Leonovus Announces 2nd Federal Government Trial & Sales Pipeline Update

OTTAWA, Aug. 14, 2018 /CNW/ - Leonovus Inc. ("Leonovus") (TSXV: LTV) announces another major trial of Leonovus software for a Government of Canada ("GOC") department.

This department, like many of our customers, is faced with both the preservation of and access to documents over an extended period. The critical requirements provided by the Leonovus solution include WORM (Write Once, Read Many), a blockchain-enabled digital chain of evidence, ultra-secure data storage, multi-cloud vendor management, control over where the data resides and avoiding storage vendor lock-in, which enables the department to take advantage of data storage pricing opportunities. As previously announced, Leonovus is in discussions with several Government of Canada departments. We expect more of these departments to install our unique 'encrypt – shred – spread' data storage technology with military-grade data durability by the end of the year.

Currently, there are fifty companies in the company's sales pipeline with a gross annual revenue potential of more than $8M CAD. Applying a twenty-five percent sales probability model to these opportunities results in the potential for $2M in annual recurring revenues. The sales cycle is twelve to eighteen months, which means this revenue, except for current proof of concept invoices, would begin to appear in 2019. The current sales forecast includes only Canada and the USA.

"Going into the fall of 2018 we expect to increase the number of trial customers further and announce the conversion of our initial proof of concept ("POC") customers into production customers. To date, we have been 100% successful in retaining POCs and expect most if not all to convert into production customers. Over the past six months our primary investment was in product hardening and building out our marketing. I am very pleased with the sales funnel given that we only had two sales professionals on staff. We are currently increasing our sales staff and expanding our partner program. We believe we can increase our sales pipeline by a factor of five in the next twelve to eighteen months," **said Michael Gaffney, Chairman, and CEO**.

About Leonovus

We offer the leading software-defined storage (SDS) solution combined with blockchain auditing and management capabilities that contribute to governance, risk management and compliance (GRC) 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 and/or multi-cloud storage nodes – allowing for the most flexible yet secure object data storage while ensuring full visibility and compliance across the entire solution. The advanced geo-distributed architecture minimizes latency, optimizes geo-availability, reduces remote backup costs and allows organizations to meet data sovereignty requirements. With its software- and hardware-agnostic design, Leonovus is architected for 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.

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 because 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.

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