

■ ADAN Ipsos KPMG

2024 EDITION

WEB 3 AND CRYPTO IN FRANCE AND ACROSS EUROPE :

CONTINUED ADOPTION
AND GROWTH OF THE SECTOR



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FOREWORD

BY ADAN

For the third consecutive year, Adan is thrilled to present a dedicated study on Web 3, shining a spotlight on its visionaries, both companies and users. What a journey since the first edition. It's evident that the subject is shedding its once-poor reputation. The internet of value is progressively gaining legitimacy, with fewer challenges still standing. It is now a matter of observing and rejoicing in the confirmed and asserted dynamics of adoption, professionalization, and structuring. This marks the third opportunity to take stock, presenting the current landscape in 2024.

The year 2024 signifies a departure from the challenges faced in 2023, a period marked by obstacles for the sector. A year tainted by a pervasive distrust towards market players, even those unrelated to the FTX bankruptcy a few months prior, and even those consistently adhering to regulatory guidelines. This distrust was concretely materialized by the strengthening of regulations, while effective supervision is the only means to counter unfair competition and fraud that harm both competitiveness and the sector's reputation.

The industry weathered numerous attacks and injunctions, questioning its legitimacy, safety, and value at both the French (during debates on the «influencers» law) and European levels (as part of the anti-money laundering and counter-terrorism financing reform): no opportunity to challenge the open and constructive approach adopted with the enactment of the MiCA regulation is spared. A double blow for Web 3, evolving not only in this specific environment of uncertainties and suspicions but also in a stormy climate for the entire tech and digital industry.

Yet, our study reveals that in 2023, the adoption of crypto-assets by the French and other surveyed European populations not only endured but flourished. The industry exhibited remarkable resilience, determined to pursue its ambitions, grow, structure, and innovate.

So, why did more French and Europeans continue to dive into the «rabbit hole» throughout a challenging year that might have deterred crypto investors and

Web 3 users? Why, despite negative signals, does this economy persist?

This report affirms that neither fraudsters, opportunists, nor bear markets diminish the opportunities presented by Web 3, which the population, whether crypto-asset holders or not, increasingly believes in. While crypto-assets serve as a new asset class for diversification, invested in with caution and rationality, their versatility is also recognized for various use cases, some of which, like decentralized identity, have proven valuable in significant battles such as combating addiction and restricting sensitive populations' access to explicit content. The French believe in this technological cornerstone of an industry capable of reshaping the global landscape, re-establishing conditions vital for our competitiveness, strategic autonomy, and values. Web 3 meets citizens' expectations amidst threats to their financial autonomy, privacy, data ownership managed by powerful, hard-to-control entities, and purchasing power diminished by an extended chain of intermediaries.

To construct Internet 3.0, fostering a diversity of applications, the companies championing these promises want to trust in the commitment of public authorities, particularly evident since Minister Bruno Le Maire's call to position France as a European powerhouse for Web 3. They seek the support of dedicated parliamentarians, transparent regulation, institutionalization, and the momentum generated by traditional companies joining forces with innovative start-ups.

However, for how long will the industry remain loyal to our territories? Let's not become complacent; much work lies ahead to achieve our collective goal of a robust, competitive, and secure industry.

This study teaches us that in 2024, unfortunately, the Web 3 sector continues to face challenges related to access to bank accounts, traditional financing, and suitable insurance products.

These obstacles compound the challenge posed by impending regulations, whether immediate (like

MiCA or JONUM regulating Web 3 video games) or forthcoming (such as the regulation of decentralized finance and DAOs). This regulatory landscape reflects a non-harmonized regional approach on an international scale, potentially sparing foreign companies that find ways to navigate our supervisors' oversight. While welcoming clear skies in the regulatory environment for the sector, even attracting non-European actors, France and Europe cannot overlook the need for public policies supporting industry growth and competitiveness.

Hoping that the next edition will affirm the commitment of our Web 3 visionaries, along with the tireless work and efforts of Adan in promoting and supporting them, I wish you an engaging, informative, and stimulating read.

