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## ***01 Communique Reports Third Quarter Fiscal 2017 Results and Provides an Update on its Patent Litigation with Citrix***

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**TORONTO, ON – September 13, 2017.** 01 Communique Laboratory Inc. (ONE:TSX-V) today announced results for its third quarter fiscal 2017, which ended July 31, 2017. The Company produced a profit for the quarter of \$68,383 (2016 – loss of \$162,660). The adjusted profit for the quarter, which excludes non-cash expenses for stock-based compensation and depreciation, was \$79,261 (2016 – loss of \$79,883). The Company generated positive cash flow in the third quarter completing the period with \$243,638 of cash and cash equivalents.

“We remain committed to our plan of continuing operations as well as pursuing the matter with Citrix Systems Inc. (“Citrix”) until its conclusion,” said Andrew Cheung, President and CEO for 01 Communique. “With respect to the lawsuit with Citrix, we filed a Notice to Appeal of the district court’s decision with the United States Court of Appeals for the Federal Circuit on March 30, 2017 and are progressing with the appeal process. We remain confident in the merits of our appeal.”

### **An Update on the Company’s Operations follows:**

The Company reduced its operating expenses significantly in January 2016 as it prepared to work through the appeal process in its patent litigation against Citrix. In addition to moving forward with the appeal process the Company plans to continue to work with Hitachi Solutions Create as well as make its products available from its web site. Substantially all development work has been completed on the products that the Company is looking to license and with respect to the appeal process the Company relies on its lawyers and hence minimal internal resources are expected. Accordingly the Company was able to significantly reduce its expenses. The Company makes use of third party contractors for the development and support of its products as required.

For the three months ended July 31, 2017 there was a profit of \$68,383 compared to a loss of \$162,660 in 2016.

Revenue for the third quarter 2017 was \$247,269 (2016 - \$9,453) an increase of \$237,816. Earlier in fiscal 2017 a co-development agreement had been signed with Hitachi Solutions Create to enhance DoMobile which is a remote access offering built on the Company’s I’m InTouch platform and marketed exclusively in Japan by Hitachi Solutions Create under agreement with the Company. The Company completed development and recognized revenue in the third quarter 2017 resulting from these development efforts. In addition to the revenue from this co-development agreement the Company also received royalties for the Company’s share of revenue received from third parties for the sale of DoMobile in Japan by Hitachi Solutions Create.

Cash operating expenses, which exclude stock based compensation and depreciation, for the third quarter 2017 were \$153,663 (2016 - \$65,984) an increase of \$87,679. The majority of this increase is due to an increase in amounts paid to third party development contractors that were required to complete the development efforts as part of the co-development agreement with Hitachi Solutions Create and withholding taxes paid on revenue from Japan.

There were no patent enforcement and re-examination expenses for the three and nine month periods ended July 31, 2017 and 2016. Patent enforcement and re-examination expenses have fluctuated in the past with the level of activity in respect of the Company’s patent litigation and the re-examination requested by Citrix. With respect to the Citrix litigation, expenses have reached a cap and the Company’s lawyers are

now responsible for such expenses for which they are to be reimbursed out of proceeds of settlement or an award of damages, if any.

As previously announced on June 7, 2017 stock options were granted to members of the Company's executive management and directors. There were 835,000 stock options granted to executive management and directors with a 4 year term expiring on June 7, 2021, with an exercise price of \$0.05. These stock options vest on December 7, 2017.

### **Background on the Company's patent lawsuit against Citrix:**

In February 2006, the Company commenced a lawsuit in the United States District Court, Northern District of Ohio, Eastern Division, against Citrix alleging infringement by their GoToMyPC product line of the Company's patent, United States Patent No. 6,928,479, (" the '479 Patent"). On January 11, 2016 a jury trial commenced in the lawsuit with the jury reaching and returning a unanimous verdict on January 19, 2016. The Court entered Judgment as follows:

1. Defendants Citrix have not infringed claims 24 or 45 of the '479 Patent;
2. Claims 24 and 45 of the '479 Patent are not invalid;
3. Plaintiff 01 Communique takes no damages from Citrix;
4. Except as set forth above or adjudicated through Summary Judgment, all other claims and counterclaims in this matter were dismissed;
5. On March 7, 2016 the Company filed post-trial motions with the District Court that presided over the trial. These included motions for renewed judgment as a matter of law and for a new trial.
6. On March 21, 2017 the District Court issued its order denying the Company's motion for judgment as a matter of law and for a new trial.
7. On March 30, 2017 the Company filed a Notice to Appeal the District Court's Order with the United States Court of Appeals for the Federal Circuit. The Company is working through this process and while the Company is confident in the merits of its appeal there can be no assurance that the Company will be successful in its appeal.

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.

### **About 01 Communique**

Established in 1992, 01 Communique Laboratory Inc. (TSX-V:ONE) offers a suite of remote access services designed for small-medium sized business, mobile professionals and IT service providers. 01's software as a service offerings are deployed on-demand and include functionality enabling on-line meetings, remote computing and IT support. 01's suite of products includes its remote access offering I'm InTouch ([www.imintouch.com](http://www.imintouch.com)), its online meeting offering ([www.imintouchmeeting.com](http://www.imintouchmeeting.com)) and its remote support offering I'm OnCall ([www.imoncall.com](http://www.imoncall.com) ) products are protected in the U.S.A. by its patents #6,928,479 / #6,938,076 / #8,234,701 and in Canada by its patents #2,309,398 / #2,524,039 and Japan by its patent #4,875,094. For more information, visit [www.01com.com](http://www.01com.com) or call (905) 795-888 or (800) 668-2185 (North America only).

