

# Leonovus Inc. Announces Q1 2018 Financials and Business Update

OTTAWA, May 30, 2018 (GLOBE NEWSWIRE) -- [Leonovus Inc.](#), (“**Leonovus**”) (TSXV:LTV) today announced its operating and financial results for the quarter ended March 31, 2018. Except as noted all amounts are in USD.

Revenue for Q1 2018 was nil compared to nil for the Q1 2017. The Company incurred a net loss of \$740,000 in the first quarter of 2018 compared to a net loss of \$642,000 for the first quarter of 2017. Total operating expenses increased from \$391,000 in Q1 2017 to \$1,022,000 Q1 2018. Following the December 2017 financing, the Company increased investment in Sales, Marketing, Product Development and G&A and expects to further increase spending in the second and third quarters. As of May 29, 2018, the Company has a strong balance sheet with \$8.7 million in cash.

The Company signed its first proof of concept (POC) customer in August 2017, and as of this date, has added eight more POC installations. One of the POCs converted into a production customer in the first quarter with revenues from this customer starting in Q3 after the full implementation of the Leonovus 3.3 solution. The company now has two POCs installed in the banking industry and hopes to convert both trials into production customers.

The company has several POCs in the Police and security markets, and we expect this market segment to grow significantly given our secure cloud storage solution and our secure data transport technology. We continue to work with several departments of the Government of Canada to take advantage of our \$500,000 CAD conditional purchase order on the BCIP program and the associated \$1.5M CAD facilitated procurement. We plan to sign one or more departments in Q3 and Q4.

On December 21, 2017 we announced that the Company was in a planning phase to launch an Initial Coin Offering (“ICO”) in the fall of 2018. We have accelerated our ICO planning process and will announce updates after the completion of several material milestones.

“Since our financing closed in December the company has grown to twenty-six staff and current plans are to grow to between thirty-five and forty employees. In just the last several weeks two key senior architects and a Vice President of Product Management joined the team. These positions are critical to helping us develop a smooth and scalable product development team and go to market strategy and team,” said Michael Gaffney, Chairman & Chief Executive Officer.

## About Leonovus

Leonovus is a cloud solutions software provider that offers the leading blockchain enabled software-defined object storage solution (SDOSS) and governance, risk management and compliance (GRC) solution for the modern enterprise. Designed with the IT manager in mind, Leonovus’ patented algorithms virtualize, transform, slice and disperse data across a network of on-premises, hybrid or multi-cloud storage nodes – allowing for the most secure yet internally accessible form of object-based data storage that provides GRC across the entire solution. The advanced geo-distributed architecture minimizes latency, optimizes geo-availability, reduces remote backup costs and meets data sovereignty requirements. With its software and hardware agnostic design, Leonovus provides Petabyte scalability and allows the enterprise to utilize its existing idle storage resources, extend the useable lifespan of depreciated resources and improve the enterprise’s overall ROI. To learn more, please visit [www.leonovus.com](http://www.leonovus.com).

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