Faustine Fleuret
Adan's President and CEO

FOREWORD

BY KPMG

We are thrilled to present the third edition of the Web 3 and crypto-assets adoption study, which is the result of a continuous collaboration between Adan & KPMG. This study allows us to explore the complexities and developments of a constantly evolving Web 3 sector.

We would like to extend our sincere thanks to Faustine Fleuret, the Adan team, and all the sponsors who enable us to publish these data on the adoption of crypto-assets in France and Europe each year, figures that allow everyone to gauge the extent of the transformation at work.

The adoption data for 2023 particularly highlight the generational aspect of this adoption. Holders are becoming increasingly younger, and growth drivers are therefore found both among «intenders» and in future generations. In just a few years, this asset class has made its way into the portfolio of nearly one in eight French people, representing a record pace of adoption. In this study, France demonstrates a certain dynamism and gradually catches up in adoption compared to other European countries.

Entry points to this asset class continue to multiply with possibilities for seek exposure via ETFs but also with the arrival of banking intermediaries who are beginning to structure their services. In this regard, the approval of spot ETFs in the United States seems to have had the expected catalytic effect. Institutional investors now have the opportunity to be exposed through funds offering a multi-asset strategy thanks to funds such as Fidelity's "All in One Conservative Fund" in Canada, which proposes an allocation of 1% in crypto-assets.

This adoption by companies and institutions aligns with that of French and European citizens and contributes to the same trend of adopting digital assets. Indeed, companies continue to invest and implement solutions (for custody and compliance in particular) in preparation for this digital transformation.

However, the «internet of value» cannot be reduced to the prism of investment and financial markets. The data from this study demonstrate an interest in the

underlying technological contributions and applications in areas such as payments, identity, digital marketing, industrial traceability, or video games. Furthermore, the issue of the environmental impact of these technologies also emerges as a central concern for both users and industry professionals.

This study also examines the French Web 3 sector, whose players have shown resilience and adaptability over the past two years. There are still many questions surrounding MiCA and its very concrete implications, particularly on the topic of stablecoins or requirements for CASPs. Regulatory requirements that could have significant impacts on the entities concerned and therefore the sector.

According to responses from sector companies, these actors remain optimistic, and 2024 should mark a rebound in hiring and fundraising efforts. The increasing number of training programs and academic courses offered by schools is also excellent news, contributing to enriching the talent pool in the market for sector companies. This industry contributes to attracting talent in finance and markets, but also in cryptography, distributed networks, infrastructure, programming, and data science.

Feel free to share this study! It belongs to the Web 3 actors, as well as to the curious and skeptical, and we hope it will be a source of exciting discussions.

See you next year!

Catherine Philippe
Partner Blockchain & Crypto
KPMG in France

SPONSORS

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.



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.



SPONSORS



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.



Founded at the beginning of 2023, Aave-Chan Initiative 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.

SPONSORS

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.



bitpanda

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.



bpifrance

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Majority-owned by its founding executives, the DLPK Group is dedicated to designing, managing, and distributing financial solutions to wealth professionals (CGPs, institutional clients, private banks, etc.).

This includes innovative financial solutions through Tailor Asset Management (collective management), Nexo Capital (structured investment solutions), and Linavest (real estate investment solutions).

They also manage insurance, savings, and employee savings products with Nevidis, Nélia Gestion, Nélia Titres, Go Epargne Entreprise, and Warold.

The distribution of wealth solutions in an open architecture to wealth management professionals is facilitated through Nortia, a B2B marketplace.



**DL
PK**



waltio

Waltio is the partner of 60,000 cryptocurrency investors in Europe, making their lives easier. The platform offers easy management of cryptocurrency transactions while facilitating tax declarations. Waltio allows users to track their portfolio with peace of mind, offering an intuitive solution that makes cryptocurrency income reporting accessible and serene. Waltio distinguishes itself by providing an optimal user experience for managing crypto assets.