### **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. 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.

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**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Financial Position**  
**(Unaudited)**

	31-July-17	31-Oct-16
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 243,638	\$ 173,424
Accounts receivable	33,883	27,696
Prepaid expenses and other assets	12,803	6,975
	<u>290,324</u>	<u>208,095</u>
 Plant and equipment	 1,921	 3,965
	<u>\$ 292,245</u>	<u>\$ 212,060</u>
 <b>Liabilities &amp; Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 518,372	\$ 522,119
Deferred revenue	11,690	12,075
Current liability portion of Debenture	387,065	---
	<u>917,127</u>	<u>534,194</u>
 Liability portion of Debenture	 ---	 374,476
 <b>Shareholders' equity</b>		
Share capital	40,832,777	40,832,777
Contributed surplus	5,394,655	5,311,155
Equity portion of Debenture	47,111	47,111
Deficit	(46,899,425)	(46,887,653)
	<u>(624,882)</u>	<u>(696,610)</u>
	<u>\$ 292,245</u>	<u>\$ 212,060</u>

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Operations and Comprehensive Income**  
**For the 3 and 9 month periods ended July 31, 2017 and 2016**  
**(Unaudited)**

	<i>for the 3 months ending</i>		<i>for the 9 months ending</i>	
	<u>31-Jul-17</u>	<u>31-Jul-16</u>	<u>31-Jul-17</u>	<u>31-Jul-16</u>
Revenue	\$ 247,269	\$ 9,453	\$ 384,362	\$ 56,456
Cost of revenue	-	-	-	-
	<u>247,269</u>	<u>9,453</u>	<u>384,362</u>	<u>56,456</u>
Expenses (income):				
Selling, general and administrative	71,054	130,594	233,581	583,682
Patent litigation & re-examination expenses	-	-	-	-
Research and development	93,487	27,844	119,998	266,923
Interest	(7)	(81)	(34)	(844)
	<u>164,534</u>	<u>158,357</u>	<u>353,545</u>	<u>849,761</u>
Profit (Loss) before interest and accretion on liability component of debenture	\$ 82,735	\$ (148,904)	\$ 30,817	\$ (793,305)
Interest on debenture	10,000	10,000	30,000	30,000
Accretion on liability portion of debenture	4,352	3,756	12,589	10,866
Profit (Loss) for the period and comprehensive profit (loss)	<u>\$ 68,383</u>	<u>\$ (162,660)</u>	<u>\$ (11,772)</u>	<u>\$ (834,171)</u>
Loss per common share				
Basic	\$ 0.001	\$ (0.002)	\$ (0.000)	\$ (0.013)
Diluted	\$ 0.001	\$ (0.002)	\$ (0.000)	\$ (0.013)
Weighted average number of common shares				
Basic	66,543,807	66,543,807	66,543,807	66,468,807
Diluted	66,543,807	66,543,807	66,543,807	66,468,807

**01 Communique Laboratory Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Consolidated Statements of Cash Flows**  
**For the 3 and 9 month periods ended July 31, 2017 and 2016**  
**(Unaudited)**

	three months ending		nine months ending	
	<u>31-Jul-17</u>	<u>31-Jul-16</u>	<u>31-Jul-17</u>	<u>31-Jul-16</u>
Cash provided by (used in):				
Operating activities:				
Income (Loss) for the period	\$ 68,383	\$ (162,660)	\$ (11,772)	\$ (834,171)
Adjustments to reconcile the loss for the period to net cash flows from operating activities				
Depreciation	378	1,204	2,043	4,080
Stock-based compensation	10,500	91,250	83,500	368,940
Accretion on liability portion of debenture	4,352	3,756	12,589	10,866
Interest paid on debenture	10,000	10,000	30,000	30,000
Interest income	(7)	(81)	(34)	(844)
Change in non-cash working capital	71,474	10,619	(16,146)	(12,094)
	<u>165,080</u>	<u>(45,912)</u>	<u>100,180</u>	<u>(433,223)</u>
Interest income received	7	81	34	844
	<u>165,087</u>	<u>(45,831)</u>	<u>100,214</u>	<u>(432,379)</u>
Financing activities:				
Issue of common shares	-	-	-	123,000
Interest paid on debenture	(10,000)	(10,000)	(30,000)	(30,000)
Investing activities:				
Purchase of capital assets	-	-	-	(655)
Increase (decrease) in cash	<u>155,087</u>	<u>(55,831)</u>	<u>70,214</u>	<u>(340,034)</u>
Cash and cash equivalents, beginning of period	<u>88,551</u>	<u>267,003</u>	<u>173,424</u>	<u>551,205</u>
Cash and cash equivalents, end of period	<u>\$ 243,638</u>	<u>\$ 211,172</u>	<u>\$ 243,638</u>	<u>\$ 211,171</u>

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