

The Value of Cybersecurity



Investing in the Future

Business solutions
to the Global Goals

The Challenge

Cybersecurity has become one of the most **significant ESG risks** globally.

Covid-19, lockdown and the shift to hybrid working have accelerated the digital transition in advanced economies.

Technology is now critical to global infrastructure – but this leaves us increasingly vulnerable to cybercrime.

- > More than 80% of UK organisations experienced a successful cyber attack in 2021/2022¹.
- > The average cost of a data breach in 2021 was more than £4m².
- > 2017's WannaCry ransomware attack impacted critical health services, and cost the NHS £92m.

For individuals, this represents a huge risk of fraud, identity theft and loss of personal data.

- > Consumers lost £2.3bn during the Covid-19 pandemic as online fraud jumped by a third³.
- > In the last year, online fraud and cybercrime has cost the UK more than £3bn (and the true figure may be much higher)⁴.

Cybersecurity has been ranked by the World Economic Forum as one of its five key global risks every year since 2012⁵.

The Opportunity

Boosting cybersecurity protects individuals, improves trust in organisations and makes key infrastructure more resilient.

The development and adoption of core technologies such as **cloud security, machine learning, the Internet of Things (IoT) and big data** is enabling better detection and mitigation of cyber threats.

Cybersecurity investment by businesses can **protect valuable personal data and bolster consumer trust**, as well as drive growth and establish a competitive advantage.

A 2022 report by the Department for Digital, Culture, Media, and Sport (DCMS)⁷ estimated:

- > The UK cybersecurity market **grew by 14%** in the last 12 months.
- > The number of active cybersecurity firms in the UK **increased 24%** in the last 12 months.
- > There are now **over 50,000 full time employees** working in the cybersecurity sector, an increase of 13% in the last year.

The UK's cybersecurity sector is now worth £10.1bn⁷.

Businesses are attracting **record levels of investment**: over £1.4bn was raised across 108 deals in 2021.

Areas of opportunity are emerging right across the cybersecurity value chain:

- » **Research & Development**
- » **Distribution**
- » **Reselling**
- » **Managed Security Services & Consultancies**
- » **Training & Awareness**

As our digital systems become ever more complex – and the threats to them ever more sophisticated – there is a growing demand for cybersecurity solutions that can make organisations more resilient and better protect people's personal data, financial assets, and reputations. »»»

73%

of UK organisations were affected by ransomware attacks in 2021¹

15%

estimated growth in cybercrime in next 5 years and...

\$10.5 trillion

...estimated annual cost of cybercrime globally by 2025⁶

¹The CyberEdge 2022 Cyberthreat Defense Report
²IBM's Cost of a Data Breach Report 2021
³Analysis by consumer rights group Which? via Action Fraud
⁴NFIB Fraud and Cyber Crime Dashboard
⁵World Economic Forum Global Risks Report 2022
⁶Cybersecurity Ventures
⁷UK Cyber Security Sectoral Analysis 2022 (DCMS)

Business solutions

We are seeing a number of innovative businesses emerge across the value chain and within a range of sub-sectors, **from Identity and Access Management (IAM) solutions to cybersecurity awareness training**, attracting significant institutional investment.