PART 1

SECTION ON ADOPTION

METHODOLOGY

The study's sample size is comparable to the previous edition, «Web 3 and Crypto in France and Europe: Public Adoption and Applications in Industries».

It encompasses a sample of 2001 respondents aged 18 and above, representative of the French population in terms of age, gender, socioeconomic status, and residence. Comparisons with previous study data are based on similar sample sizes, specifically 2003 in 2022 and 1976 in 2023.

Additional samples were included to compare crypto-asset adoption in France with that in four European countries: Germany, Italy, the Netherlands, and the United Kingdom. These samples range from 1088 to 1116 respondents for the four countries. The age range of respondents is between 18 and 75 for all studied countries. Comparisons with 2023 study data are based on similar sample sizes, including between 1097 and 1134 respondents aged 18 to 75.

To account for new trends and adapt the study to the 2024 context, certain questions have been removed, others added, and some modified compared to previous editions.

When referring to European countries, we use the term in a geographical sense, including the United Kingdom despite its exit from the European Union. The terms «crypto-asset» or «crypto» are used interchangeably to encompass all cryptocurrencies, non-fungible tokens (NFTs), and stablecoins. For this study, the survey was conducted in December 2023, 11 months after the 2023 study survey.



DEFINITION OF TERMS EMPLOYED:

INVESTORS

People who hold or have held cryptos

HOLDERS

People who hold cryptos at the time of the study

ACTIVE HOLDERS

Holders of crypto-assets who wish to continue acquiring them

STATIC HOLDERS

Holders of crypto-assets who have stopped acquiring them

FORMER HOLDERS

Respondents who held these assets in the past but no longer have them at the time of the survey

