FROST & SULLIVAN

ADAPTIVE SHIELD RECEIVES THE 2023 TECHNOLOGY INNOVATION LEADERSHIP AWARD

Identified as best in class in the global SaaS security posture management industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Adaptive Shield excels in many of the criteria in the global SaaS Security Posture Management (SSPM) space.

AWARD CRITERIA

Technology Leverage	Business Impact
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

Software-as-a-Service (SaaS) Security Posture Management (SSPM) Market Challenges

In today's modern workforce, different business units increasingly adopt SaaS applications to pursue productivity and agility in work processes. Despite the benefits of SaaS technologies, the associated risks are on the rise. The democratization of IT is observed as the wide array of applications is no longer centralized by the IT or security team but instead managed by different business units that are not security experts, such as sales, legal, finance, and more, who are unaware of the security implications of their configurations, connected applications, as well as user and device access SaaS security concerns and breaches therefore, have increased based on the lack of visibility and control into the applications among security teams, coupled with the rising volume of apps, users, and configurations in a dynamic SaaS environment.

As security teams navigate the challenges of managing and securing their SaaS applications, they are increasingly seeking solutions to cope with misconfigurations, SaaS-to-SaaS access, access governance, device-to-SaaS risk management, compliance requirements, data security, and other risks associated with SaaS applications. The traditional network perimeter approach is no longer sufficient in ensuring the security of the SaaS environment; therefore, security teams are realizing the insufficiency of legacy technologies, such as cloud access security broker (CASB) and manual audits, especially when securing SaaS applications. Chief information security officers (CISOs) and business decision makers, therefore, are becoming more aware of these security challenges and are looking for alternatives to ensure SaaS application security.

From 2022, more CISOs and business decision makers are aware of the different approach that emerging SSPM solutions offer in securing SaaS applications and ensuring the security posture of the SaaS stack. As a result, the demand for SSPM has grown tremendously in the last year. To meet customers' needs and address their security challenges, vendors will need to optimize their SSPM offering continually.

Commitment to Innovation and Commitment to Creativity

Based in Tel Aviv, Israel, Adaptive Shield is a leading SaaS security provider founded in 2019 by Maor Bin and Jony Shlomoff. The company offers an SSPM solution that helps customers secure their entire SaaS stack, through risk management, threat prevention, detection, and response. Since 2019, Adaptive Shield has continually enhanced its SSPM offering, even more so as it emerged from stealth in 2020 and successfully raised $44 million from the Series A seed funding. With this funding, the company can commit to building out its SaaS security platform, including automating the security of applications.

Adaptive Shield's SSPM platform provides a suite of capabilities with single-pane-of-glass visibility, such as the continuous monitoring of misconfigurations and security risks, compliance mapping, identity security posture management, identity threat detection and response (ITDR), SaaS-to-SaaS access and discovery, and device-to-SaaS risk management. These capabilities provide customers with full visibility, control, and the mitigation of SaaS threats and provide time and cost savings through posture management.

> *"With Adaptive Shield's extensive technology alliances, channel partner program, and collaborative efforts in the implementation of best practices, Frost & Sullivan applauds the company's dedication in ensuring stage-gate efficiency in ways that benefit both its customers and channel partners."*
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> *- Ying Ting Neoh*
> *Research Analyst*

In addition to offering an application programming interface (API) for all features, Adaptive Shield's SSPM platform allows integration with other solutions. Some of the out-of-the-box integrations include security information and event management (SIEM), such as Splunk for operations management and monitoring; security orchestration, automation, and response (SOAR), such as Torq for automated remediation; communications, such as Teams and Slack for alerting and notification purposes; ticketing, such as Jira for remediation processes; single sign on (SSO), such as Okta for securing the connection with the company's SSPM platform; endpoint management, such as CrowdStrike; and identity provider (IdP), such as Azure Active Directory (Azure AD) for secure integration with SaaS applications.

In 2022, the company expanded to enable over 100 integrations of SaaS applications. Compared to many competitors in the market, Adaptive Shield was the first and only SSPM platform provider to offer such a large number of out-of-the-box integrations. With the high volume of SaaS applications used in each organization, which inevitably results in more exploitable and vulnerable access points through any of the applications, it is no longer sufficient to offer protection and integration over only five core business-critical SaaS applications. Today, nearly every SaaS application used by customers contains sensitive information and critical data that needs to be secured. Adaptive Shield, therefore, has focused its research and development (R&D) efforts on ensuring that the comprehensive security coverage of potential threat models is offered in its application integrations. As customers increasingly seek a consolidated platform

that offers visibility, security control, and better application integration, the company has been committed to enhancing the depth of its security checks while offering a comprehensive suite of SSPM capabilities to its application integrations (over 140 application integrations in 2023) to address customers' security needs.

