



01 Communique Provides Update on Business Developments and Second Quarter Fiscal 2023 Results

TORONTO, ON – June 15, 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 second quarter fiscal 2023 results, which ended April 30, 2023.

Andrew Cheung, CEO of the Company, commented, "Cybercrime continues to peak and the rapid development in quantum computing intensifies the existing cybersecurity threats by potentially rendering current encryption systems obsolete. I feel confident that IronCAP™ will accomplish the task of providing protection against bad actors using Quantum Computers. To this end, just yesterday we released what we believe to be the world's first commercially available quantum-safe enterprise level email security product – IronCAP X™ v.2.0,"

Andrew Cheung continued, "Now that the major portion of our development efforts have been completed, going forward our efforts will be focused on integrating applications and feature enhancements for our partners. This allows us the ability to reduce our operating expenses. As we move forward, we will continue to monitor our operating expenses keeping them in line with our recurring revenue."

Operational Highlights:

- On June 6th our quantum-safe blockchain endpoints protection patent has been 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. The official patent issuance is in the process.
- Earlier in fiscal 2023 the completion of the integration of IronCAP™ into one of the Company's partners' military-grade Hardware Security Modules ("HSM") made post quantum cryptography functionality seamless. Joint-marketing activities are now in process with the first being the Company's participation at the RSA Conference held in San Francisco between April 24th to 27th. As part of our partner's PQC Palooza event we together promoted post-quantum cryptography to enterprise customers. The event results were very encouraging with expectations of new partnerships to come.
- On June 14th announced the release of 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 second quarter was \$127,782 (2022 - \$357,594) a \$229,812 decrease. During the second quarter 2022 one time development fees were received for enhancements to the Company's remote access product as well as a proof-of-concept project for injecting quantum-safety into the Solana blockchain. The remote access enhancements contributed to an increase in subscriber revenue for 2023,

year over year, from the Company's remote access business which is marketed on a subscription fee basis with recurring royalties.

- The loss for the second quarter was \$187,292 (2022 - \$82,879). The adjusted loss, which excludes stock-based compensation and depreciation which are non-cash expenses, for the second quarter was \$123,091 (2022 - \$40,315). The Company completed the quarter with \$436,188 of cash and a GIC.
- Cash operating expenses which exclude stock-based compensation and depreciation were \$240,239 (2022 - \$374,430) a reduction of \$134,191 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.

Conference Call Reminder and Information:

01 Communique will host a live teleconference allowing for questions and answers later today at 10:00AM EST (June 15, 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=UUdOcVNLOVpiZE56NVNNZHUrDIkFmUT09>
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

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 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
Unaudited
As at April 30, 2023 and October 31, 2022

	30-Apr-23	31-Oct-22
Assets		
Current assets		
Cash and cash equivalents	\$ 316,188	\$ 487,179
Guaranteed investment certificate	120,000	150,000
Accounts receivable	153,110	316,270
Prepaid expenses and other assets	50,291	64,131
	<u>639,589</u>	<u>1,017,580</u>
Plant and equipment	63,871	90,911
Investment	1,500	1,500
Total assets	<u>\$ 704,960</u>	<u>\$ 1,109,991</u>
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable	\$ 136,930	\$ 272,784
Deferred revenue	6,262	5,487
Lease liability	43,332	46,349
Canadian emergency business loan	40,000	-
	<u>226,524</u>	<u>364,620</u>
Non-current liabilities		
Lease liability	-	20,517
Canadian emergency business loan	-	40,000
Total liabilities	<u>226,524</u>	<u>385,137</u>
Shareholders' deficit		
Share capital	44,282,090	44,214,590
Contributed surplus	6,204,232	6,083,350
Warrants	16,875	16,875
Deficit	(50,024,761)	(49,589,961)
	<u>478,436</u>	<u>724,854</u>
Total liabilities and shareholders' deficit	<u>\$ 704,960</u>	<u>\$ 1,109,991</u>

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
Unaudited
For the 3 and 6 month periods ended April 30, 2023 and 2022

	<i>three months ended</i>		<i>six months ended</i>	
	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>30-Apr-23</u>	<u>30-Apr-22</u>
Revenue	\$ 127,782	\$ 357,594	\$ 234,585	\$ 546,625
Expenses:				
Selling, general and administrative	186,128	226,782	385,353	428,284
Research and development	118,312	190,212	265,995	365,761
Withholding taxes	12,395	22,734	22,645	41,123
	<u>316,835</u>	<u>439,728</u>	<u>673,993</u>	<u>835,168</u>
Loss before other income and expense	(189,053)	(82,134)	(439,408)	(288,543)
Interest income	2,698	459	6,342	645
Interest expense	(937)	(1,204)	(1,734)	(2,622)
Loss for the period and comprehensive loss	<u>\$ (187,292)</u>	<u>\$ (82,879)</u>	<u>\$ (434,800)</u>	<u>\$ (290,520)</u>
Loss per common share				
Basic	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares				
Basic	96,101,646	94,451,221	96,101,646	92,788,400
Diluted	96,101,646	94,451,221	96,101,646	92,788,400

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
Unaudited
For the 3 and 6 month periods ended April 30, 2023 and 2022

	<i>three months ended</i>		<i>six months ended</i>	
	<u>30-Apr-23</u>	<u>30-Apr-22</u>	<u>30-Apr-23</u>	<u>30-Apr-22</u>
Cash provided by (used in):				
Operating activities:				
Loss and comprehensive loss for the period	\$ (187,292)	\$ (82,879)	\$ (434,800)	\$ (290,520)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	2,410	1,639	4,932	4,025
Amortization of right-of-use asset	11,219	11,219	22,438	22,438
Stock-based compensation expense	61,791	40,925	120,882	87,825
Change in non-cash working capital	<u>(23,402)</u>	<u>45,412</u>	<u>41,921</u>	<u>69,442</u>
	(135,274)	16,316	(244,627)	(106,790)
Financing activities:				
Proceeds from private placement	-	-	67,500	-
Lease payments made	<u>(11,918)</u>	<u>(11,015)</u>	<u>(23,524)</u>	<u>(21,587)</u>
	(11,918)	(11,015)	43,976	(21,587)
Investing activities:				
Proceeds from guaranteed investment certificate	-	-	30,000	-
Investment	-	(1,500)	-	(1,500)
Purchase of property and equipment	<u>(340)</u>	<u>(15,672)</u>	<u>(340)</u>	<u>(15,672)</u>
	(340)	(17,172)	29,670	(17,172)
Decrease in cash	(147,532)	(11,871)	(170,991)	(145,549)
Cash, beginning of period	<u>463,720</u>	<u>861,246</u>	<u>487,179</u>	<u>994,924</u>
Cash, end of period	<u>\$ 316,188</u>	<u>\$ 849,375</u>	<u>\$ 316,188</u>	<u>\$ 849,375</u>

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