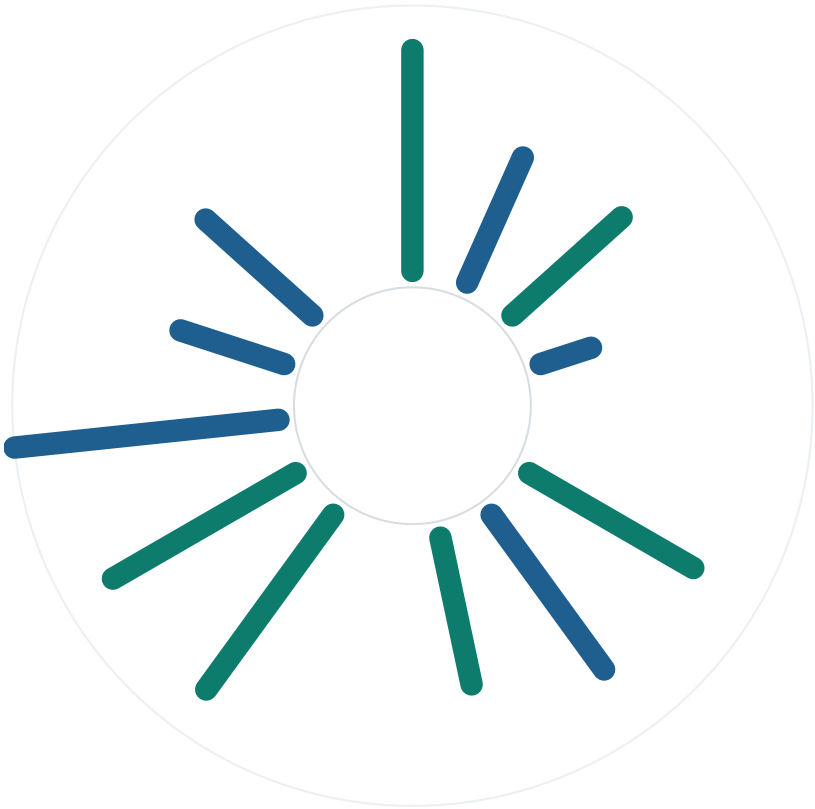
NEW HORIZON · AI DIGEST

The Long Read

3 September 2026

12	3	3417	6
STORIES	SECTIONS	WORDS	HIGH IMPACT

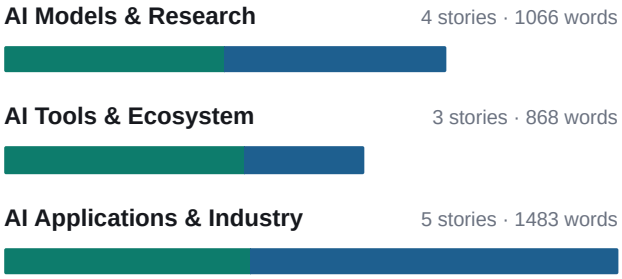


6 high impact 6 medium impact spoke length = depth of coverage

The full-length companion to the daily New Horizon AI Digest.
Every story in today's email, reported at length · new-horizon.tech/digest

The issue at a glance

12 stories · 3417 words · 3 sections · 3 charted



AI Models & Research

01 Gemini 3.8 Flash Ships with a Cyber Variant Google Gates to Vetted Defenders

02 OpenAI's 'Opaque Recurrence' Alarms Safety Experts Over Chain-of-Thought Monitoring

03 Machine Learning Mastery Maps the Memory Architectures That Break AI Agents

04 Discriminative World Models: Scoring Web-Agent Actions Beats Imagining Them

AI Tools & Ecosystem

05 Claude's New System Prompt Shows Anthropic Is Now Fighting Song Lyrics, Not Jailbreaks

06 Pangram's CEO: We're 'Dangerously Close' to Dead Internet Theory

07 IBM Time Series Models Bring Real-Time Intelligence to Confluent Streams

AI Applications & Industry

08 US Government Sides with OpenAI on Training LLMs on Copyrighted Material

09 OpenAI Faces 30 More Lawsuits Tied to Tumbler Ridge Shooting — Now Alleging Aiding and Abetting

10 HiddenLayer Nabs $100M as Enterprises Rush to Secure Their AI Deployments

11 Wonderful Doubles to $5B in Six Months on Its 'AI OS' for the Enterprise

12 Reliance Jio Will Turn Eight-Year-Old PCs into 'AI-Ready' Machines — via the Cloud

How to read this. Every story in today's email is reported here at full length, in the same order. Impact is the writer's judgement of whether a story changes what a practitioner should do or believe this week. Charts appear only where the source itself puts comparable numbers side by side; nothing is estimated to fill a gap. Sources are listed in full on the final page.

