111
Amortization of right-of-use asset	11,220	11,398	33,658	33,836
Stock-based compensation expense	43,300	53,782	164,182	141,607
Change in non-cash working capital	8,911	43,660	50,832	143,102
	<u>(53,867)</u>	<u>(80,316)</u>	<u>(298,494)</u>	<u>(157,106)</u>
Financing activities:				
Exercise of stock options	-	14,000	-	14,000
Exercise of warrants	-	86,850	-	86,850
Proceeds from private placement	-	-	67,500	-
Lease payments made	(11,113)	(11,279)	(34,637)	(32,866)
	<u>(11,113)</u>	<u>89,571</u>	<u>32,863</u>	<u>67,984</u>
Investing activities:				
Proceeds from guaranteed investment certificate	40,000	-	70,000	-
Investment	-	-	-	(31,500)
Purchase of property and equipment	(848)	(80)	(1,188)	(15,752)
	<u>39,152</u>	<u>(80)</u>	<u>68,812</u>	<u>(47,252)</u>
Decrease in cash	(25,828)	9,175	(196,819)	(136,374)
Cash, beginning of period	316,188	849,375	487,179	994,924
Cash, end of period	<u>\$ 290,360</u>	<u>\$ 858,550</u>	<u>\$ 290,360</u>	<u>\$ 858,550</u>

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