INTENTIONISTS

Respondents who plan to acquire crypto-assets in the near future

INTERESTED

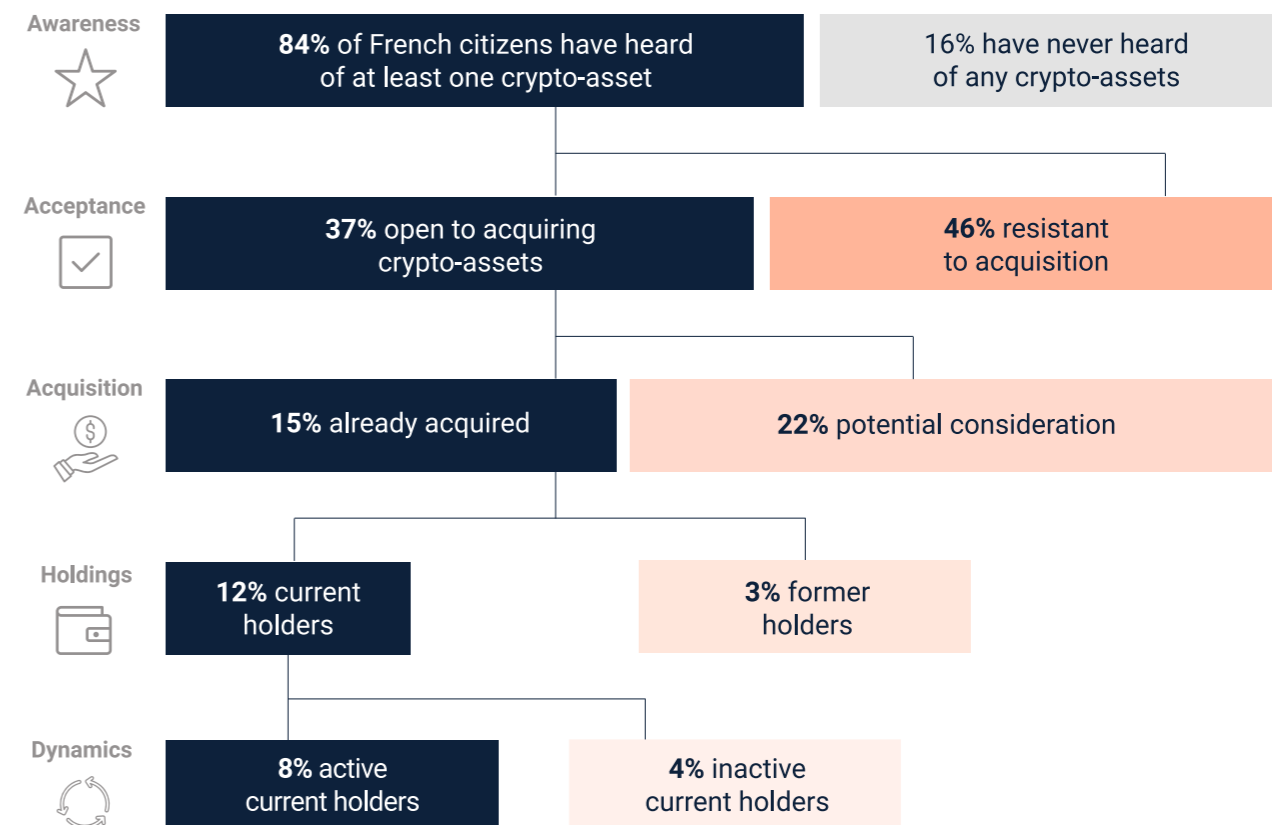
The sum of investors and intentionists

RELUCTANT

Respondents who do not wish to acquire cryptos

Awareness and use of crypto-assets

Base: All French citizens (2001)



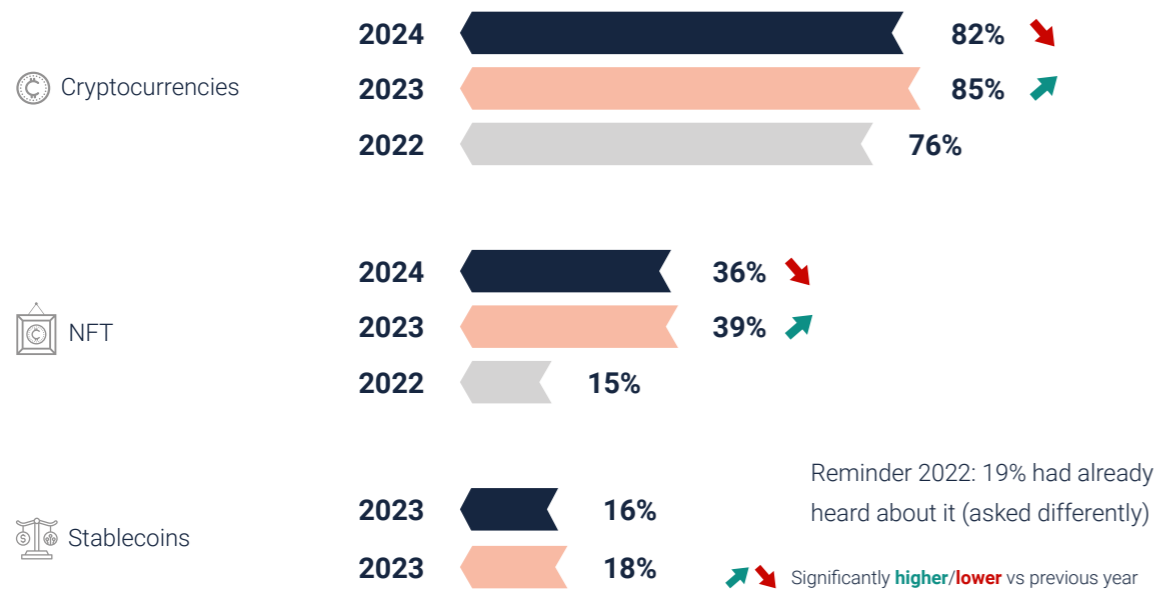
1. THE ATTITUDE OF THE FRENCH AND EUROPEANS TOWARDS CRYPTO-ASSETS

A AWARENESS OF CRYPTO-ASSETS

In France, the year 2023 was characterized by challenging macroeconomic conditions (inflation and rising interest rates), which could be interpreted as reasons for individuals to turn away from certain asset classes or a different media treatment of new technologies. However, these conditions did not impact the awareness of crypto-assets among the French population.