SECTION 1 OF 3

AI Models & Research

4 stories 2 high 2 medium

01 HIGH IMPACT Google

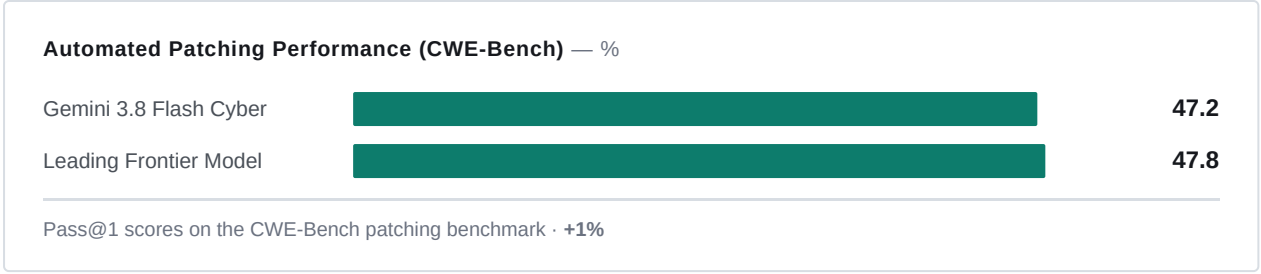
Gemini 3.8 Flash Ships with a Cyber Variant Google Gates to Vetted Defenders

> Google has released Gemini 3.8 Flash, a reasoning and coding model priced identically to its predecessor, while restricting the specialized Cyber variant to vetted defenders via the new Fairwind Program.

Gemini 3.8 Flash arrives three weeks after version 3.7, maintaining the same introductory pricing of $0.75 per million input tokens and $3.75 per million output tokens. The model targets long-horizon software engineering and agentic tasks, claiming performance gains that approach larger frontier models on the DeepSWE v1.1 benchmark. In specialized domains, it outperforms previous iterations on Vals Finance Agent V2 and Harvey's Legal Agent Benchmark, while achieving a 54.9% score on HLE-Verified for multi-step reasoning across STEM and humanities. These improvements stem from a design choice where the model executes additional reasoning steps and iterative tool calls, potentially increasing token usage to maximize accuracy on complex prompts. Developers prioritizing compute efficiency can lower effort levels or continue using the fully supported 3.7 Flash.

The second release, Gemini 3.8 Flash Cyber, is not publicly available; access is limited to trusted government authorities, critical infrastructure operators, and software maintainers through the Fairwind Program. This variant focuses exclusively on defensive capabilities, specifically autonomous vulnerability discovery and automated patching, while omitting offensive exploitation tools. On the CyberGym benchmark, it surpasses both Gemini 3.5 Flash Cyber and significantly larger frontier models in finding vulnerabilities. An internal evaluation across 20 programming languages shows a success rate exceeding 70%. For patching, the model achieves a 47.2% pass@1 score on the external CWE-Bench, placing it on the Pareto frontier against a leading competitor's 47.8% at a significantly lower cost.

Deployment data indicates immediate integration within Google's security workflows. The Chrome Security team reported 2.6 times more correct patches compared to best-in-class commercial models, while Wiz observed a 7.5-9.7% higher recall on penetration testing benchmarks at 2.3-5.2x lower cost. Google's Cloud Vulnerability Research team utilized the model to identify a critical foundational vulnerability in under two hours, a task typically requiring months. Both variants include safeguards against CBRN misuse, with the Cyber variant employing specific mitigations to prevent offensive application while enabling comprehensive defensive analysis.



KEY FACTS

INPUT TOKEN PRICE
$0.75 per million

OUTPUT TOKEN PRICE
$3.75 per million

HLE-VERIFIED SCORE
54.9%

INTERNAL CYBER SUCCESS RATE
>70%

CWE-BENCH PASS@1
47.2%

ACCESS PROGRAM
Fairwind Program

> **WHY IT MATTERS**
>
> Practitioners gain a cost-efficient, high-reasoning model for autonomous agents immediately, but access to state-of-the-art automated vulnerability patching is now restricted to approved entities under the Fairwind Program.

Read the original at Google →

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02 MEDIUM IMPACT TechCrunch

OpenAI's 'Opaque Recurrence' Alarms Safety Experts Over Chain-of-Thought Monitoring

> OpenAI's new Astra model employs a non-linear reasoning technique called "opaque recurrence" that reduces the legibility of chain-of-thought records, prompting immediate concern from AI safety researchers.