In the same year, the company announced its new third-party application discovery and control capability to its SSPM portfolio, allowing customers to manage easily both sanctioned and unsanctioned applications connected to their core SaaS stack, regardless of the number of applications, thus minimizing the risk of SaaS-to-SaaS or third-party application access. This new SSPM capability enables customers' security teams to measure the level of access to sensitive data across organizations' SaaS stack while having advanced reporting capabilities to complement their risk assessments.

The company's other SSPM technology enhancements include the customization of policies and security checks for configurations and for Identity Security Posture Management, SSPM as an identity fabric, device-to-SaaS risk management, and ITDR. In terms of product roadmap, the company plans to expand its data exposure prevention, ITDR and customer-created detection rules and enable permission analysis and no-code or low-code integration, in addition to extending its SSPM coverage to other SaaS platforms, such as secure access service edge (SASE) and zero trust network access (ZTNA).

> *"With its continual enhancements to its SSPM technology offering to address customers' pain points in the SaaS security space, the company is well positioned as a technology innovation leader in the SSPM market."*
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> *- Ying Ting Neoh*
> *Research Analyst*

While some SSPM market participants focus on data access management, account compromise, or threat mitigation, Adaptive Shield offers its SSPM to find and fix weaknesses proactively across SaaS platforms. Leveraging over 140 out-of-the-box integrations and a powerful query engine, the company's SSPM platform continuously monitors and analyzes every user across all SaaS applications. To ensure in-depth and complete security checks that are beyond the basic analysis of SaaS applications, Adaptive Shield instantly highlights issues, raises detailed alerts at the first sign of a glitch, and suggests detailed steps to remediate the situation.

With its deep knowledge, expertise, and wide range of SSPM capabilities, Adaptive Shield exemplifies its commitment to innovation and creativity. With its continual enhancements to its SSPM technology offering to address customers' pain points in the SaaS security space, the company is well-positioned as a technology innovation leader in the SSPM market.

Stage-gate Efficiency

Adaptive Shield has showcased its leadership focus and stage-gate efficiency through its strategic partnerships and channel partner program. In 2022, the company partnered with CrowdStrike and Tenable to provide a consolidated posture management solution that correlates the risk of SaaS users and endpoints. Through these partnerships, the company can correlate its partners' rich endpoint telemetry and zero trust assessment scoring with SaaS application insights within its SSPM technology. Moreover, these partnerships provide customers' security teams with a better understanding and context of devices and security postures when managing the risks in the SaaS environment. The innovations from these

partnerships allow Adaptive Shield to advance a new efficient standard for its customers when protecting their SaaS stack.

With a channel-first approach, the company showcases some of the best practices it implements by investing in partners through its partner program. Some of these investment efforts include dedicated channel managers, channel marketing managers, a partner portal, joint events, sponsorship of customer events, joint publications, joint solution briefs, and more, all of which contributed to the company's success in 2022.

Furthermore, the Fast Forward Partner Program reflects the company's dedication to expanding its technology and channel partner ecosystem. To establish long-term strategic partnerships, Adaptive Shield

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> *Research Analyst*

continues to provide channel partners with support and comprehensive resources, including easy onboarding and training, sales and marketing tools, incentive plans, strong margin opportunities, business flexibility, and a dedicated partner team.

In January 2022, the company showcased its adherence to industrial best practices by joining the Cloud Security Alliance (CSA). The CSA is the world's leading organization committed to defining the best practices in securing the cloud computing environment and in raising awareness of these standards. Since joining the CSA, Adaptive Shield has worked with the alliance to conduct an annual SaaS security survey to educate customers, especially security teams, about SaaS

security while understanding the market's perception toward SaaS security. By understanding customers' pain points, the company can better reflect customers' needs in developing the SaaS security industry's standards and best practices. With Adaptive Shield's extensive technology alliances, channel partner program, and collaborative efforts in implementing best practices, Frost & Sullivan applauds the company's dedication to ensuring stage-gate efficiency in ways that benefit its customers and channel partners.