Despite difficulties, with a 9% increase in popularity for cryptocurrencies and a 24% increase for NFTs in 2022, the awareness remains stable. In 2024, 84% of the French population is familiar with crypto-assets. This trend is explained by both a decrease in media coverage since late 2022 and the already high level of awareness.

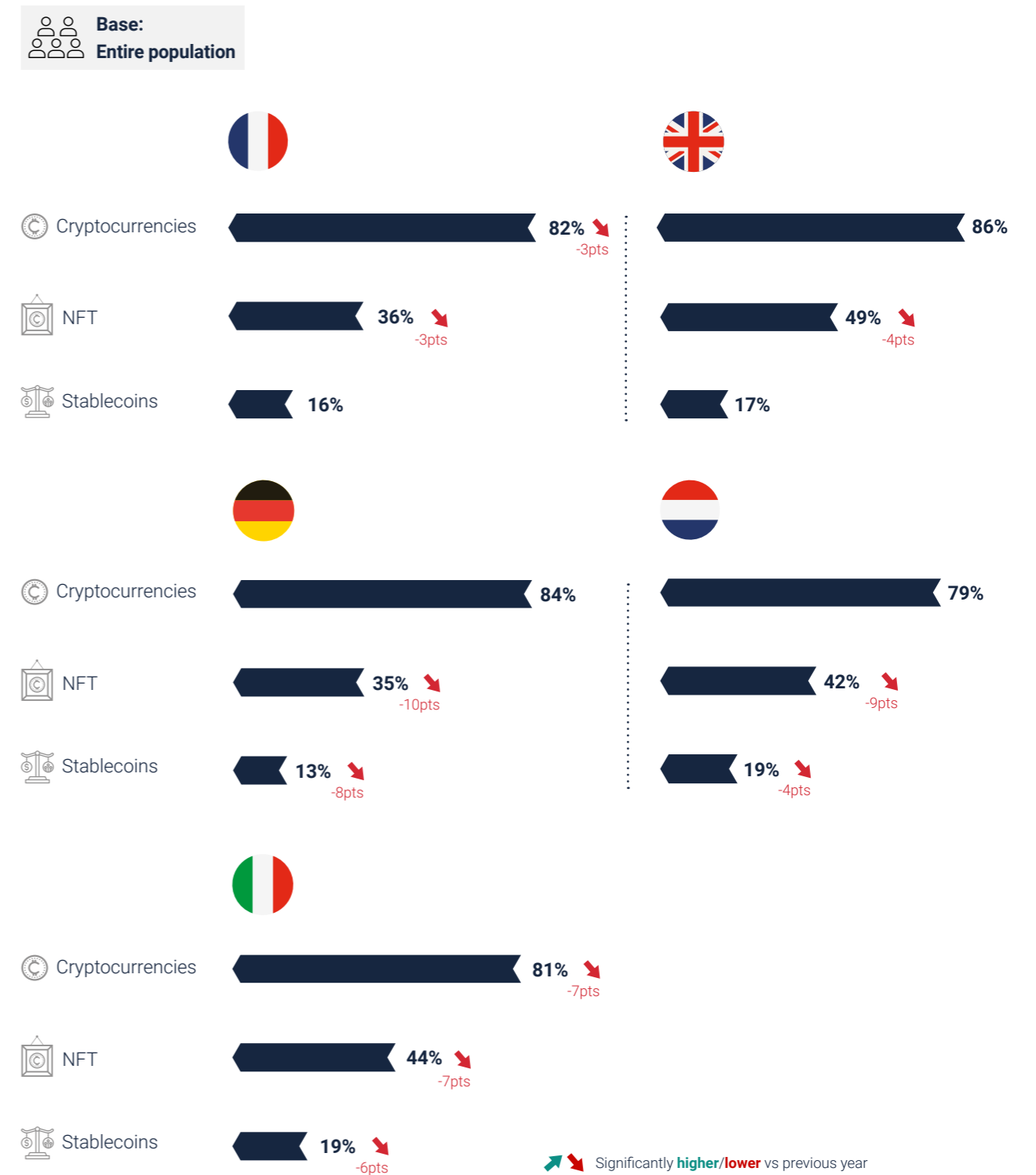
Crypto-awareness by type of crypto-assets in France