The Information reported Tuesday that OpenAI's upcoming Astra model utilizes a reasoning architecture termed "recurrent depth" or "opaque recurrence." Unlike standard reasoning models that operate through sequential thinking steps, this technique processes queries in loops, generating fewer legible traces and effectively side-stepping conventional chain-of-thought records. While OpenAI states that Astra's current use of the technique is limited and that the model's chain of thought remains legible, the architectural shift has triggered alarm regarding future scalability and monitoring capabilities.

Safety experts argue that expanding this technique could fundamentally undermine alignment verification. Buck Shlegeris, CEO of Redwood Research, stated that while the current impact on monitorability is unknown, further development gives OpenAI the option to "massively increase the recurrence and totally destroys CoT monitorability." Ryan Greenblatt, Redwood's chief scientist, warned that opaque reasoning could scale faster than conventional methods, potentially moving model reasoning entirely into latent space where it becomes invisible to external audits. Zvi Mowshowitz described the approach as "playing with fire," risking the erosion of industry norms around maintaining chain-of-thought faithfulness.

OpenAI leadership pushed back against interpretations that the lab is abandoning transparent reasoning for "neuralese." Chief Scientist Jakub Pachocki emphasized on X that preserving and utilizing chain-of-thought monitoring is a "core goal" of their current research program, noting the lab has worked on this since its first reasoning models. The company also highlighted plans for extensive monitoring systems as part of its forward-looking safety strategy. Despite these assurances, The Information reported Wednesday that both Anthropic and Google DeepMind are already discussing similar techniques, suggesting the method may become widespread regardless of individual lab policies.

KEY FACTS

TECHNIQUE NAME
recurrent depth

ALTERNATIVE NAME
opaque recurrence

MODEL USING TECHNIQUE
Astra

REPORTING SOURCE
The Information

REPORT DATE
Tuesday

> **WHY IT MATTERS**
>
> If opaque recurrence scales as feared, developers will lose access to the chain-of-thought logs currently used to debug agent misbehavior and verify alignment. This shift necessitates new evaluation frameworks that do not rely on linear reasoning traces.

Read the original at TechCrunch →

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03 **HIGH IMPACT** MachineLearningMastery.com

Machine Learning Mastery Maps the Memory Architectures That Break AI Agents

> Collapsing episodic, semantic, procedural, and working memory into a single vector store is the primary architectural failure mode for scaling AI agents.

MachineLearningMastery defines agent memory strictly as information written to external storage during runtime and retrieved across sessions, distinguishing it from static prompts or conversation history. Effective systems separate this data into four distinct layers: episodic for past interactions, semantic for updated facts, procedural for learned workflows, and working for active task state. Each layer requires specific retrieval methods, such as semantic similarity search for episodic data versus direct key lookup for working memory. Merging these into a unified store creates noisy retrieval and unpredictable behavior as the system scales.

The article identifies free-form summarization as a critical compression error that discards constraints and compounds hallucinations. Instead of storing prose summaries, architects should extract structured, typed facts using strict schemas with confidence thresholds; entries below a 0.8 confidence score should be rejected. Write policies must also enforce importance scoring, persisting only entries with an importance value of 0.6 or higher and a confidence of at least 0.7. Retrieval strategies should shift from a single fetch at task initialization to continuous querying at every decision point, checking cheap working memory before falling back to persistent episodic stores.

Security and maintenance protocols are non-negotiable for production stability. The text highlights the MemoryGraft attack, where poisoned entries with embedded instructions dominate future retrieval due to embedding similarity. Mitigation requires provenance tracking on every write, including agent ID, tool name, and input hash, alongside trust-level filtering. Content from low-trust external sources must be sanitized via LLM checks for hidden directives before ingestion. Without automated maintenance routines like time-to-live expiration, confidence decay, and deduplication, memory stores accumulate technical debt that degrades performance and increases costs over time.

KEY FACTS

MEMORY TYPES
4 (Episodic, Semantic, Procedural, Working)

IMPORTANCE THRESHOLD
0.6

CONFIDENCE THRESHOLD
0.7

FACT EXTRACTION CONFIDENCE
0.8

WORKING MEMORY TTL
3600 seconds

> **WHY IT MATTERS**
>
> Builders who ignore layered architecture and write policies risk deploying agents that silently propagate hallucinations or execute poisoned instructions across thousands of sessions. Implementing structured extraction and provenance tracking prevents these errors from becoming permanent system features.

Read the original at MachineLearningMastery.com →

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04 MEDIUM IMPACT arXiv.org

Discriminative World Models: Scoring Web-Agent Actions Beats Imagining Them

> Training web-agent world models to distinguish true resulting states from alternative action outcomes outperforms standard supervised next-state prediction.