Commercialization Success and Customer Acquisition

Adaptive Shield offers its SSPM platform through a pricing structure that operates on a per-user, per-year basis, with no limit on the number of SaaS applications, instances, or features. This pricing model ensures customers have full security coverage over the entire SaaS stack. In addition to its competitive pricing model, the company accommodates custom packages for organizations that require flexibility, thus making its SSPM offering easy to use and tailored according to each customer's needs. For customers in the larger business segments, the company offers volume discounts to ensure its SSPM platform is more accessible to large enterprises, enabling them to lower the cost of adding more users incrementally. With its user-based pricing model, customizable pricing packages, and volume discounts, Adaptive Shield offers a flexible pricing strategy to cater to a wide range of customers across different segments with various business needs.

Backed by more than 70 employees, including a well-trained customer support team with deep knowledge and expertise in SSPM and SaaS security, the company offers prompt customer responses and support to customers' inquiries and issues. Through various communication channels, such as ticketing support, emails, and live support, the company's customer support includes onboarding assistance, information sharing, troubleshooting, remediation guidance, recommendations, training sessions, and information about the latest enhancements or updates.

Beyond the technical support, Adaptive Shield's customer support team offers customers a robust SaaS security program that includes support ranging from processes, human resource, and best practices. The company takes a proactive approach by regularly communicating with customers while implementing best practices that are not only based on Adaptive Shield's expertise but also its successful use cases and methodologies. Adaptive Shield's strong customer engagement effort is also reflected in its practice of actively seeking customer feedback to enhance its innovation to address the most relevant SSPM use cases.In addition to customer engagement, the company's intuitive UI/UX allows for easy adoption of the SSPM platform and encourages both security experts and application owners to use the tool, promoting better team collaboration.

In 2022, the company partnered with CrowdStrike to introduce additional Zero Trust capabilities around device posture for a more holistic Zero Trust approach in its SaaS Security Posture technologyon the CrowdStrike Store, a cybersecurity app marketplace. With Adaptive Shield's SSPM technology available in the CrowdStrike Store, customers can seamlessly extend CrowdStrike's zero trust capabilities in their SaaS security, enabling them to identify high-risk users and non-compliant devices through device posture visibility and continuous risk assessment for more effective risk mitigation.

Adaptive Shield's go-to-market strategy reflects a strong emphasis on customer engagement. In addition, the company focuses on meeting and understanding customers' challenges in the SSPM space, such as with a direct sales or channel-driven sales model through its global business partner network of managed security service providers (MSSPs) and value-added resellers (VARs), and through its strong technology alliances with vendors, such as CrowdStrike, Tenable, Okta, and more. Adaptive Shield's SSPM commercialization success results from its customer acquisition efforts.

Financial Performance

Adaptive Shield has successfully leveraged its direct sales model and its global network of business partners to promote its SSPM platform and expand its global customer base. Based on Frost & Sullivan's estimates, Adaptive Shield's SSPM business has achieved a steady business performance, with a triple-digit year-over-year (YoY) growth rate in 2022.

While its business presence remains largely in the North American market, followed by the Europe, Middle East, and Africa (EMEA) market, the company has leveraged its strategic partnerships with Macnica and NEC to expand its market presence in Asia-Pacific (APAC), wherein the region contributes up to 10% of its global market share.

With its strategic partnerships, go-to-market strategies, and technology investments, the company has captured growth across verticals in 2022, such as technology; banking, financial, services, and insurance (BFSI); and retail/eCommerce. Frost & Sullivan recognizes Adaptive Shield as a key market contender and

a challenger in the global SSPM space based on its broad portfolio of capabilities and ability to meet customers' ever-evolving security needs across different customer segments/verticals. The company, therefore, has established trusting relationships and loyalty among its customers in the global SSPM market.

Conclusion

Adaptive Shield has established a strong reputation and a steadily growing position in the global SSPM market since emerging from stealth three years ago. The company's success results from its customer-centric product innovation and aggressive roadmap. The company is well positioned for continued growth, with its visionary effort to offer a platform approach for SSPM, coupled with its commitment to establish strategic partnerships and create technology alliances for more innovative offerings.

For its strong overall performance, Adaptive Shield is recognized with Frost & Sullivan's 2023 Global Technology Innovation Leadership Award in the SaaS security posture management industry.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
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Key Impacts:

- ■ **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- ■ **Growth Strategies:** *Proven Best Practices*
- ■ **Innovation Culture:** *Optimized Customer Experience*
- ■ **ROI & Margin:** *Implementation Excellence*
- ■ **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- ■ **Mega Trend (MT)**
- ■ **Business Model (BM)**
- ■ **Technology (TE)**
- □ **Industries (IN)**
- □ **Customer (CU)**
- ■ **Geographies (GE)**