

## NEWS RELEASE

### LEONOVUS INC. ANNOUNCES FINANCIAL RESULTS FOR 2nd QUARTER ENDING June 30, 2017

**OTTAWA, Canada August 29, 2016** – LeoNovus Inc. (“LeoNovus”) (TSXV: LTV) today announced its operating and financial results for the quarter ended June 30, 2017.

Revenue was nil for Q2 2017, which was the same as Q2 2016. The Company incurred a net loss of \$351,000 and \$777,000 for the three and six-month period ended June 30, 2017 compared to a net loss of \$276,000 and \$794,000 for the three and six months ended June 30, 2016. Expenses increased from \$257,000 to \$325,000 for the three-month periods ending June 30, 2017 and 2016, and from \$711,000 to \$777,000 for the 6 month periods as the Company decreased general and administrative expenses but increased research and development and sales and marketing expenses. Cash increased by \$133,000 in Q2 2017 compared to the June 30, 2016 balance of \$51,000.

“The company continues to develop and enhance its software defined object storage solution. In August, we sold our first Leonovus 3.0 solution to global marketing company that will use L3.0 to optimize its global storage requirements and facilitate an accelerated process to onboard customers that have data security and compliance requirements. We expect more sales to large corporate customers by the end of Q3. The recruitment and development of channel partners is ongoing and anticipate the signing of an additional sales partner in Q3. Additional resources were invested in Q3 to continue the validation our media script acceleration patents and intellectual property (‘IP’). While this is a longer-term source of funds for the company, we remain focused on trying to find the key monetization triggers in the IP.

In addition, the Company is exploring the integration of its decentralized technology for new applications in the Blockchain market. We believe that our distributed storage and distributed compute solutions, when combined with Blockchain technology, could become a powerful new product offering,” said **Michael Gaffney, Chairman & Chief Executive Officer**.

*This press release may contain forward-looking statements and information, which may involve risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Factors that might cause a difference include, but are not limited to, competitive developments, risks associated with LeoNovus’ growth, the state of the financial markets, regulatory risks and other factors. There can be no assurance or guarantees that any statements of forward-looking information contained in this release will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral statements containing forward-looking information are based on the estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Unless otherwise required by applicable securities laws, LeoNovus disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers should not place undue reliance on any statements of forward-looking information that speak only as of the date of this release. Further information on LeoNovus’ public filings, including its most recent audited consolidated financial statements, are available at [www.sedar.com](http://www.sedar.com).*

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