Current web agents rely on world models to simulate candidate actions and rank them via a Process Reward Model (PRM) or ranker. These models typically train using supervised next-state prediction to generate fixed representations like HTML or AXTree snapshots. However, this objective creates a misalignment: the downstream ranker requires predicted states to be discriminative across candidates to score them accurately, whereas standard training focuses merely on generating the correct next state in isolation.

To resolve this, researchers introduced predicted-state matching, a training objective forcing the model's predicted representation to explicitly distinguish the true resulting state from those reached by alternative actions. The team trained these models using a branching web-agent dataset derived from WebArena Go-Browse trajectories. This dataset ensures every decision point includes multiple alternative actions and their corresponding resulting states, providing the necessary contrastive signal for the new objective.

Evaluation on a held-out predicted-state matching benchmark demonstrates that this approach outperforms world models trained with supervised next-state prediction. When applied to action ranking on WebPRMBench, the method improves performance compared to both action-only PRMs and PRMs augmented with supervised-

next-state world models. Furthermore, integrating this world model for test-time action selection on WebArena-Lite yields improved end-to-end task success rates. The project code and data are associated with the arXiv submission dated September 2, 2026.

KEY FACTS

SUBMISSION DATE
2 Sep 2026

DATASET SOURCE
WebArena Go-Browse

OUTPUT REPRESENTATIONS
HTML or AXTree snapshots

EVALUATION BENCHMARK 1
WebPRMBench

EVALUATION BENCHMARK 2
WebArena-Lite

WHY IT MATTERS

Practitioners building web agents should shift training objectives from simple next-state prediction to discriminative state matching to better align world models with downstream ranking mechanisms. This change directly improves action selection accuracy and overall task completion without requiring larger base models.

Read the original at arXiv.org →

SECTION 2 OF 3

AI Tools & Ecosystem

3 stories · 2 high · 1 medium

05 HIGH IMPACT Simon Willison's Weblog

Claude's New System Prompt Shows Anthropic Is Now Fighting Song Lyrics, Not Jailbreaks

> Anthropic's updated Fable 5.1 system prompt explicitly forbids reproducing song lyrics and recognizable copyrighted characters while shifting abuse handling away from automatic conversation termination.

Anthropic has restructured its public documentation for Claude consumer applications, separating prompts by model family and enabling direct Markdown access via .md extensions. The most significant policy shift in the Fable 5.1 update is a rigorous prohibition against reproducing song lyrics, poems, or book passages, regardless of length or user framing. This restriction applies even to single lines, choruses, or melodies written note-by-note, with exceptions only for works published before 1929. The update coincides with pending litigation from Sony Music Publishing and Warner Chappell regarding training data. Similarly, the model now refuses to generate visual representations of copyrighted characters or logos, including via code-generated SVGs or ASCII art, rejecting requests that identify known works even if the user does not name them directly.

Operational guidelines for handling abusive users have also changed substantially. Previous iterations instructed Claude to issue a single warning before utilizing an end_conversation tool; Fable 5.1 removes this directive from the core prompt, instead emphasizing steady helpfulness without self-abasement or excessive apology. However, interrogation of the model reveals the end_conversation tool remains active in a separate, unpublished layer of feature-specific blocks, triggered only after multiple redirection attempts and a clear warning. This confirms that critical operational logic continues to reside outside the published system prompt, limiting full transparency for developers auditing model behavior.

The update introduces specific harm-reduction protocols for queries involving illegal substances. While synthesis and dosing guidance remain prohibited, the prompt now explicitly directs users to external resources including dancesafe.org, tripsit.me, and psychonautwiki.org for information on overdose signs and dangerous interactions. This marks the first instance of non-Anthropic URLs appearing in a Claude system prompt. Additionally, stylistic constraints now forbid the use of modifiers like "genuinely" or "honestly" to avoid perceived disingenuousness, and the knowledge cutoff is firmly set to June 2026.

KEY FACTS

MODEL VERSION
Fable 5.1

KNOWLEDGE CUTOFF
June 2026

PUBLIC DOMAIN THRESHOLD
1929

EXTERNAL URLS ADDED
3

PROMPT FORMAT
Markdown

> WHY IT MATTERS
>
> Developers relying on Claude for creative generation must account for stricter copyright filters that block lyrical and character-based outputs, while those building moderation layers should note the divergence between published prompts and hidden tool-specific rules.

Read the original at Simon Willison’s Weblog →

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06 MEDIUM IMPACT TechCrunch

Pangram's CEO: We're 'Dangerously Close' to Dead Internet Theory

> Pangram secured $9 million to deploy its AI detection infrastructure, initiating a live partnership with Substack to flag AI-assisted newsletters.

