FROST & SULLIVAN

ACTIVEFENCE RECEIVES THE 2023 TECHNOLOGY INNOVATION LEADERSHIP AWARD

Identified as best in class in the North American online trust & safety 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. ActiveFence excels in many of the criteria in the online trust & safety 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

A Challenging and Evolving Landscape

Trust & safety and content moderation services have been experiencing steady growth due to the increased volume of online content, generated by both users and artificial intelligence (AI). The proliferation of diverse content has spurred a rising need for moderation services to address the spike in misinformation, hate speech, and violent content online. Increased use of social media platforms, eCommerce, ride-hailing, and digital apps have made users susceptible to scams, fraud, and hacks, prompting the need for trust & safety and content moderation services. Moreover, organizations, governments, regulators, and the general public have become more conscious of the potential harm caused by the spread of misinformation and malicious content, making monitoring and managing online content more important than ever.

Trust & safety solutions providers must increase investments in developing robotic process automation, AI, and predictive analytic capabilities to stand out in an evolving market. While moderators focus on understanding the nuances and cultural context around content, AI will augment their decisions with near real-time insights. The online trust & safety market is poised to keep growing. Frost & Sullivan's research identifies the North American region as the largest market because of the presence of leading participants and the significant adoption of trust & safety and content moderation solutions.¹

¹ Digital Trust and Safety Growth Opportunities (Frost & Sullivan, June 2022).

Effectively Tackling Industry Challenges with a Leading-Forward Approach

Founded in 2018 and headquartered in New York City, New York, United States, ActiveFence is a technology provider of trust & safety services. With over 300 employees, the company specializes in protecting online platforms and their users from malicious behavior and content. ActiveFence has been in the trust & safety space for over six years, developing deep subject-matter expertise across major online harm areas (e.g., child safety, terrorism, extremism, dis/misinformation, suicide/self-harm, and human exploitation), as well as a suite of products and services that support online platforms in tackling those harms. Generative AI is a new landscape where most of the same harm areas apply. ActiveFence has spent the past year adapting its solutions to the context of generative AI models and applications and establishing a variety of dedicated generative AI safety solutions. By leveraging avant-garde technology (e.g., contextual AI models) and subject-matter experts, ActiveFence effectively detects, prevents, and moderates malicious content, standing out in the trust & safety space. In 2021, Frost & Sullivan recognized ActiveFence's remarkable capabilities and remains impressed with its continuing innovation and sustained leadership.

"ActiveFence recognizes the internet is decentralized, with multiple spaces and communication channels. Vast and unexplored areas contribute to privacy uncertainty, exposing users' vulnerabilities and targeting them for scams, harassment, and privacy breaches. Thus, the company ensures it develops technology that meets customer needs and industry demands through continuous market research and active participation in the trust & safety community."

- Kiran Kumar Vijayakumar Research Director ActiveFence recognizes the internet is decentralized, with multiple spaces and communication channels. Vast and unexplored areas contribute to privacy uncertainty, exposing users' vulnerabilities and targeting them for scams, harassment, and privacy breaches. Thus, the company ensures it develops technology that meets customer needs and industry demands through continuous market research and active participation in the trust & safety community. One of ActiveFence's strengths is its highly accurate contextual AI models, which analyze the context and complexity of the content transferred. ActiveFence's model is constantly fed by 10 million intelligence sources and improves based on a continuous feedback loop, resulting in 99% accuracy in some critical areas, with a low rate of false positives.

ActiveFence drives to achieve operational efficiency by simplifying the process for trust & safety teams. For example, the ActiveOS platform can create workflows with no code required due to its "drag and drop" models function, these can be set up to take automated actions based on an item's risk, resulting in immediate removal of clearly violative items. Similarly, the company's application programming interfaces allow clients to plug specific capabilities (e.g., malicious content detection) into their portfolios without installing the entire platform components. This ability is helpful to clients that, for example, have their content moderation platform but must aggregate more features. The company's processes benefit clients by streamlining operations without needing engineers or technical resources.

With a comprehensive portfolio and value proposition, ActiveFence has carved out a name for itself in the trust & safety market by consistently leveraging innovative technology to deliver robust client benefits.

Driving Safeguards for Generative AI Platforms

With generative Al's hyper-scaled generation of content, implementing proactive safeguards is more important than ever. ActiveFence started providing custom solutions for foundation models and AI applications to help maintain their online integrity.

- The company's AI offering features content filtering to block prompts and outputs using a proprietary risk-scoring system rooted in deep subject matter and multimodal expertise.
- Additionally, the platform includes capabilities for red teaming and adversarial datasets to identify vulnerabilities in AI outputs through testing against risky prompts or simulating threat actor behavior.
- The platform also offers threat intelligence to track how threat actors utilize AI tools.

ActiveFence recognizes the potential of a multimodal AI system to serve as an effective content moderation guardian, capable of analyzing visual inputs and immediately responding in alignment with

"Frost & Sullivan is impressed with ActiveFence's solution for generative AI platforms to support companies with a comprehensive safety management platform, implement advanced content filtering, red teaming, and adversarial dataset analysis, and provide cutting-edge threat intelligence."

