

ByteShield™ Secures Angel Funding to Extend Product Leadership in Growing PC Gaming and Application Software Protection Market

San Francisco, CA, July 9, 2008 – ByteShield Inc., a leading provider of user and developer friendly software usage control, has raised an undisclosed amount of seed funding from Gylling Invest AB and other angel investors. The investment will enable acceleration of the ByteShield platform development and expand sales and marketing efforts.

“We made this investment based on ByteShield’s innovation to move beyond today’s limitations of existing Digital Rights Management (DRM) solutions to achieve software usage control without impacting honest users,” said Pär M. Ericson, President AB Gylling & Co (parent company of Gylling Invest AB). “Validation by some early customers, prospects and industry experts made this the time to invest and ByteShield fits very well into our portfolio of IT security investments. The market for strong and user friendly usage control is expected to be big and ByteShield has the potential of acquiring a substantial share of this.”

“Our early customers and pipeline underline the market’s frustration with existing solutions and the leadership of ByteShield’s proven approach. This financial backing from Gylling Invest et al, will expand our engineering team and elevate sales and marketing efforts,” said Jan Samzelius, CEO of ByteShield. “Vendors’ and users’ are both frustrated with existing DRM solutions. These typically fail to achieve their purpose of protecting vendors legitimate rights because they are usually cracked very quickly yet they often additionally impinge, inconvenience and even impugn honest customers. Annoyed and hostile users vent their outrage and fury on application and game suppliers, portals, blogs and message boards. Users’ sympathy is often with the pirates not the developers and publishers. Sometimes the customer pressure is so great that application and game vendors have given up trying to protect their applications and games because the inconvenience to honest customers is too great.”

While the piracy problem would have been much worse without the industry’s past and existing efforts two key things are needed now. Firstly, we need a new and effective technology approach to software usage control, IP protection and anti-piracy that doesn’t have the user unfriendly limitations of DRM. Secondly, we need to re-establish trust and a balanced relationship between application/game developers/publishers and their customers.

ByteShield’s technological approach to protecting software acknowledges that any protection created by man can eventually be cracked by man. In comparison to conventional software protection technologies usually based on a single hurdle, ByteShield has multiple hurdles where one removes small but critical pieces of the code it protects and then replaces them at run-time. A cracker may find and ‘fix’ one piece in a certain amount of time, but if 1,000, 10,000 or even 100,000 pieces of code need to be ‘fixed’, one by one, then the effort required is too great. Beyond that approach ByteShield recognizes that ‘effective software usage control’ must have no tangible negative impact on honest users. Only ByteShield’s new approach, incorporating a remote license server, delivers user-friendly features such as permitting multiple installations, multiple activations and easily movable activations and has no impact on development teams – the protection is applied post-development.

About Gylling Invest

Gylling Invest AB is the private equity/venture capital vehicle within the Gylling Group. Investments are primarily focused towards start-up companies with a high level of technology products, and timing wise, when companies plan their initial market entry or expand their initial market. To find out more, visit www.Gylling.se.

About ByteShield

ByteShield is the first affordable, software-based, strong solution that actually works and is user and developer friendly. Once usage is controlled, various new business models can enable additional revenue generation (e.g. rental, subscription, SaaS). ByteShield, which is a privately held California corporation, was established in September, 2004 with headquarters in San Francisco, California. To find out more, visit www.ByteShield.net or call +1 415 420 6636.

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