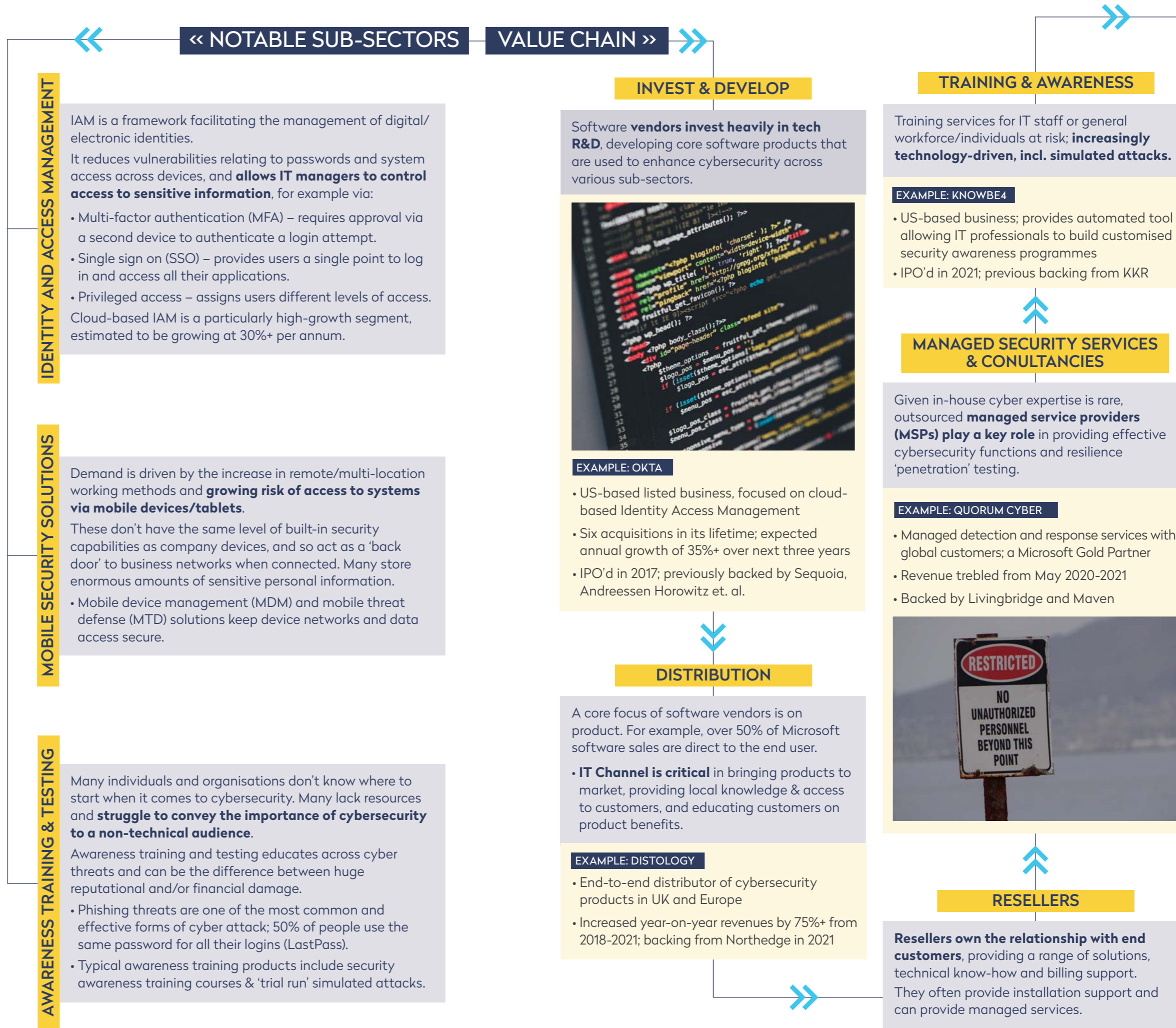
GET IN TOUCH

The Bridges Sustainable Growth Funds invest in ambitious growth companies that are helping to build a more inclusive and sustainable economy.

We would love to talk to businesses that are developing new cybersecurity solutions about how we can help them accelerate their growth and optimise their impact.

Please drop us a line via kyle.bentwood@bridgesfundmanagement.com

BRIDGES
Fund Management



INVESTING IN THE FUTURE THE FUTURE OF INVESTING



ABOUT BRIDGES

At Bridges, we believe that investing in a better future for people and planet is both a moral imperative and an economic opportunity. By reducing our impact on the planet and helping more people to achieve their potential, we will boost productivity, reduce climate risks and foster new high-growth industries – creating lasting economic value.

We focus specifically on four themes, all of which are closely aligned with the Sustainable Development Goals:



Healthier Lives

Solutions that improve physical and mental health and well-being



Sustainable Planet

Solutions that help reduce emissions and decarbonise the economy



Future Skills

Solutions that help people to fulfil their potential by up-skilling or re-skilling



Stronger Communities

Solutions that improve access to quality goods, services and opportunities