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## *01 Communique Provides Update on Business Developments and Fourth Quarter Fiscal 2022 Results*

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**TORONTO, ON – January 19, 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 4<sup>th</sup> quarter fiscal 2022 results, which ended October 31, 2022.

Andrew Cheung, CEO of the Company, commented, "I am pleased with the progress we made during fiscal 2022 and look forward to the opportunity that is in front of us for 2023. In the environment we find ourselves in today, every organization is concerned about security and trying to ensure the protection of their data and systems from hackers. These security concerns are even more intensified with the advent of Quantum computing as current encryption standards may not be up to the task of defending against attacks by bad actors using Quantum Computers. Post-quantum cryptographic ("PQC") systems are essential for protection from this threat. Our IronCAP™ PQC technology provides that extra layer of security to help ensure organizations are protected now and in the future. The threat is real and I am very confident that IronCAP™ positions us to capitalize on the opportunity that lies ahead."

### **Operational Highlights:**

- As previously announced on January 17, 2023, the Company completed the integration of IronCAP™ into one of the Company's partners' military-grade Hardware Security Modules ("HSM") providing military grade protection for users' data and critical applications. This partnership was designed to develop and joint-market quantum-safe cybersecurity solutions for global businesses, organizations and governments to ensure cyber resilience in the post quantum environment. Now the Company's partner can add IronCAP™ FM ("Functional Module") making PQC functionality seamless while conforming with the latest standards set by NIST. The parties are now commencing joint-marketing activities.
- Completed the first quantum-safe crypto wallet using a post-quantum cryptography (PQC) technology within IronCAP™ that is approved by the National Institute of Standards and Technology ("NIST"). A patent application has been filed for the underlying technology which can protect the endpoint of virtually all existing blockchains such as, but not limited to, Bitcoin and Ethereum. A demonstration of the wallet is available at <https://qnt-demo.ironcap.ca>.
- The Company continued with development work on a business edition of IronCAP X™, which is expected to be the world's first commercial-ready quantum-safe email security product. It is anticipated that it will be ready for commercial use in fiscal 2023.
- The Company has signed a number of global partners and is prepared to capitalize on the quantum-readiness transformation market embraced by enterprises of all sizes internationally.

### **Financial Highlights:**

- Revenue for the 4<sup>th</sup> quarter was \$244,183 (2021 - \$163,021) an \$81,162 increase and for the full year \$1,026,810 (2021 - \$885,345) a \$141,465 increase. The contributing factors to the increase in revenue for fiscal 2022:
  - The trend of working from home continues to be popular in Asia-Pacific. This has contributed to the increase in subscriber revenue in the 4<sup>th</sup> quarter as well as throughout the year from the Company's remote access business, which is marketed on a subscription fee basis resulting in recurring royalties.

- Receipt of development fees in the 3<sup>rd</sup> quarter for development of the first quantum-safe crypto wallet encrypted by a post-quantum cryptography (PQC) algorithm approved by the National Institute of Standards and Technology (“NIST”).
- The loss for the 4<sup>th</sup> quarter was \$181,242 (2021 - \$250,569) and year to date \$662,004 (2021 - \$656,847). The adjusted loss, which excludes stock-based compensation and depreciation which are non-cash expenses, for the 4<sup>th</sup> quarter was \$161,352 (2021 - \$182,599) and year to date \$495,395 (2021 - \$446,832). The Company completed the year with \$637,179 of cash and GIC’s.
- The Company continued with its investment in the development and commercialization of its IronCAP™ technology, which resulted in the increase in selling, general and administrative as well as research and development expenses.

### **Grant of Stock Options**

The board of directors of the Company has approved the granting of stock options pursuant to its stock option plan to certain directors and executives of the Company to purchase up to an aggregate of 1,285,000 common shares in the Company. The options will be granted on January 20, 2023 and will be exercisable for a period of four years from the date of grant. The options will vest over a period of two years, with 321,250 vesting on each of July 20, 2023, January 20, 2024, July 20, 2024, and January 20, 2025. The exercise price for each option will be equal to the closing price of the common shares of the Company on the TSX Venture Exchange on January 20, 2023.

