01 Communique Provides Update on Business Developments and Second Quarter Fiscal 2024 Results

TORONTO, ON – June 20, 2024. 01 Communique Laboratory Inc. (the "Company") (TSX-V: ONE; OTC Pink: 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 2024 results, which ended April 30, 2024.

Andrew Cheung, CEO of the Company, commented, "We continue to witness increased attention towards quantum-safety in many technological fields including AI and cryptocurrencies. With a goal to establish standards for Post-Quantum Cryptography ("PQC"), in April 2024, the National Institute of Science and Technology ("NIST") hosted what is believed to be their last PQC conference prior to publishing their final recommendation of PQC algorithms expected later this year. We believe we have a significant advantage over our competitors as we have been able to predict NIST's recommendations years before their final announcement. To date 4 out of 5 of NIST's recommendations have been incorporated in our existing IronCAP PQC cryptographic engine. We are now waiting for NIST's final announcement to be a perfect 5/5. Q-Day attention witnessed this year was dovetailed by our recent activities with existing and new potential partners, of which announcements will be made at the appropriate times if/when they happen."

Andrew Cheung continued, "Our business roadmap continues as planned. With the major part of our development complete and the release of a number of practical PQC applications, we have entered a different stage of operation whereby we continue to reduce our operation loss moving towards breakeven and looking to becoming profitable with revenue building from our partners and customers."

Financial Highlights:

- The loss for the quarter was $68,638 (2023 - $187,292). The adjusted loss excluding stock-based compensation and depreciation, which are non-cash expenses, was $28,508 (2023 - $123,091) a reduction of $94,583. The Company completed the quarter with $175,830 of cash. Ongoing cash operating expenses have been significantly reduced. The goal is to keep them in line with the level of ongoing recurring revenue.

- Cash operating expenses which exclude stock-based compensation and depreciation for the quarter were $128,240 (2023 - $240,239) a reduction of $111,999.
    - Product development expenses were $44,812 (2023 - $118,312 a decrease of $73,500. A number of development projects were completed throughout fiscal 2023 allowing the Company to reduce development expenses. The Company makes use of third-party independent contractors for the majority of its product development.
    - SG&A expenses, net of stock-based compensation was $85,627 (2023 - $124,337) a decrease of 38,710.

- Revenue for the quarter was $106,220 (2023 - $127,782) a decrease of $21,562. Revenue was negatively impacted by a weakening of the Japanese Yen to the Canadian dollar.

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 1,320,000 common shares in the Company. The options were granted on June 19, 2024 and are exercisable at a price of $0.05 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 December 19, 2024, June 19, 2025, December 19, 2025 and June 19, 2026. 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 6,265,000 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 (June 20, 2024) 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=cEdhZGhRU3BQMjBGOWRlY1dtcjA4dz09
Passcode: ironcap24

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: 046969719

About 01 Communique

Established in 1992, 01 Communique (TSX-V: ONE; OTC Pink: 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.

INVESTOR CONTACT:
Brian Stringer
Chief Financial Officer

01 Communique
(905) 795-2888 x204
Brian.stringer@01com.com

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
UNAUDITED
Consolidated Statements of Financial Position
As at April 30, 2024 and October 31, 2023

	30-Apr-24	31-Oct-23
Assets		
Current assets		
Cash	$ 175,830	$ 272,540
Guaranteed investment certificate	-	80,000
Accounts receivable	59,603	87,966
Prepaid expenses and other assets	9,265	6,060
	244,698	446,566
Plant and equipment	59,729	37,375
Total assets	$ 304,427	$ 483,941
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable	$ 69,952	$ 145,989
Deferred revenue	4,836	4,009
Lease liability	44,895	19,878
Canadian emergency business account loan	-	40,000
	119,683	209,876
Shareholders' deficit		
Share capital	44,282,090	44,282,090
Contributed surplus	6,378,771	6,287,173
Warrants	16,875	16,875
Deficit	(50,492,992)	(50,312,073)
	184,744	274,065
Total liabilities and shareholders' deficit	$ 304,427	$ 483,941

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
UNAUDITED
Consolidated Statements of Operations and Comprehensive Income
For the 3 and 6 month periods ended April 30, 2024 and 2023

	three months ended		*six months ended*	
	30-Apr-24	*30-Apr-23*	*30-Apr-24*	*30-Apr-23*
Revenue	$ 106,220	$ 127,782	$ 204,690	$ 234,585
Expenses:				
Selling, general and administrative	123,558	186,128	275,672	385,353
Research and development	44,812	118,312	96,559	265,995
Withholding taxes	7,623	12,395	16,133	22,645
	175,993	316,835	388,364	673,993
Loss before other income and expense	(69,773)	(189,053)	(183,674)	(439,408)
Interest income	1,548	2,698	3,660	6,342
Interest expense	(413)	(937)	(905)	(1,734)
Loss and comprehensive loss	$ (68,638)	$ (187,292)	$ (180,919)	$ (434,800)
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	96,364,554	96,101,646	96,364,554	96,101,646
Diluted	96,364,554	96,101,646	96,364,554	96,101,646

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
UNAUDITED
Consolidated Statements of Cash Flows
For the 3 and 6 month periods ended April 30, 2024 and 2023

	three months ended		six months ended	
	30-Apr-24	30-Apr-23	30-Apr-24	30-Apr-23
Cash provided by (used in):				
Operating activities:				
Loss and comprehensive loss for the period	$ (68,638)	$ (187,292)	$ (180,919)	$ (434,800)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	2,199	2,410	4,668	4,932
Amortization of right-of-use asset	11,593	11,219	22,812	22,438
Stock-based compensation expense	37,931	61,791	91,598	120,882
Change in non-cash working capital	(14,339)	(23,402)	(50,052)	41,921
	(31,254)	(135,274)	(111,893)	(244,627)
Financing activities:				
Proceeds from private placement				67,500
Payment of loan	-	-	(40,000)	-
Lease payments made	(12,380)	(11,918)	(24,274)	(23,524)
	(12,380)	(11,918)	(64,274)	43.976
Investing activities:				
Proceeds from guaranteed investment certificate	20,000	-	80,000	30,000
Purchase of property and equipment	-	(340)	(543)	(340)
	20,000	(340)	79,457	(29,670)
Decrease in cash	(23,634)	(147,532)	(96,710)	(170,991)
Cash, beginning of period	199,464	463,720	272,540	487,179
Cash, end of period	$ 175,830	$ 316,188	$ 175,830	$ 316,188

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