



15 de Beer Street
7600 Stellenbosch

T +27 21-8089505
info@custotech.com

custotech.com

FOR IMMEDIATE RELEASE

TIA BACKS BLOCKCHAIN ANTI-PIRACY STARTUP WITH R5.9m FUNDING AGREEMENT

Stellenbosch, South Africa – 25 August 2016 – The Technology Innovation Agency (TIA) has just concluded an agreement with Stellenbosch-based anti-piracy company Custos Media Technologies, providing a funding injection of R5.9m into the startup over the next two years. This follows news earlier this year that Custos had concluded a round of financing with investors that include Innovus Technology Transfer (owned by Stellenbosch University), the New York based Digital Currency Group, and a South African angel investor.

According to G-J van Rooyen, CEO of Custos, “TIA has again shown their commitment to support early-stage technology businesses in South Africa. The funding agreement will allow Custos to accelerate product development, while simultaneously freeing up resources to spend on bringing the product to the widest possible market.”

Mr Segopotso Moshapo, Head of ICT Strategic Technology Area at TIA concurs: “Custos is a good example of the kind of innovation ventures for which TIA was established to provide support, where science and technology advancements are the basis for creating new products, services and global enterprises.”

The company is targeting the global content protection market, and provides a way for media owners to keep recipients from redistributing copyrighted content – and to rapidly discover when recipients do infringe on their licenses. Custos uses the Bitcoin blockchain to create a “tracking technology” for media piracy, and to outsource the difficult search for pirated content to the file-sharing communities themselves. They are currently serving clients in the film industry, and are collaborating with UK-based Erudition Digital to bring their solution to ebook publishing.

This is not the first funding that Custos has received from TIA. The agency, which is a public entity established by an Act of the South African Parliament, provided the first seed funding used by researchers at Stellenbosch University to develop their laboratory prototype into Custos’s first full product. According to Van Rooyen, the R500,000 TIA Seed Fund award helped the founders to bridge the risky funding gap that must be crossed to take an early-stage research concept to market.

Van Rooyen is positive about funding opportunities for startups in South Africa. “We are fortunate to have raised close to R12m for Custos to date, most of it from local investors. The founding shareholders still own more than 73% of the business, which allows us to apply our available capital to the original vision – keeping creative industries sustainable in an era where almost all distribution channels are becoming digital.”

When asked about how the funding injection will affect Custos’s operation, Fred Lutz, COO, explains that the company’s biggest priority now is to attract the best technical talent possible. “The TIA deal allows us to immediately grow our team. Their funding specifically supports technical development, and that is where we need to focus now.”

Custos Media Technologies is based in the university town of Stellenbosch, in the LaunchLab business accelerator. The company is a business spin-out from Stellenbosch University, via the Innovus Technology Transfer Office.

Contact information:

Custos Media Technologies

G-J van Rooyen

g-j@custostech.com

+27-82-8725905

Technology Innovation Agency

Chriszelle Vorster

Chriszelle.Vorster@tia.org.za

+27-12-472-2701

Press resources:

<http://custostech.com/press/>

###