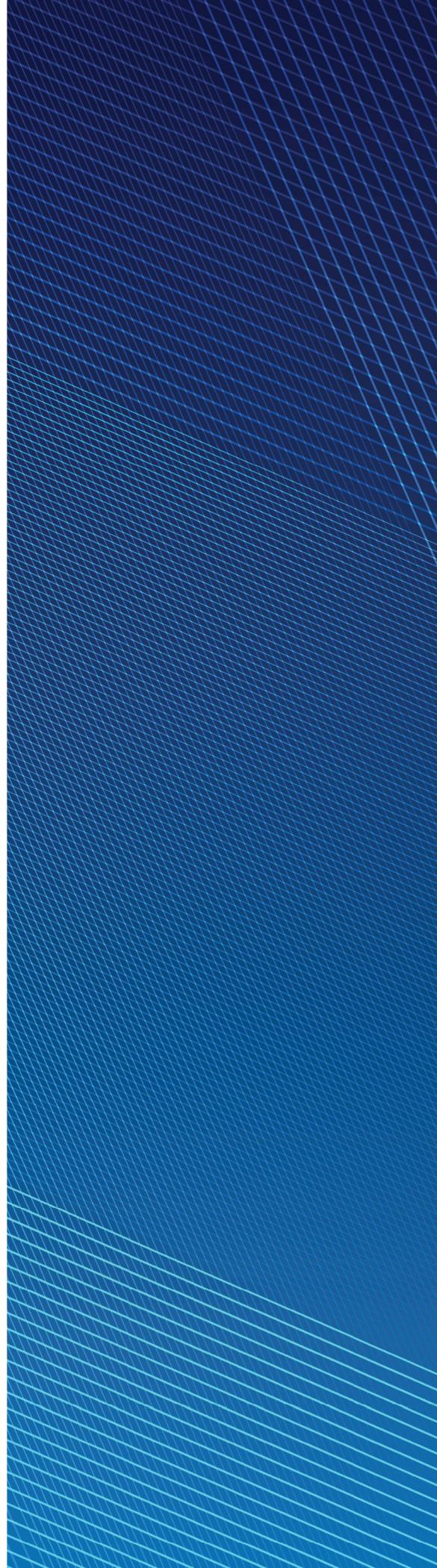


AQUA SECURITY RECEIVES THE 2023 TECHNOLOGY INNOVATION LEADERSHIP AWARD

*Identified as best in class in the global software supply
chain security 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. Aqua Security excels in many of the criteria in the global SSCS space.

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

Software Supply Chain Security (SSCS) Market Challenges

As software producers are under increasing pressure to speed up their delivery of new applications, organizations are increasingly deploying their code to production in cloud-native environments as well as adopting advanced software delivery pipeline tools to meet desired business goals.

The dynamic nature of the cloud-native environment coupled with increasingly sophisticated software supply chain attacks have posed significant challenges to CISOs and SecOps teams tasked to ensure SSCS. Many hackers are typically targeting unmonitored areas of the development process much earlier in the software development life cycle (SDLC), where a legacy security approach lacks visibility and control. Outdated legacy application security tools are no longer effective in the cloud-native environment. Instead, they are slowing down the overall SDLC and complicating DevSecOps.

CISOs and business decision makers are increasingly aware of these security challenges and are looking for alternatives to ensure SSCS. As a result, the demand for next generation SSCS has grown tremendously in the last year. Organizations are seeking a different approach that modern SSCS offers, which includes capabilities such as attestation and provenance, continuous integration (CI)/continuous delivery (CD) pipeline security, centralized visibility, source and build integrity, risk remediation and prioritization, and regular audit and continuous compliance checks in securing software supply chain and software products.

Commitment to Innovation and Commitment to Creativity

Headquartered in Israel, Aqua Security has long been known as a pure-play cloud native security provider offering its cloud-native security platform which covers features such as a cloud workload protection platform (CWPP), container security, cloud security posture management (CSPM), image assurance, and recently SSCS to help organizations secure cloud-native applications. While Aqua Security is well-known for its runtime protection capabilities, the company started offering SSCS in 2021.

