



Web 3 and Crypto in France & Europe: continued adoption and growth in the sector

Paris, 19 March 2024. For the third year running, Adan is unveiling the results of its annual study on Web 3 and crypto in France and Europe, carried out in partnership with KPMG in France and the Ipsos polling institute. The 2024 edition of the study confirms the continued adoption of crypto-assets among adult populations, the development and structuring of the Web 3 industry, but also persistent obstacles facing businesses.

This third study, based on data collected in December 2023, takes a two-pronged approach to Web 3 in France and four European countries (Germany, Italy, the Netherlands and the United Kingdom). The first presents the extent of adoption of crypto-assets among the populations surveyed. The second section outlines the contours of the French Web 3 industry, echoing the first edition of our study.

In summary, the results of our study show that in 2023 :

- ❖ **Adoption is on the rise in France for the third year running: 12% of French people hold crypto-assets (compared with 9.4% last year) and 15% have already owned some.**
- ❖ **In the Netherlands and the UK, adoption remains higher than in France. However, France is the only country with a growing number of active holders.**
- ❖ **Most holders of crypto-assets already own traditional financial products and see these new asset classes as an opportunity to diversify.**
- ❖ **There is public interest in the uses of Web 3 in the areas of payment, sovereign digital identity and video games.**
- ❖ **2024 is a year of conquest for Web 3 companies, with a strong desire to hire and seek capital to expand.**
- ❖ **The search for banking partners seems to be improving, but remains a key area of focus.**

"The constraints associated with the youth of an innovation must not overshadow the scope of its benefits for citizens and its positive prospects for the strategic autonomy of France and Europe. This study demonstrates the importance of supporting the development of our start ups and, more generally, the Web 3 sector, and turning them into international champions, whose potential for growth and influence is already significant and will support the competitiveness of an economy in the throes of a digital transition," says Faustine Fleuret, President of Adan.

Continued adoption confirms growing interest in crypto-assets

The level of ownership of crypto-assets increases by 28% in less than a year. At the beginning of 2024, 12% of French people owned crypto-assets, representing a 28% increase in the number of holders compared with the beginning of 2023 (9.4%), or an adoption rate approaching 6.5 million people.

Public interest in crypto-assets continues to point to growth in this market over the coming years. At the beginning of 2024, 23% of respondents would like to acquire crypto-assets in the future (compared with 26% in 2023).

The adoption of cryptos is mainly affecting a young (18-35 years old) and predominantly male audience. The over-representation of young people continues to grow among French people who have already held crypto-assets, with 57% of them now aged under 35, compared with 50% at the start of 2023. The 18-24 age group is even seeing its representation double, rising from 12% to 24% of holders in 2024.

Holders of crypto-assets are cautious investors with a diversification approach. The majority (54%) invest less than 10% of their savings in crypto-assets, the latter being a complement to their traditional financial investments (in shares). 23% of holders of crypto-assets would prefer to acquire them through their traditional banking intermediaries if this acquisition channel existed.

The study shows that the number of crypto-asset holders in France is catching up with that in other countries. In Europe, the Netherlands has the highest proportion of current holders at 17%, compared with 16% in the UK, 12% in France and Germany, and 11% in Italy. However, France is the only country where this proportion is rising, whereas it is stagnating or falling in the other European countries surveyed.

The French understand that Web 3 offers many applications and uses beyond mere investment:

❖ **Payment:** 26% of French people and 82% of crypto-asset holders say they are in favour of the development of crypto-asset payments in 2024.

❖ **Digital identity:** 43% of French people say they are interested in a digital identity solution that is independent of GAFAM. Of these 43%, 58% would like to be able to manage their identity data via a portfolio that they hold themselves, compared with 22% who would delegate this management to the State and 20% to an institutional third party.

❖ **The video game industry:** 21% of crypto-asset holders have played Web 3 video games, and the French are as interested in them for the intrigue of the game as they are in the games themselves awards that are handed out.

❖ **The environment** appears to be a major concern for the 15% of French people who have already held crypto-assets, with 63% saying that this impacts their choice or

investment in certain assets rather than others.

French companies confident despite numerous obstacles

The fabric of Web 3 companies is still mainly made up of young VSEs (very small business), growing strongly (69%) and offering a wide range of services (tokenisation, custody, NFT, decentralised finance, payment, etc.).

Companies expect to hire again in 2024, after a slight decline in 2023. The cyclical nature of the crypto-asset markets and growing adoption are inspiring confidence among players. In 2023, the French Web 3 sector, like the rest of global tech, saw a slowdown in its growth and a drop in its headcount (-11% compared to 2022 after tripling in 4 years). Despite this, companies remain confident for the year ahead: 85.7% of respondents expect hiring to pick up again in 2024.

Early-stage companies manage to raise funds from French investors, but struggle at later stages of maturity. More than half of respondents have raised funds in the past, and most of their investors are French, albeit at early stages of maturity. At more advanced stages, fundraising and the presence of French investors are becoming rarer. What's more, despite the scarcity of funding in 2023, a majority of companies (73%) have ambitions to raise funds in the future in 2024.

