

From web3 to climate and health tech: The tech trends and companies to watch in 2022

Tech companies have thrived during the pandemic. As billions of people shifted their lives further online, myriad opportunities opened up for startups to explore.

[Speedy grocery delivery apps have grown from nothing into a billion dollar industry](#), cybersecurity has boomed, and the development of fintech has accelerated. Tech companies have helped remote and hybrid working function, encouraged young people to invest in stocks, and helped crypto hit the mainstream. Oh, and [Mark Zuckerberg got everyone talking about the metaverse](#).

[Entrepreneurs](#) have capitalised on these opportunities thanks to a huge influx of capital. [Investment in European tech alone exceeded \\$100 billion in 2021](#). UK companies raised a collective £26 billion this year, up from £11.5 billion in 2020.

Founders Factory CEO and Lastminute.com founder Henry Lane Fox, said: “We finish 2021 in a markedly better position to how we began it – despite the ongoing challenges of the pandemic.”

After a year of [growth](#), what will 2022 hold? [Here's what top VCs, analysts, economists and business experts are expecting:](#)

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Crypto and Web3 will be a “defining component” of 2022

Teenage climate activist Greta Thunberg at the COP26 summit

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COP26 got everyone talking about, and investing in, climate tech and “clean” tech – technologies providing eco-friendly solutions to everyday tasks or helping to remove carbon from the atmosphere.

“Anything to do with climate [tech] in the next 24 months is going to be super hot,” said Martin Davis, chief executive of [recently rebranded London-listed venture capital firm Molten Ventures \(formerly Draper Esprit\)](#).

David Grimm, investment director at the UCL Technology Fund, said: “We’re going to see startups developing clean transportation go from strength to strength.”

He predicts hydrogen will “finally start fulfilling its potential” in clean transport.

NFTs (non-fungible tokens) will hit the gaming world

NFTs – unique digital images secured on the blockchain – were [the biggest trend in consumer technology this year](#), growing from almost nothing to a huge industry that is drawing attention from the likes of Adidas and Damian Hurst. Collectors, investors and speculators have poured \$27 billion into the market this year, according to Chainalysis, which tracks purchases.

“In 2022 NFTs are set to move beyond NFT 1.0 to NFT 2.0,” says Jay Wilson, investment director at London-based venture capital firm AlbionVC.

“As NFTs become a cultural phenomenon like [Facebook/Instagram’s] Likes and Shares in the decade before them, we are set for a new era of NFT 2.0 with more depth and creativity.”

He and colleagues expect to see further adoption of NFTs in the gaming sector, and “wide-spread use” in the music and fashion industries.

Addie Pinkster, founder of Adelpha, expects to shortly see branded NFTs within games such as Minecraft.

Buy-now, pay-later will keep exploding

Rapid delivery startup Zapp

/ Zapp – press image

Venture capital investors ploughed huge sums into startups in the speedy grocery delivery space in 2021. Apps such as Getir, Gorillas, Zapp and GoPuff are aggressively vying for market

share.

[Many experts believe the sector will consolidate in 2022,](#) meaning some firms will be bought up by rivals or fall by the wayside. Andrew Gwynn, an analyst at Exane BNP Paribas, said: “Consolidation is a given, it’s a question of pace... For some of these operators their primary purpose is to get bought out.”

OMERS Ventures managing partner Harry Briggs called the situation “a bonfire”.

He said: “We’ve started to see signs of this towards the end of 2021, with huge valuations being followed by cost cutting and knee-jerk acquisitions, and I feel this downward trajectory will continue into 2022.”

Valuations may come back to earth

Tech startup valuations have soared over the past year. The number of unicorns – startups valued at over \$1 billion – have skyrocketed: there were 29 formed this year in the UK alone.

Some experts think these sky-high valuations may moderate next year.

Triple Point’s McLennan said: “Higher and sustained inflation is likely to impact valuations moving into 2022. The modestly higher inflation that we expect could lead to higher bond yields, which are likely to bring down valuation multiples for listed /technology stocks.

“This in turn will have a knock-on effect in the unquoted sector. As a result, valuations may become more moderate.”

High valuations and “buzz” don’t necessarily equate to amazing returns for investors either. Molten Ventures’ Davis said some of the best bets are startups “delivering real benefits to

legacy industries.”

He pointed to cloud-native retail banking system Form 3 and companies doing things like digitising sanding grit delivery in the construction industry or offering last-mile drone delivery. They may not be the sexiest companies, but they solve real problems.

Finally a focus on diversity?

The tech world has long been criticised as too white and too male. This year just over 1% of overall VC funding in Europe went to founding teams solely made up of ethnic minorities, Atomico’s State of European Tech report found.

Evgenia Plotnikova, a general partner at London VC Dawn Capital, says there’s “still a lot of work to be done” but attitudes and applicants are changing.

Plotnikova said: “People are coming out of scale-ups, large tech and VC to start new companies, regardless of gender and background. Also, more and more investors and partners are women, and I hope this will create a positive flywheel effect.”

Plotnikova, who previously worked at Atomico, was the youngest woman in Europe to be promoted to general partner at a venture firm.

Dawn focuses on the traditionally male-dominated B2B software sector. Plotnikova said: “I am excited by the increasing numbers of women leading technical businesses – businesses that for a long time were wrongly assumed to be reserved for men. Our laser focus on B2B software allowed us to see an anecdotal but an encouraging shift.”

Companies to watch in 2021:

Henry Lane-Fox is watching: Self driving car firm [Wayve](#), mixing tech firm [Klang](#), crypto wallet [Argent](#), crypto payments infrastructure firm [Ramp](#) and software firm [Infraspeak](#).

Nenad Marovac, managing partner & CEO at DN Capital: Events platform [Hopin](#), sports tech firm [Playtomic](#) and support startup [ETC](#).

Jambu Palanappian: Tax automator [Fonoa](#).

Addie Pinkster: Carbon-removing startup [Origen Carbon Solutions](#), clean-tech innovation company [Enertechnos](#).

David Grimm: Fuel cell company [Bramble Energy](#), zero emission powertrain company [ZeroAvia](#), food and grocery delivery sector service firm [Deliverect](#), shipping industries software firm [Container Xchange](#) and paint firm [Lick](#).

Julian Rowe, Latitude partner: Flights booking platform [Gordian Software](#) and hotel bookings startup [Impala](#).

Evgenia Plotnikova: Business planning platform [Pigment](#), open source machine learning startup [Evidently AI](#), and biomedical data startup [Lifebit](#).

Martin Davis: Cloud-native payments processing platform [Form 3](#).

Disclaimer: Some of the experts are investors in these companies