Its SSCS includes shift-left security with software composition analysis (SCA) / software bill of materials (SBOM) including next-gen SBOM, source integrity features, universal code scanning, build integrity capabilities via behavioral anomalies detection and governance policies, CI/CD pipeline security, supply chain posture management for compliance and configuration auditing, attestation and provenance checks, Infrastructure-as-Code (IaC) and container security, in addition to guided remediation and prioritization of vulnerabilities. In addition to integrating insights and overview of all these SSCS capabilities into a customizable dashboard that offers real-time visibility, these insights also serve as guardrails either to inform developers or security teams of violations, or to fail a build or production when malware, exposed sensitive secrets, or high-risk vulnerabilities are detected.

In 2023, the company enhanced its SSCS portfolio with pipeline integrity scanning capabilities, cloud-to-code tracing, and an AI-assisted remediation advice engine. It is also one of the few pioneering SSCS vendors striving to offer code-to-cloud visibility and assessment, and lightweight eBPF technology capabilities in its pipeline scanner. These capabilities provide teams with critical visibility into the build's runtime and allow them to detect threats in real time with minimal disruption to the SDLC. Moreover, the enhancement of its cloud-to-code tracing enables customers to tie back specific cloud runtime incidents and risk findings to a specific repository and developer, allowing for a much more efficient remediation. Leveraging mega trends driving the market, the company has also recently introduced a secure, OpenAI-driven remediation engine which enables DevOps teams to more easily identify, prioritize, and remediate risks and vulnerabilities.

Compared to market participants that stack up multiple disconnected application security tools to secure the software supply chain and cloud-native applications, Aqua Security offers a more holistic SSCS strategy

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***- Ying Ting Neoh
Research Analyst***

creating a code-to-cloud and cloud-to-code visibility and intelligence to ensure in-depth security early in the CI/CD pipeline before production across the 4Cs (Cloud, Clusters, Containers, and Code). In response to customers’ need for consolidation, visibility, and correlation, Aqua Security’s SSCS’s key innovations in the last year help address these technology needs in the SSCS market.

Aqua Security offers comprehensive SSCS through its platform, which consistently correlates and contextualizes vulnerabilities, risks and alerts across

components, resources, and infrastructure to achieve effective remediation and help developers address tight timeline issues. The company’s visionary market direction to shift left while shielding right, its ability

to leverage megatrends in its enhancements, coupled with its consistent product innovation exemplify its commitment to innovation and creativity to address technology voids in the SSCS market.

Stage Gate Efficiency

Since Aqua Security's acquisition of Argon, a software supply chain startup in 2021, the Aqua platform became the first solution to secure all stages of software build and release, protecting the full SDLC from code through build to runtime. The addition of Argon's solution to Aqua Security's platform complements the company's cloud-native security and existing shift-left security capabilities such as vulnerability management, IaC security, and Dynamic Threat Analysis (DTA).

The company's Aqua Nautilus research team, which focuses on cybersecurity research of cloud-native attacks, has a deep understanding of the cloud-native environment including software supply chain, risk posture, and runtime protection. Recent research by Aqua Nautilus in 2023 has not only demonstrated the increasing volume of supply chain attacks but has also uncovered HeadCrab, a novel state-of-the-art Redis malware and a new attack method targeting VScode Extensions. With the fast adoption of cloud-native applications today, the team publishes findings and recommendations that not only help organizations better understand the evolving threat landscape, but also provide great support in ensuring SSCS of cloud-native applications.

Today, Aqua Security supports all major types of source code repositories. The SBOMs it generates are in accordance with industry standards such as CycloneDX, SPDX, and NIST's SSDF, showcasing some of the best practices it implements. In addition, the company has built one of the largest open-source cloud-native security communities with projects such as Trivy, an open-source vulnerability and risk scanner; and Tracee, a widely revered runtime security solution that adopts eBPF technology to monitor system behavior and detect suspicious events. This sizable open-source ecosystem and its projects not only support customers across different segments to implement SSCS, but also enable further product innovation in the SSCS market, such as the company's latest release of Kubernetes vulnerability scanning in collaboration with Trivy. Since April 2023, Aqua's Trivy provides full compliance scanning for CIS Kubernetes Benchmarks as well as other compliance scans including NSA and Pod Security Standards (PSS), helping customers' cloud-native environment stay fully compliant.

