

PRESS RELEASE

Investors welcome EU's efforts to boost European cybersecurity market with €2 billion

The European Commission and the European Investment Bank (EIB) jointly published a report on the European Cybersecurity Investment Platform on 20th October 2022. This report is very much welcomed by the European Cyber Security Organisation (ECSO) its Members and the Basque Cyber Security Centre (BCSC) who played a major role in starting up this report. The report marks an important strategic step towards creating a robust and competitive investment landscape in Europe amidst the increased global competition in the technology sector.

According to the market assessment presented in the report, the European cybersecurity market suffers from almost €2 billion investment gap, which forces European cybersecurity start-ups and scale-ups to leave the European market to fulfil their growth ambition. In recent years, ECSO has been calling for more investments in Europe's cybersecurity market.

"ECSO and its Members are proud to have advanced the work on addressing the cybersecurity investment gap in Europe and proposing the concrete tools to overcome it. This work will help shape the future of the EU's cybersecurity posture for years to come. We welcome this report, and we are confident that it will lead to important decisions reinforcing EU's capacity to develop a robust cybersecurity market" – said Axel Deininger, ECSO Chairperson & CEO of secunet Security Networks.

"The report represents an opportunity to increase Europe's competitiveness on the global cybersecurity market which we should embrace. We support the report's market assessment and its key message that now is the time for the creation of the European Cybersecurity Investment Platform (ECIP). We have a potential to create a useful tool to address the financing needs of European cybersecurity companies and support their ambition to scale up in Europe. The €2 billion investment is far from the sector's needs, but it is a remarkable first step. We now need to have a close collaboration between the public and private sectors to translate this opportunity into reality" – stated Javier Diéguez, Director of the BCSC and Member of the ECSO Board of Directors.

While endorsing the analysis of the European cybersecurity market and its investment gaps presented in the report, ECSO and its Members and BCSC, which represents one of the most vibrant cybersecurity ecosystems in Europe, call for a careful assessment of the future structure and functioning of the ECIP, as it will be paramount to its market success.

In its consultations with the EIB Group and the European Commission, ECSO has warned against the risk of creating a slow and unattractive financial mechanism unable to compete with investment offers from overseas, especially if it will contain a lengthy investment approval procedure, rigid market restrictions on investee companies or unintended competition among the investment funds in Europe. Having a solid experience in implementing cybersecurity investment activities and gathering European investors specialising in cybersecurity, ECSO offers its assistance to the EIB Group and the European Commission with building the effectively functioning ECIP.

“We as TIIN Capital and its (Dutch) Security TechFund are very much prepared to work together with our colleagues at ECSO. By sharing ideas and experiences and by giving practical advice and tools to the European Commission and EIB Group we underline the importance of working together towards a common goal. This common goal is a strong European cybersecurity investment market. TIIN Capital is in particular supportive to ECSO’s call for creating a market-oriented investment platform with a fund of funds structure. This would enable European VC’s investing in cybersecurity to properly fund and support European cybersecurity leaders with the goal to create global market leaders” – added Michael Lucassen, Managing Partner at TIIN Capital | Dutch Security TechFund.

ECSO’s call for creating a market-oriented investment platform has been endorsed and supported by the leading European cybersecurity organisations, including TIIN Capital | Dutch Security TechFund, 33N Ventures, Basque CyberSecurity Centre, Cyber Wales, eCAPITAL, LSEC - Leaders in Security, secunet Security Networks, Tikehau Ace Capital and Consorzio CINI, which have been working together to advance cybersecurity investments and market development in Europe.

Recognising the threats imposed by the cybersecurity market fragmentation and the investment gap in EU’s cybersecurity market, ECSO proposed the creation of the European Cybersecurity Investment Platform (ECIP) worth at least €1 billion EUR to address the urgent market needs. In 2020, the Letter of Intent to the European Commission detailing the proposal was endorsed by 49 public and private stakeholders representing the European cybersecurity market. Drawing on ECSO’s proposal, the feasibility study to assess the market and the set-up of the ECIP was launched by the EIB’s European Investment Advisory Hub in October 2021, upon official request of BCSC.

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About TIIN Capital – Dutch Security TechFund

TIIN Capital was founded in 1998. Early 2019 it started with its sixth venture capital fund; Dutch Security TechFund. Dutch Security TechFund has a sector focused approach (startups and scale ups in Cybersecurity and IoT Security). It has the strategy to invest in innovative and strong teams. Due to a cooperation with corporates and governments in Europe it has developed an unique ecosystem, working together with Security Delta in The Hague (NL) and members of the European Cyber Security Organization (ECSO) in Brussels (BE). For more information, visit: www.tiincapital.nl

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About ECSO

The European Cyber Security Organisation (ECSO) is a non-for-profit organisation, established in 2016. ECSO unites more than 270 European cybersecurity stakeholders, including large companies, SMEs and start-ups, research centres, universities, end-users, operators, associations and national administrations. ECSO works with its Members and Partners to develop a competitive European cybersecurity ecosystem providing trusted cybersecurity solutions and advancing Europe's cybersecurity posture and its technological independence. More information: www.ecs-org.eu

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