Due to their recent emergence, the popularity of NFTs and stablecoins logically remains lower than that of

historical assets such as Bitcoin. A similar observation is also made among our European neighbors.

In 2024, cryptocurrencies maintain high awareness in the 5 countries. NFTs and stablecoins experience a decline in Germany, the Netherlands, and Italy (where cryptocurrency awareness also decreases).



As in 2023, the preferred sources for French citizens to gather information on crypto-assets in 2024 remain social media with 28% (-4 points), followed by general media with 23% (-6 points). This decrease aligns with lower media coverage and a reduced reach of the topic

on social media platforms. Other sources include specialized media (13%), institutional reports and articles (9%), those from businesses (6%), and finally, exhibitions and events (5%), with proportions similar to last year's responses.



B NUMBER OF HOLDERS AND INTERESTED INDIVIDUALS

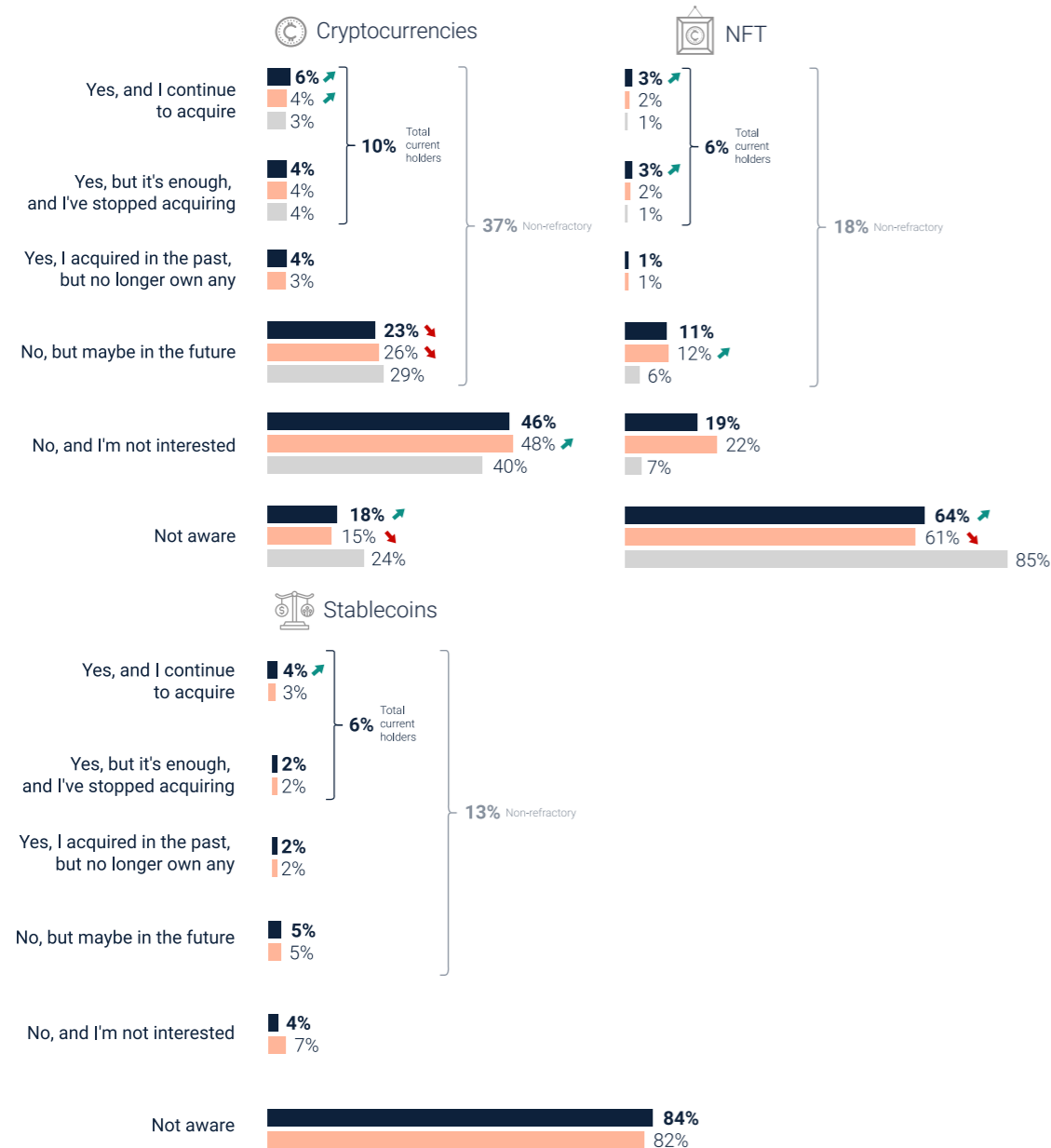
IN FRANCE

As of early 2024, 12% of French citizens own crypto-assets, marking a 28% increase in the number of holders since 2023 (9.4%), representing an adoption of approximately 6.5 million people.

When considering only «active» holders, this population has grown from 3% to 8% over two years. This trend coincides with a rebound in cryptocurrency market valuations, which totaled 900¹ billion euros in January 2023 and increased to 1,700 billion euros in December 2023.

The adoption observed in 2023 aligns with a transitional market cycle towards a more promising 2024 in terms of valuations, evidenced by a 26% increase in total market capitalization between January and March 2024. This pattern was previously observed in 2020 and 2021 during the transition from a bear market to a bull market, based on holder seniority data.

Have you ever acquired...?



1 [Cryptocurrency Prices, Charts, and Crypto Market Cap | CoinGecko](#)