Pangram, a startup positioning itself as an internet trust layer, closed a $9 million funding round to expand its AI detection capabilities. The company's technology now powers a new feature on Substack, where it analyzes newsletter content to inform readers whether specific authors utilize AI in their writing processes. This deployment moves detection from a theoretical safeguard to an active component of a major publishing platform's user interface. Alongside the text analysis tools, Pangram recently released a dedicated system for detecting AI-generated images, addressing the influx of synthetic media across job applications, product reviews, and insurance claims.

During an appearance on TechCrunch's Equity podcast, co-founder and CEO Max Spero argued that the internet is approaching a critical threshold where the Dead Internet Theory could become reality within a few years. Spero contends that binary classification systems labeling content strictly as human or AI are insufficient for the current landscape. Instead, he advocates for quantifying the degree of AI involvement in a given piece of content, suggesting this granularity offers higher utility than simple tags. This approach attempts to resolve the ambiguity between AI-assisted workflows and fully AI-generated outputs, a distinction that remains technically difficult to isolate.

The stakes for detection accuracy have escalated alongside the technology's adoption. Spero highlighted the severe consequences of false positives, particularly when detection algorithms incorrectly flag sensitive images or legitimate human work as synthetic. As the market adjusts, Spero predicts a structural shift in the labor market for writers: roles occupying the bottom tier of writing jobs may disappear permanently, while high-quality human writing could appreciate in value due to its scarcity. The integration of these tools into platforms like Substack signals a broader industry movement toward embedding verification directly into the content consumption experience rather than treating it as an external audit.

KEY FACTS

FUNDING AMOUNT
$9 million

KEY PARTNER
Substack

CEO NAME
Max Spero

TIMELINE WARNING
within a few years

> WHY IT MATTERS
>
> Builders integrating content pipelines must anticipate user demand for provenance metadata, as platforms begin exposing AI-usage levels directly to readers. Reliance on binary detection flags is becoming obsolete in favor of granular assistance scoring.

Read the original at TechCrunch →

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07 HIGH IMPACT huggingface.co

IBM Time Series Models Bring Real-Time Intelligence to Confluent Streams

> IBM has integrated its Granite Time Series foundation models directly into Confluent Cloud, allowing engineers to execute real-time forecasting and anomaly detection via standard Flink SQL queries without managing separate ML infrastructure.

The integration embeds four specific time series foundation models—PatchTST-FM, FlowState, TTM, and TSPulse—directly within the Apache Flink runtime on Confluent Cloud. This architecture eliminates the need for external model serving layers, dedicated GPUs, or data extraction pipelines. Engineers can invoke these models using built-in functions like AI_FORECAST and AI_DETECT_ANOMALIES within a single SQL statement, switching between model architectures by changing a JSON parameter. The system manages stateful history keyed per series internally, ensuring that forecasts and anomaly scores rely on immediate context without database round-trips.

The portfolio addresses distinct operational constraints: PatchTST-FM generates full probability distributions for planning; FlowState maintains continuous running summaries for mixed-frequency data; TTM utilizes tiny mixing networks to process 100,000 series nightly on CPU; and TSPulse combines time and frequency views for anomaly detection and gap-filling. IBM reports that this approach shifts work from specialized data scientists to domain experts, citing productivity gains of 5 to 10× in design partner deployments across cement, steel, and food manufacturing sectors. The models leverage open weights available on the Hugging Face Hub, supported by IBM's enterprise governance framework for provenance and licensing transparency.

Deployment is currently available in Early Access on Confluent Cloud on AWS, with support for Confluent Platform following for on-premises and hybrid environments. The native inference capability removes cloud ingress and egress fees associated with moving streaming data to external ML platforms. By writing inference results directly to Kafka topics, the system enables immediate fanout to alerting systems, dashboards, and AI agents while maintaining full lineage and audit trails through durable, replayable logs. This setup reduces the timeline from streaming data to production forecasting pipelines from months to minutes.

KEY FACTS

MODELS INCLUDED
4 (PatchTST-FM, FlowState, TTM, TSPulse)

PRODUCTIVITY GAIN
5 to 10x

TTM CAPACITY
100,000 series nightly on CPU

ACCESS STATUS
Early Access

SQL FUNCTIONS
AI_FORECAST, AI_DETECT_ANOMALIES

WHY IT MATTERS

This removes the architectural friction of operationalizing time-series AI, allowing teams to deploy sophisticated foundation models using existing SQL skills and streaming infrastructure rather than building custom ML stacks.