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

01 Communique will host a live teleconference allowing for questions and answers later today at 10:00AM EST (January 19, 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=UUdOcVNLOVpiZE56NVNNZHUrdfFmUT09>  
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**

01 Communique (TSX-V: ONE; OTCQB: OONEF) is one of the first-to-market, enterprise level cybersecurity providers for the quantum computing era. Its IronCAP™ technology, protected in the U.S.A. by its patent #11,271,715, is a cryptographic system incorporating advanced 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 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 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Financial Position**  
**As at October 31, 2022 and October 31, 2021**

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 487,179	\$ 994,924
Guaranteed investment certificate	150,000	-
Accounts receivable	316,270	205,507
Prepaid expenses and other assets	64,131	31,743
<b>Total current assets</b>	<b>1,017,580</b>	<b>1,232,174</b>
Property and equipment	90,911	125,584
Investment	1,500	-
<b>Total assets</b>	<b>\$ 1,109,991</b>	<b>\$ 1,357,758</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 272,784	\$ 182,354
Deferred revenue	5,487	6,502
Current portion of lease liability	46,349	42,532
<b>Total current liabilities</b>	<b>324,620</b>	<b>231,388</b>
Non-current liabilities:		
Lease liability	20,517	66,915
Canadian emergency business account loan	40,000	40,000
<b>Total liabilities</b>	<b>385,137</b>	<b>338,303</b>
Shareholders' equity:		
Share capital	44,214,590	43,963,582
Contributed surplus	6,083,350	5,890,297
Warrants	16,875	93,533
Deficit	(49,589,961)	(48,927,957)
<b>Total shareholders' equity</b>	<b>724,854</b>	<b>1,019,455</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,109,991</b>	<b>\$ 1,357,758</b>

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Operations and Comprehensive Income**  
**For the 3 and 12 month periods ended October 31, 2022 and 2021**

	<i>three months ended</i>		<i>for the years ended</i>	
	<u>31-Oct-22</u>	<u>31-Oct-21</u>	<u>31-Oct-22</u>	<u>31-Oct-21</u>
Revenue	\$ 244,183	\$ 163,021	\$ 1,026,810	\$ 885,345
Expenses:				
Selling, general and administrative	207,758	270,628	857,814	841,029
Research and development	255,943	128,348	815,836	614,219
Withholding tax	23,985	15,807	75,508	86,458
	<u>487,686</u>	<u>414,783</u>	<u>1,749,158</u>	<u>1,541,705</u>
Loss before interest, other income and expense	(243,503)	(251,762)	(722,348)	(656,360)
Foreign exchange gain (loss)	61,177	(17,554)	61,177	(17,554)
Interest income	2,712	215	4,482	966
Interest expense	(1,628)	(1,468)	(5,315)	(3,899)
Government assistance	-	20,000	-	20,000
Loss for the period and comprehensive loss	<u>\$ (181,242)</u>	<u>\$ (250,569)</u>	<u>\$ (662,004)</u>	<u>\$ (656,847)</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	95,575,831	94,451,221	94,850,618	92,788,400
Diluted	95,575,831	94,451,221	94,850,618	92,788,400

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Cash Flows**  
**For the 3 and 12 month periods ended October 31, 2022 and 2021**

	<i>three months ended</i>		<i>for the years ended</i>	
	<u>31-Oct-22</u>	<u>31-Oct-21</u>	<u>31-Oct-22</u>	<u>31-Oct-21</u>
Cash provided by (used in):				
Operating activities:				
Loss and comprehensive loss for the period	\$ (181,242)	\$ (250,569)	\$ (662,004)	\$ (656,847)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	1,444	1,783	6,555	7,214
Amortization of right-of-use asset	11,040	11,219	44,876	45,517
Accretion on lease liability	6,734	-	6,734	-
Stock-based compensation expense	18,446	66,187	160,053	202,801
Proceeds from Canadian emergency business account loan	-	(20,000)	-	(20,000)
Change in non-cash working capital	(166,838)	34,460	(53,736)	21,133
	<u>(310,416)</u>	<u>(156,920)</u>	<u>(497,522)</u>	<u>(400,182)</u>
Financing activities:				
Exercise of stock options	-	-	14,000	43,500
Exercise of warrants	-	-	81,250	241,850
Exercise of compensation options	-	-	5,600	27,738
Exercise of debenture warrants	-	-	-	52,000
Proceeds from private placement	112,500	-	112,500	-
Cash share issuance costs	(6,000)	-	(6,000)	-
Proceeds from Canadian emergency business account loan	-	-	-	60,000
Lease payments made	(16,449)	(10,439)	(49,315)	(43,891)
	<u>90,051</u>	<u>(10,439)</u>	<u>158,035</u>	<u>381,197</u>
Investing activities:				
Proceeds from guaranteed investment certificate	-	-	-	60,000
Purchase of guaranteed investment certificate	(150,000)	-	(150,000)	-
Investment	-	-	(1,500)	-
Purchase of property and equipment	(1,006)	498	(16,758)	(8,428)
	<u>(151,006)</u>	<u>498</u>	<u>(168,258)</u>	<u>51,572</u>
		-		
(Decrease) increase in cash	(371,371)	(166,861)	(507,745)	32,587
Cash, beginning of period	858,550	1,161,785	994,924	962,337
Cash, end of period	<u>\$ 487,179</u>	<u>\$ 994,924</u>	<u>\$ 487,179</u>	<u>\$ 994,924</u>