Banking and insurance services for Web 3 companies have become more widespread over the last two years, but access to these services is still cited as a major problem by the players involved. Even though the search for partners is becoming simpler, the majority of respondents are still finding it difficult to find a bank or insurance company able and willing to meet their needs.

Methodology

The objectives of the third edition of the study are to update the figures on the level of adoption by the general public, to explore new areas, adding a European dimension, and to offer an overview of the various existing applications (payment, digital identity, video games).

The data on adoption in France and Europe is based on a survey conducted by the Ipsos polling institute. The survey sample is similar to that of the previous edition, covering a population of 2001 French respondents aged 18 and over. Additional samples have been added to this edition in order to position adoption in France in relation to other European countries such as Germany, the UK, Italy and the Netherlands. The samples range from 1,095 to 1,129 respondents for the four countries. Respondents were aged between 16 and 75 in Germany, the Netherlands and Italy.

The second part of the study is based on a questionnaire distributed to players in the ecosystem via Adan's networks. There were 51 responses from companies with one or more Web 3 activities in France. The study provides a snapshot of the diversity of activities encompassed by Web 3 in France, but does not provide an exhaustive view of the sector. The quantitative and qualitative information was then grouped together and analysed by the KPMG in France and Adan teams in order to identify trends and lessons learned.

About Adan

Adan brings together 200 professionals - new players and established companies - who develop innovation and Web 3 use cases in all areas of the economy on a daily basis. By removing the obstacles to their growth and competitiveness, Adan is working towards the emergence and influence of French and European champions in the service of our digital sovereignty. Adan promotes an appropriate, proportionate and catalytic framework for innovation, as well as a better understanding of new *blockchain* technologies, crypto-assets and their opportunities.

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About KPMG in France

KPMG is the leading audit and advisory firm in France, bringing together 11,000 professionals committed to creating a new prosperity for companies of all sizes. 100 years after its creation, KPMG has become a mission-driven company in France, whose raison d'être is to work and innovate with passion to build trust, combine performance and responsibility, and develop talent at the heart of the economy, territories and society. On the strength of its multidisciplinary model, KPMG combines sectoral, ESG and digital expertise, drawing on its ESG Centre of Excellence and its 1,000 digital experts in France to support its clients' growth and transformation projects throughout France. KPMG brings its clients the power of a multidisciplinary global network in 143 countries and is unique in its territorial coverage in France.

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About the study partners



Caisse des Dépôts

The Caisse des Dépôts and its subsidiaries form a public group, acting as a long-term investor dedicated to serving the general interest and fostering economic development in various territories. This collective comprises expertise in five key domains: social policies (covering retirement, professional training, disability, elderly care, and health), asset management, monitoring of subsidiaries and holdings, corporate financing (in partnership with Bpifrance), and the Banque des Territoires.



Banque Delubac & Cie

Established in 1924, Delubac & Cie stands as an independent financial institution providing specialized banking and financial services. With a workforce of nearly 350 professionals, the bank operates across 14 locations in France, including its historic headquarters in Ardèche. Over the past century, Delubac & Cie has continuously reinvented itself, adopting daring development strategies by focusing on high-value niche businesses, setting it apart from generalist banks. Notably, it holds the distinction of being the first French bank registered as a Digital Asset Service Provider. The tagline "Experts and Independents" mirrors its core values: independence, specialized activities, and tailor-made services.



Sesterce

Sesterce specializes in constructing and managing 100% Green HPC data centers (incorporating green energy, cooling fluids, and the reuse of emitted heat). These centers cater to the AI on GPU industry (stable diffusion, machine learning) and blockchain security, implementing cutting-edge technologies from the Sesterce Lab, our research laboratory.



Aave-Chan Initiative

Founded at the beginning of 2023, ACI positions itself as a driving force behind the Aave protocol. We amplify your voice within the Aave DAO community and aim to lead by example, catalyzing progress with a determined focus on results.



Bpifrance is a financial partner for companies at every stage of their development, providing support through credit, guarantees, and equity. The organization aids businesses in innovation projects and international ventures, offering a comprehensive range of products for export activities. Entrepreneurial support includes advisory services, university programs, networking, and acceleration programs for startups, SMEs, and ETIs. With 50 regional locations, Bpifrance ensures entrepreneurs have a close, unique, and effective partner to navigate their challenges.



Founded in Vienna in 2014, Bitpanda is one of Europe's leading crypto brokers. With over 2,800 digital assets, including more than 350 cryptocurrencies and numerous stocks, ETFs, precious metals, and commodities, the Austrian fintech unicorn offers one of the most comprehensive ranges of digital assets available in Europe. Already trusted by over 4 million users and dozens of institutional partners, Bitpanda holds licences in several countries and has proven its ability to collaborate with local regulators to ensure asset security. Bitpanda is thus one of the safest and most strictly regulated exchange platforms in the industry. In addition to its headquarters in Vienna, Bitpanda has offices in Amsterdam, Barcelona, Berlin, and Bucharest.



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