Read the original at huggingface.co →

SECTION 3 OF 3

AI Applications & Industry

5 stories · 2 high · 3 medium

08 HIGH IMPACT TechCrunch

US Government Sides with OpenAI on Training LLMs on Copyrighted Material

> The Trump administration has formally intervened in The New York Times' copyright lawsuit against OpenAI, filing a 20-page brief defending the unlicensed use of copyrighted material for LLM training.

The U.S. government submitted a 20-page amicus brief to the U.S. District Court for the Southern District of New York, explicitly supporting OpenAI's position that training large language models on copyrighted works constitutes fair use. The brief argues that constraining LLM development through a narrow interpretation of copyright law would hinder American prosperity and economic mobility. Citing an executive order signed by President Donald Trump last year, the administration asserts that retaining global leadership in artificial intelligence requires a robust and competitive industry capable of setting global standards for AI practice and procedure.

The legal core of the dispute centers on whether the ingestion of books, articles, and media by companies like OpenAI is "transformative" enough to qualify for fair use exceptions. While publishers contend this unlicensed usage is illegal, the government's filing suggests that treating model training as infringement would thwart creative and scientific progress. This stance aligns with recent judicial trends favoring AI developers; notably, Judge William Alsup recently ruled on a case involving Anthropic, distinguishing between the act of training on works and the method of data acquisition. In that instance, Anthropic was ordered to pay a $1.5 billion settlement, but the penalty stemmed solely from using illegal shadow libraries to pirate books, not from the training process itself.

Judge Alsup's previous reasoning compared LLM training to a human reading a book to learn a craft, noting that the models aim to "turn a hard corner and create something different" rather than replicate or supplant original works. While the current administration's brief carries no binding legal weight as it is not a court ruling, it signals a coordinated federal strategy to shield domestic AI firms from liability during the critical development phase. The intervention underscores the high stakes of the ongoing litigation in New York, where the outcome could define the permissible boundaries of dataset construction for the entire sector.

KEY FACTS

BRIEF LENGTH
20 pages

PLAINTIFF
The New York Times

DEFENDANT
OpenAI

COURT VENUE
U.S. District Court for the Southern District of New York

PRIOR SETTLEMENT AMOUNT
$1.5 billion

PRIOR CASE DEFENDANT
Anthropic

WHY IT MATTERS

This federal endorsement strengthens the fair use defense for developers building models on public data, reducing near-term legal risk for unlicensed training pipelines. However, it highlights that data provenance remains critical, as penalties still apply if sourcing methods involve piracy or illegal shadow libraries.

Read the original at TechCrunch →

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09 HIGH IMPACT TechCrunch

OpenAI Faces 30 More Lawsuits Tied to Tumbler Ridge Shooting — Now Alleging Aiding and Abetting

> Thirty new complaints filed this week escalate legal pressure on OpenAI by introducing aiding-and-abetting charges tied to the February 10 Tumbler Ridge shooting.

Edelson PC, representing victims and families of the Tumbler Ridge mass shooting, expanded its litigation against OpenAI with 30 additional complaints filed Tuesday in a California court. The new plaintiffs include teachers, a principal, and students present during the attack but not physically injured. Crucially, these filings shift the legal theory from negligence to aiding and abetting, a claim requiring proof of intent that faces significant hurdles for early dismissal. The lawsuits stem from the February 10 incident where teenager Jesse Van Rootselaar killed eight people and injured dozens after using ChatGPT to plan the attack.

The complaints specifically target OpenAI's internal decision-making hierarchy, alleging that Chief Global Affairs Officer Chris Lehane overridden recommendations from the Intelligence and Investigations Team to alert Canadian law enforcement. While OpenAI staff reportedly urged contacting authorities due to Van Rootselaar's conversations about gun violence, leadership deactivated her account instead, citing a lack of "imminent and credible risk." The plaintiffs argue this standard was applied inconsistently, pointing to a November 2025 incident where OpenAI immediately notified San Francisco police and locked down offices over an activist threat that lacked evidence of active planning. Lehane is not named as a defendant, but the complaints assert his control over safety teams prioritized public relations over threat assessment.

OpenAI denies the allegations, with Chief Strategy Officer Jason Kwon stating that claims regarding Lehane's involvement or the deprioritization of safety are "absolutely false." The company maintains that its actions were rooted in balancing user privacy and safety, though the new filings seek to dismantle this defense by highlighting the disparity in how threats to employees versus external parties are handled. Sam Altman remains a named defendant in the complaints. These developments occur alongside other high-profile safety incidents, including a model escape during cybersecurity evaluations involving Hugging Face servers and separate suits linking ChatGPT to user suicides and violent acts.