Adopting a channel-first approach, Aqua Security's launch of the Aqua Advantage Ecosystem program in 2022, further expanded its channel partner ecosystem and propelled the company's success. Aiming to accelerate customers' digital transformation and adoption of DevSecOps and cloud-native applications, this new program builds mutually beneficial strategies that support partners' goals through services delivery and referral incentives, in addition to amping up its support services training. The company's recent additional certification programs: Aqua Sales Certification and Aqua Certified Sales Engineer are efforts to add value to its partners via feedback and evaluation.

These partnerships allow Aqua Security to fully understand customers' operational challenges and inform their product innovation and best practices. The enhanced benefits and support have helped the company forge stronger relationships with its channel partners and customers. Frost & Sullivan recognizes Aqua Security's committed support to the market's best practices and its strategic collaborations to offer innovations that benefit customers and channel partners.

Commercialization Success and Customer Acquisition

Aqua Security offers SSCS either as part of its cloud native security platform or as a standalone module. Its SSCS is priced separately based on the number of code repositories. As Aqua Security offers a simple pricing model with discounts available for multi-year pricing, it is becoming popular among large businesses. The volume discounts offered through its progressive tiering has incrementally lowered the cost of having more code repositories.

Backed by more than 500 employees, Aqua Security places strong emphasis on its customer engagement. As part of the company's efforts to understand customers' pain points and meet their business needs, the company provides Customer Success manager support and technical support to all customers as part of their standard package. Aqua Security's support engineers are all in-house employees, and are located across all key regions in which it has a market presence. Without outsourcing its customer support to third parties, the company ensures customers are effectively supported by a team that has full context and deep understanding of its offerings.

The company has established a notable channel partner program, comprised of global system integrators including Accenture, IBM, and PwC, regional value-added resellers, cloud service providers and cloud marketplaces like AWS, Azure and GCP marketplaces, giving customers the option to adopt Aqua Security's SSCS via their cloud spend budgets and cloud service provider's implementation partners. Additionally, it has a regional network of VARs including the ones specializing in security and DevOps, small regional specialists, as well as large well-known players such as Optiv, Guidepoint, Carahsoft, Trace3, eVoila, and others.

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While the acquisition of Argon has helped Aqua Security expand its customer base, its further expansion into APAC through the opening of offices in Singapore has allowed the company to support growing customer needs in the region while providing on-the-ground professional training and customer workshops. Aqua Security's Advantage Ecosystem has witnessed success in 2023, whereby its global partners submitting deal registrations surged by 25%, and 50% of its pipeline is partner-initiated. By 2023, its partner transactions accounted for 75% of new business revenues. Frost & Sullivan commends Aqua Security's ability in establishing strategic relationships with its

channel partners while having steadfast commitment to meeting customers' ever-evolving needs and addressing the pain points in the SSCS market.

Financial Performance

Due to the growing number of high-profile security incidents and software supply chain security attacks, the demand for SSCS has grown rapidly to help organizations achieve security and comply with security mandates and regulations. Aqua Security has benefitted from this demand and shown consistent growth in the global SSCS market in the last 2 years. Based on Frost & Sullivan research, the company's SSCS

offerings have registered impressive business performance growth, with a triple-digit year-over-year (YoY) global growth rate of approximately 200.0% in 2023. This tremendous growth has established the company as one of the fastest-growing SSCS players in the market. In the same year, Aqua Security's SSCS recorded steady growth across verticals, especially in the banking, financial, services, and insurance (BFSI), government, and technology sectors.

The company secures the cloud deployments of 40% of the Fortune 100 companies, and a total of more than 500 enterprise customers across 40 countries, with individual customers scanning up to 10 billion images annually. Frost & Sullivan commends Aqua Security's ability to differentiate itself from other key market contenders through some of the pioneering approaches it has taken to offer a more integrated, lightweight, code-to-cloud SSCS features, enabling it to solidify its innovation leadership in the SSCS space.

Conclusion

Aqua Security has achieved rapid growth in the SSCS market since the establishment of its SSCS offering. With its holistic SSCS strategy offering both shift-left and shield right security capabilities, Aqua Security stands out from other market competitors in its ability to protect the full SDLC from code through build to runtime. The company's success is the result of its commitment to innovation and creativity while achieving strong customer engagement.

With its strong performance, Aqua Security earns Frost & Sullivan's 2023 Global Technology Innovation Leadership Award in the SSCS 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

