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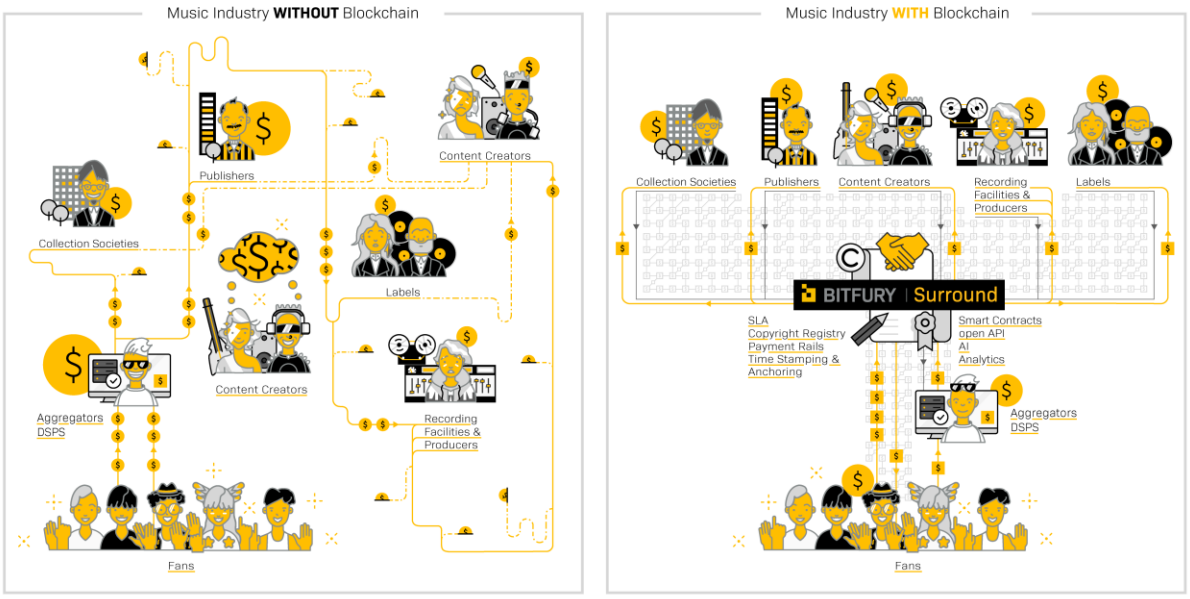
Bitfury Group Announces Blockchain-Based Music Entertainment Division

Surround Platform to Introduce Interoperability, Transparency to Industry



AMSTERDAM, Jan. 16, 2019 – The Bitfury Group today launched Bitfury Surround, a music entertainment division that will design blockchain solutions to address challenges faced by artists and other stakeholders in the music industry.

Bitfury Surround's first initiative will be to create an open-source music platform secured by the Bitcoin Blockchain. The open-source platform, named Surround™, will encourage collaboration, foster fresh applications and promote innovation within the industry.

The Surround™ platform will enable the entire music entertainment industry to streamline operations through secure transfer of copyright assets, streamlined connectivity as well as better monitoring and management systems. To do so, the platform will create a fully interoperable digital ecosystem for sharing and monetizing intellectual property and enhance economic opportunity by providing transparent management functions and trusted data.

"The music entertainment industry has evolved into a complex, competitive, technology-driven environment that suffers from a severe lack of transparency," said Val Vavilov, CEO of Bitfury. "We want to champion artists and help incentivize the growth of the entire industry through the creation of this open, blockchain-based ecosystem."

The Surround™ platform will provide and maintain an integrated layer that secures crucial factors to help grow the music entertainment ecosystem, including:

- Service legal agreement (SLA) capabilities
- Interoperability and auditability
- Secure asset movement across the blockchain
- Payment rails
- Immutable and trusted data
- Anchoring and decentralized timestamping
- Tools for an open economy (unified APIs, smart-contract management, peer-to-peer structure)
- Artificial intelligence and machine learning
- Collaborative ownership of assets

To begin, Bitfury will build solutions to address many challenges the industry faces today, such as:

- The value gap between the creative industry and the platform economy
- Legally binding digital copyright registration
- A lack of trusted and consolidated data globally
- Fraud (i.e. secondary markets, unauthorized usage, data tampering)
- Administrative inefficiency
- Non-transparent management of agreements
- Slow cash flow and unclear money allocation
- Global collection of usage value
- Speed of innovation
- Economic and political challenges (i.e. emerging markets, currency volatility, instability, regulation)

With Surround™, existing and upcoming stakeholders – such as artists, labels, publishers, collecting societies, streaming services, consumers and developers – can seamlessly interact and directly benefit from efficiency gains through blockchain technology.

The Surround™ ecosystem will be built on Bitfury's Exonum open-source blockchain platform, creating a transparent environment for all parties and fostering trust and cooperation on all levels. Establishing this open ecosystem, co-created by the music entertainment industry, will enable exchange on a level playing field and increase the value for all stakeholders.

To incentivize participation, Surround™ will be set up as a cooperative, enabling participants to build new businesses and close the existing value gap. Value and market cap allocation will happen through the actual performance of participants.

The Bitfury Surround business division will be based in Europe, with its initial footprint projected to be in Amsterdam and Berlin. Other operations are set for Los Angeles, Tokyo, Seoul and Moscow.

Stefan Schulz, a 20-year music and entertainment industry veteran, business development executive at Vivendi, will serve as the music division's Chief Executive Officer. Schulz said Bitfury Surround will strengthen the rights of artists, giving them and their business partners power and incentives to develop new content and innovative solutions. The division will also significantly improve their leverage regarding distribution and value attribution in the music economy.

“Music is perhaps the most powerful currency in today’s world driven by emotions, globalization and volatility in consumer behavior. Yet, the overall value of the music market is lower than in the late 1990s. Blockchain technology, complemented by Artificial Intelligence, will reverse this dramatic development and enable an age of exponential and sustainable growth in the whole industry,” said Schulz, who also has served as founding member and executive vice president of Universal Music Digital.

“The Surround ecosystem will foster transparency and trust, save administrative costs and improve a secure and transparent flow of content from artists to consumers on the blockchain, making efficiency gains available to all market participants fairly,” he added. “Only a true market leader such as Bitfury, dedicated to making the world a better place, can have the boldness to enter such a meaningful marketplace with an open-source and cooperative platform.”

“It will help empower individual stakeholders and open the market to infinite new business models and collaborations, while enhancing the protection of intellectual property rights,” he added. “Most importantly, it will create a sustainable environment that fairly compensates artists and stakeholders.”

About The Bitfury Group

The Bitfury Group is the world’s leading full-service blockchain technology company. Bitfury® is building solutions for the future, with the most significant technologies of the millennium. Our mission is to make the world more transparent and trusted by innovating at every level of technology – hardware, security, and software – to put trust back into the equation. Founded in 2011, Bitfury is the leading security and infrastructure provider for the Bitcoin Blockchain. In addition to securing the Bitcoin Blockchain, Bitfury also designs and produces innovative hardware that keeps cryptocurrencies and blockchains secure, including custom semiconductor chips and mobile datacenters. Bitfury is also a software provider for the some of the world’s most cutting-edge applications through its private blockchain framework, Exonum™, its advanced analytics platform Crystal™ Blockchain, and its specialized engineering team for the open-source Lightning Network, Lightning Peach.

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