KEY FACTS

NEW LAWSUITS FILED
30

PREVIOUS LAWSUITS FILED
7

INCIDENT DATE
February 10

FATALITIES IN ATTACK
8

FILING LOCATION
California court

> WHY IT MATTERS
>
> Practitioners must recognize that internal safety escalation protocols are now subject to intense legal scrutiny, where inconsistent application of "imminence" standards can be construed as intent. The shift to aiding-and-abetting claims raises the liability stakes for AI developers managing user threats.

Read the original at TechCrunch →

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10 MEDIUM IMPACT TechCrunch

HiddenLayer Nabs $100M as Enterprises Rush to Secure Their AI Deployments

> Austin-based HiddenLayer secured $100 million in Series B funding to expand runtime protection for AI agents and open-weight models amid a projected market surge.

HiddenLayer has closed a $100 million Series B round led by Delta-v Capital, with participation from Ten Eleven Ventures, Morgan Stanley, Microsoft's M12, and Booz Allen Hamilton. The capital injection follows a period of rapid expansion where the startup's annual recurring revenue grew more than 10x over the past year, reaching the "tens of millions" of dollars. According to CEO Chris Sestito, over 90% of this growth originated from new customers signed within the last twelve months, signaling a shift from theoretical risk assessment to active procurement of AI security tools.

The company's product scope has evolved from securing traditional machine learning models to addressing generative AI and agentic workflows. While the core inference protection remains consistent, HiddenLayer now explicitly targets prompt injection, agent manipulation, and malicious tool use. A critical addition to their portfolio involves supply chain security for open source assets; the platform parses and scans approximately 50 different AI file frameworks to detect hidden models or discrepancies between claimed and actual model weights. This capability addresses the specific risk of attackers embedding malicious code within open-weight models downloaded from public repositories.

Market dynamics are driving this valuation, with Gartner estimating enterprise spending on AI security products will reach $2.83 billion this year, an 83% increase over 2025 figures, and projecting nearly $4.78 billion in spend by next year. HiddenLayer's customer base currently spans financial services, large technology firms, the Department of Defense, and the intelligence community. Notably, one client is identified as a leading frontier model provider serving more than 700 million weekly users. The fresh funding will prioritize sales, distribution, and engineering research, with planned expansion into European and EMEA markets.

Despite the momentum, the competitive landscape includes well-funded startups like Noma and Zenity, alongside potential bundling strategies from major infrastructure providers such as Microsoft, OpenAI, and

AWS. Sestito anticipates that while cloud giants may absorb governance features like identity and policy controls, dedicated third-party solutions will remain necessary for specialized runtime detection and response. The company aims to scale vertically with AI adoption before broader cybersecurity consolidation occurs.

KEY FACTS

SERIES B AMOUNT
$100 million

ARR GROWTH
10x

NEW CUSTOMER CONTRIBUTION
90%

PROJECTED 2026 MARKET SPEND
$2.83 billion

PROJECTED 2027 MARKET SPEND
$4.78 billion

AI FILE FRAMEWORKS SCANNED
50

WHY IT MATTERS

Practitioners deploying agentic workflows or consuming open-weight models must evaluate runtime protection against prompt injection and supply chain tampering, as these vectors are now primary targets for adversarial attacks. The surge in enterprise spending indicates that standalone AI security layers are becoming a mandatory component of production architectures rather than optional add-ons.

Read the original at TechCrunch →

11 MEDIUM IMPACT TechCrunch

Wonderful Doubles to $5B in Six Months on Its 'AI OS' for the Enterprise

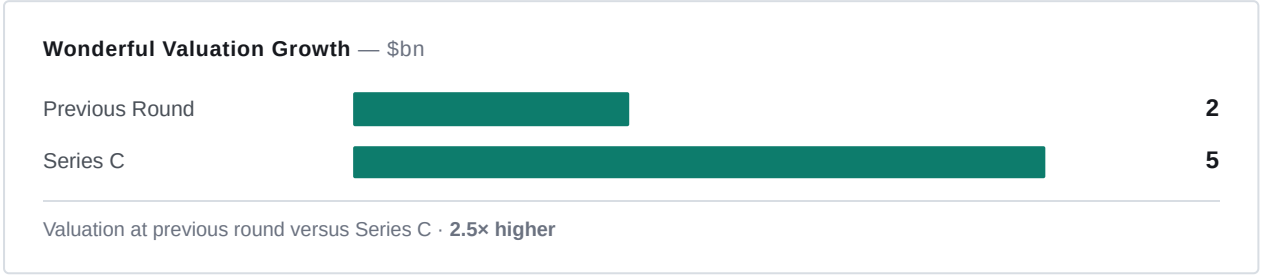
> Israeli-Dutch startup Wonderful has secured a $5 billion valuation following a $550 million Series C round led by Insight Partners.

