XAIN RECEIVES STRATEGIC INVESTMENT FROM IOTA’S DOMINIJK SCHIENER

- Schiener’s contribution is one of the first major crypto investments of its kind and propels XAIN’s Federated Machine Learning technology forward
- Early-Stage investor Earlybird sees huge potential for the company

Berlin, 24th July 2019 — XAIN, the AI startup that specializes in privacy-oriented Federated Machine Learning (FedML), announces it has secured funding in cryptocurrency from IOTA Co-Founder Dominik Schiener, continuing the trend of venture capital funding through cryptocurrency. Known for partnering with Porsche to become the first to put blockchain technology into a car, XAIN’s decentralized approach to machine learning offers greater privacy, security, and efficiency in the way data is trained.

Building and training artificial intelligence requires, for privacy and security reasons, keeping different parties’ data in separate buckets, or anonymizing data from those buckets before it can be trained and stored together in one AI model. The former limits the effectiveness of AI applications, while the latter adds considerable cost. XAIN’s FedML addresses both issues by training data into separate AI models that are then safely and securely aggregated. The learnings from these data buckets are communicated and aggregated, but only the aggregations are stored.

Through FedML, datasets and AI models can be kept on local premises without putting a burden on compliance. Different parties can collaborate to gain insights from the union of their datasets without ever revealing any single participant’s data to anyone else. As such, there is no need to anonymize or store local data in a central source, thus reducing cost and simplifying the data training process without compromising the privacy of local datasets.

XAIN’s FedML technology can be used both internally by companies, and externally in the creation of products. The first application running its training models on XAIN’s FedML technology is ANDY. This solution for automated invoice processing consolidates machine learning knowledge from each customer for whom the app is running, all while keeping the customer’s data private in its respective corporate environment. ANDY is designed for larger enterprises, where the application really utilizes its potential — especially when the trained models are consolidated among various departments within a company, or even between corporate subsidiaries.

XAIN’s FedML can also benefit from operating within the IOTA ecosystem to further heighten trust and incentives in its usage by utilizing an IOTA-based data logging mechanism for increased accountability and minimizing the risk of data poisoning and other security attacks during the AI training and execution process. Equally, the planned evolution of IOTA’s technology into a distributed AI enabler will benefit from XAIN’s FedML technology as a potential game-changer in how AI applications are built and used.

"We are thrilled to have received Dominik’s support," said Leif-Nissen Lundbaek, CEO and Co-Founder of XAIN. "As Co-Founder of IOTA, which emphasizes security as much as XAIN does, Dominik is a major player in the industry. Having him on board with XAIN helps propel us forward in our quest to provide a trusted, more efficient artificial intelligence solution. XAIN’s FedML technology will ensure truly scalable and effective adoption of AI."

"XAIN’s FedML technology has proven to be a huge breakthrough in the advancement of AI," said Schiener. "With this investment, I see a great opportunity to help push IOTA further towards product-readiness and bring greater privacy, security, and efficiency to both the DLT and AI sectors. The AI ecosystem is rapidly growing, and I see XAIN combined with IOTA uniquely positioned to create an open and permissionless ecosystem which leverages the strength of both platforms."
Press Release

“We invested in XAIN at a very early stage and what this company has developed over the last two years is hugely impressive and most advanced AI technology,” said Dr. Christian Nagel, Founding Partner at Earlybird Venture Capital and Member of the XAIN Supervisory Board. “The strategic partnership with Dominik Schiener proves this once again.”

About XAIN

XAIN, the eXpandable AI Network, is a Berlin-based technology company that allows businesses to unlock the full power of AI, without compromising data privacy, in order to build solutions that bring enterprises to the forefront of AI utilization. XAIN began as a research project at Oxford University and Imperial College by CEO Leif-Nissen Lundbaek and CTO Professor Michael Huth. Today, XAIN uses the research that was part of its original DNA as the driving force for further innovation. XAIN aims to solve some of the biggest challenges in knowledge and technology transfer of privacy-preserving AI, with an emphasis on Federated Machine Learning for industrial usage patterns. XAIN has received seed investment funding of €6 million, led by venture capital fund Earlybird in 2018.

About Earlybird

Earlybird is a venture capital investor focused on European technology companies. Founded in 1997, Earlybird invests in all growth and development phases of a company. Amongst the most experienced venture investors in Europe, Earlybird offers its portfolio companies not only financial resources, but also strategic and operational support as well as access to an international network and capital markets. Earlybird manages different funds with focuses on digital technologies in Eastern and Western Europe as well as health technologies. With over EUR 1 billion under management, seven IPOs and 24 trade sales, Earlybird is one of the most successful venture capital firms in Europe.


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