Zama Raises £62.3M to Secure Blockchain and AI

After four years of R&D, the startup developping software to encrypt and protect blockchain data, is entering the market. The company announces a third round of financing to accelerate commercially and continue its research work.

Temps de lecture : minute

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"*You can't talk about digitising the whole world without talking about privacy. And yet, today, blockchains are public, as is the majority of the data used by artificial intelligence.*"

<u>Rand Hindi</u>, an entrepreneur at heart and passionate about computer code since he was 10 years old, quickly became interested in "homomorphic encryption", which can encrypt computer data. In 2020, the entrepreneur joined forces with <u>Pascal Paillier</u>, inventor of a cryptosystem. Together, they launched a software program named <u>Zama</u>, using this technology to preserve the information of <u>blockchain</u> and AI players.

"*Initially, this technology had several major flaws. First of all, it was very slow, limited in terms of use but also very difficult to use.*" Rand Hindi points out. To simplify its use, Zama's founders have developed open-source solutions that are easy to use and integrate directly into their customers' tools. "*We've multiplied the speed of calculating numerical data by a factor of 100*" says Rand Hindi. After four years of R&D, a first fundraising of £850K in 2020 and a second of £6M in 2021, Zama is finally launching on the market. To accelerate its business development, the startup announces a £62.3M Series A funding round from Multicoin Capital

and Protocol Labs, with participation from Metaplanet, Blockchange Ventures, VSquared, and Stake Capital, as well as blockchain pioneers such as Juan Benet (founder of Filecoin), Anatoly Yakovenko (co-founder of Filecoin), _Solana_), and Gavin Wood (co-founder of _Ethereum_ and co-creator of Polkadot).

Positioning yourself in the field of AI

"_The goal is to <u>approach blockchain players</u> because our technology is ready for this sector. However, it is not yet fast enough to be integrated into AI tools or on the cloud._" says Rand Hindi. Thanks to the funds raised during this round of financing, Zama plans to continue its R&D work in order to continue to improve its software and address new uses. The startup, which has 70 employees, including 35 researchers, also wants to recruit to support its customers in production.

In the long term, the company's ambition is therefore to position itself in the field of AI. "_Blockchain is a way of approaching the market, but the goal for us is to go beyond that, to develop our technology in the cloud and AI. In 10 years' time, the majority of our revenues will probably come from applications in artificial intelligence,_" says the founder, who plans to develop new fast encryption solutions in the next 2 or 3 years. "_We envision a world where data privacy is not a secondary concern, but rather guaranteed by design. And you can't imagine AI systems on a global scale if you don't have the means to protect their data,_" Hindi said.

"Not being dependent on market fluctuations"

The rest of the funds raised by the company will serve as liquid assets. "_Thanks to this, we have a bit of visibility for the next few years, without being dependent on market fluctuations. We need to create sustainability_

as quickly as possible so that our customers can trust us. That's why it's important to work with open source as well. If Zama disappears, our corporate customers will still have access to their encrypted data."

Article by Jéromine Doux