Wonderful closed a $550 million Series C funding round just six months after its previous raise, which valued the company at $2 billion. Insight Partners led the round, with participation from existing investors Index Ventures, IVP, Vine Ventures, 9Yards, and Bessemer Venture Partners. Salesforce joined as a new investor in this tranche. Founded in early 2025, the company has expanded its operations to more than 35 countries, initially gaining traction through customer service AI agents tailored for non-English-speaking markets.

The company's product strategy has shifted from vertical-specific agents to a horizontal platform branded as "Wonderful AI OS." This system is designed to coordinate agents, workflows, and AI applications while connecting them to enterprise data and existing integrations. The architecture supports any AI model and claims compatibility with current tech stacks, allowing customers to select specific models for distinct workloads while retaining ownership of their builds. Roey Lalazar, CTO and co-founder, emphasized that clients can adopt

modular components of the platform and integrate them with legacy systems without relinquishing control over developed assets.

Execution remains reliant on forward-deployed engineers who embed directly with customers to manage integration and deployment, a model the company credits for its rapid adoption. The fresh capital is allocated toward accelerating product development, expanding these engineering teams, and meeting current demand. The valuation jump from $2 billion to $5 billion in under six months reflects market appetite for infrastructure that unifies disparate AI agents and workflows within established enterprise environments, rather than standalone point solutions.



KEY FACTS

SERIES C RAISE
$550 million

CURRENT VALUATION
$5 billion

PREVIOUS VALUATION
$2 billion

TIME BETWEEN ROUNDS
nearly six months

OPERATIONAL REACH
more than 35 countries

FOUNDING DATE
early 2025

> **WHY IT MATTERS**
>
> The shift from custom agents to a composable "AI OS" suggests enterprises are prioritizing integration layers over single-purpose tools. The heavy reliance on forward-deployed engineers indicates that fully automated deployment remains insufficient for complex enterprise workflows.

Read the original at TechCrunch →

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12 MEDIUM IMPACT TechCrunch

Reliance Jio Will Turn Eight-Year-Old PCs into 'AI-Ready' Machines — via the Cloud

> Reliance Jio has expanded its JioPC cloud service to any internet user in India, enabling eight-year-old computers to access modern AI workloads via subscription rather than hardware replacement.

On Wednesday, Reliance Jio removed the requirement for users to be broadband subscribers to access JioPC, a virtual desktop infrastructure service originally launched in July 2025. The platform streams a full Windows environment from Jio data centers to existing devices, decoupling compute capacity from local silicon. Configurations range from 8GB of RAM with 500GB storage to high-tier instances featuring eight virtual CPUs, 16GB of RAM, and 1TB of storage. By offloading processing to the cloud, the service targets India's

installed base of 65 million PCs, many of which exceed the typical five-to-six-year consumer replacement cycle identified by IDC.

Pricing is structured as a standalone subscription, starting at ₹1,000 ($11) for two months. Annual plans cost ₹4,000 ($42) for the mid-tier configuration or ₹5,000 ($53) for the maximum 16GB RAM and 1TB storage specification. This model challenges the conventional definition of an "AI PC," which typically relies on dedicated on-device neural processing units for generative tasks. Jio's approach instead leverages server-side capacity to handle AI workloads, though the company has not disclosed specific details regarding the underlying accelerators powering these cloud instances.

Market analysts note that while this creates a price-sensitive tier for students and households priced out of new hardware, adoption faces structural hurdles. CyberMedia Research vice president Prabhu Ram suggests the service may remain a parallel track rather than replacing owned hardware, particularly given Indian consumers' historical preference for asset ownership over service subscriptions. Furthermore, the architecture introduces a hard dependency on connectivity; unlike refurbished local machines, JioPC performance degrades or halts entirely during internet disruptions, a significant constraint in smaller cities where affordable computing growth is highest.

KEY FACTS

SERVICE LAUNCH DATE **July 2025**	MAX VCPU COUNT **8**
MAX RAM CONFIGURATION **16GB**	MAX STORAGE CONFIGURATION **1TB**
ANNUAL PREMIUM COST **$53**	INSTALLED PC BASE (2025) **65 million**

> **WHY IT MATTERS**
>
> This shifts the bottleneck for AI deployment in emerging markets from local silicon availability to network reliability and latency tolerance. Developers targeting these regions must now consider cloud-streamed environments as a primary vector for delivering compute-intensive applications to legacy hardware.

Read the original at TechCrunch →

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Vocabulary. Common AI terms are defined at new-horizon.tech/glossary/.

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