Best Practices Research Analyst

- Valentina Barcia

specific policies.

Frost & Sullivan is impressed with ActiveFence's solution for generative AI platforms to support companies with a comprehensive safety management platform, implement advanced content filtering, red teaming, and adversarial dataset analysis, and provide cutting-edge threat intelligence.

Serving Multiple Applications

ActiveFence stands out from competitive offerings with a wide coverage of 15 abuse areas, including human exploitation, hate speech, child abuse material, misinformation, fraud, profanity, violent extremism, bullying, and harassment. This key

differentiator enables clients to use ActiveFence's technology for various applications in several industry verticals, such as gaming, dating platforms, social media, marketplaces, and food delivery.

Since its inception, ActiveFence has expanded its portfolio to create a complete trust & safety stack, orchestrating automated AI content detection, moderation, and threat intelligence. Clients can customize its content moderation platform and integrate third-party tools (e.g., AI models, messaging apps, and case management software) in a single interface.² With a constantly evolving service enhancement strategy, ActiveFence has successfully added highly prominent names (e.g., Deliveroo, Soundcloud, Maxxer, Brave, Dapper Labs, and Audiomack) to its trust & safety client base.³

"ActiveFence helps us keep our platform free of abuse by identifying bad actors and content that violates our platforms' policies."

- Trust & Safety Lead at a global streaming company⁴

² <u>https://www.activefence.com/solutions/content-moderation-platform/</u>. Accessed September 2023.

³ <u>https://www.activefence.com/solutions/threat-intelligence/</u>. Accessed September 2023.

⁴ <u>https://www.activefence.com/</u>. Accessed September 2023.

"With ActiveFence we get visibility on how groups operate across platforms, with real contextual understanding."

Senior Trust & Safety Manager at a global tech company.⁵

These customer testimonials clearly demonstrate ActiveFence's successful expanding strategy, propelling it to capture market share.

Technology Sparked by a Commitment to Make an Impact

Establishing excellence and knowledge sharing is a crucial factor in ActiveFence's value proposition, fostering industry collaboration. Moreover, ActiveFence is a proud member of the Global Coalition for Digital Safety, a public-private platform designed by the World Economic Forum. This multi-stakeholder cooperation creates the Global Principles on Digital Safety to translate International Human Rights into the digital context. The company also participates in the Digital Safety Risk Assessment Framework, an initiative built by the same organization, which helps online platforms assess their risk.

ActiveFence's research and development team implements innovative initiatives such as the Trust & Safety Hackathon to proactively address emerging threats on the internet. The company organized the July 2023 edition in San Francisco, with 500+ participants from 20+ countries. During the event, the participants generated 26 unique ideas and received an impressive 300,000 views from the audience.⁶ Furthermore, ActiveFence conducts internal contests like "Capture the Flag," where it hides clues around the web to foster competition among its teams and keep its researchers and analysts updated with the technology.

Frost & Sullivan commends ActiveFence for its ongoing excellence and commitment to creativity that positions it with a pioneering leadership role in addressing unmet needs.

Strategic Practices Positioning ActiveFence for Future Success

ActiveFence demonstrates high-growth potential with industry-leading services that provide tremendous value in high-demand sectors. ActiveFence seeks strategic technological partnerships to fortify its core business as a key component of its growth strategy. In July 2023, the company announced a partnership with Agora, a real-time engagement (RTE) platform-as-a-service. Through this collaboration, ActiveFence will combine its solutions with Agora's voice and video software development kits via its extensions marketplace, allowing stress-free integration of live audio and video content moderation into RTE applications.⁷

Exemplified by best practices in creating a safe space on the internet ActiveFence has earned a reputation as a respected voice in the online trust & safety community. The company actively participates in Meta's community forums as a specialist, where users and experts exchange ideas and approaches to unsolved problems on the internet and metaverse. Moreover, ActiveFence was invited to the Defining and Building the Metaverse initiative created by the World Economic Forum as a leading voice to discuss metaverse

⁵ Ibid.

⁶ <u>https://tshackathon.org/hackathons/</u>. Accessed September 2023.

⁷ <u>https://www.prnewswire.com/news-releases/agora-partners-with-activefence-for-content-moderation-to-ensure-trust-and-safety-for-real-time-engagement-apps-301880822.html</u>. Accessed September 2023.

governance and its economic and social value creation. Frost & Sullivan applauds ActiveFence's efforts in developing visionary technology with notable results to create a secure online world.

Conclusion

The uncertainty and broad nature of the internet can leave users vulnerable to various risks, such as child abuse material, misinformation, fraud, and harassment. Hence, service providers, governments, and companies must take action and implement a strategy that addresses industry challenges. ActiveFence has emerged as a partner of choice and a recognized expert voice in the field due to its remarkable technology that combines automation, artificial intelligence, and outstanding intelligence resources. Powered by a robust commitment to innovation and creativity, ActiveFence continuously improves its services to stay on top of market trends and meet clients' requirements.

With its strong overall performance, ActiveFence earns Frost & Sullivan's 2023 North American Technology Innovation Leadership Award in the online trust & safety 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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About Frost & Sullivan

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Key Impacts:

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- **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)

The Growth Pipeline Engine™