Regarding cryptocurrencies alone, 14% of French citizens have owned them, and 10% currently possess them, representing a 20% increase in active holders since early 2023.

Meanwhile, 23% of French citizens plan to acquire cryptocurrencies in the future, a 3 point decrease since early 2023 and a 6 point decrease since early 2022. This decline can be attributed to doubts arising from bankruptcies and frauds (FTX, Genesis, or BlockFi) and a macroeconomic context that partially reduces available savings.

For comparison, the Autorité des Marchés Financiers (AMF) noted in its December 2023 Letter from the Savings Observatory² a renewed interest among the French in stock investments, rising to 32% after a dip to 25% in 2022, compared to 29% in 2021. Another OECD³ study for the AMF, published in November 2023 based on 8,456 French citizens aged 18 and above, surveyed by the Audirep polling institute in May 2023, confirms the data from the previous study, emphasizing a convergence around adoption figures.

Additionally, there's a slight increase in former cryptocurrency holders (4% compared to 3% in early 2023). These individuals present opportunities in the context of a bullish 2024, with approximately 50% considering reinvesting.

In summary:

A segment of intentionists has transitioned into buyers, leading to a gradual decrease in this population over successive survey editions. As of early 2024, nearly one in eight French citizens owns crypto-assets, and almost a quarter still considers acquiring them in the future.

It is essential to note that this analysis is based on the major populations, and individuals under 18 constitute a significant portion of future holders, as evidenced by the decreasing average age of holders (see part 1.c).

Regarding stablecoins: 6% of French citizens hold them, 2% have owned them, and 5% are «intentionists». Lack of knowledge remains a major obstacle to acquiring these assets, mainly because public use cases are linked to prior investments in cryptocurrencies and via Decentralized Finance (DeFi) (cf. II.b New Uses).

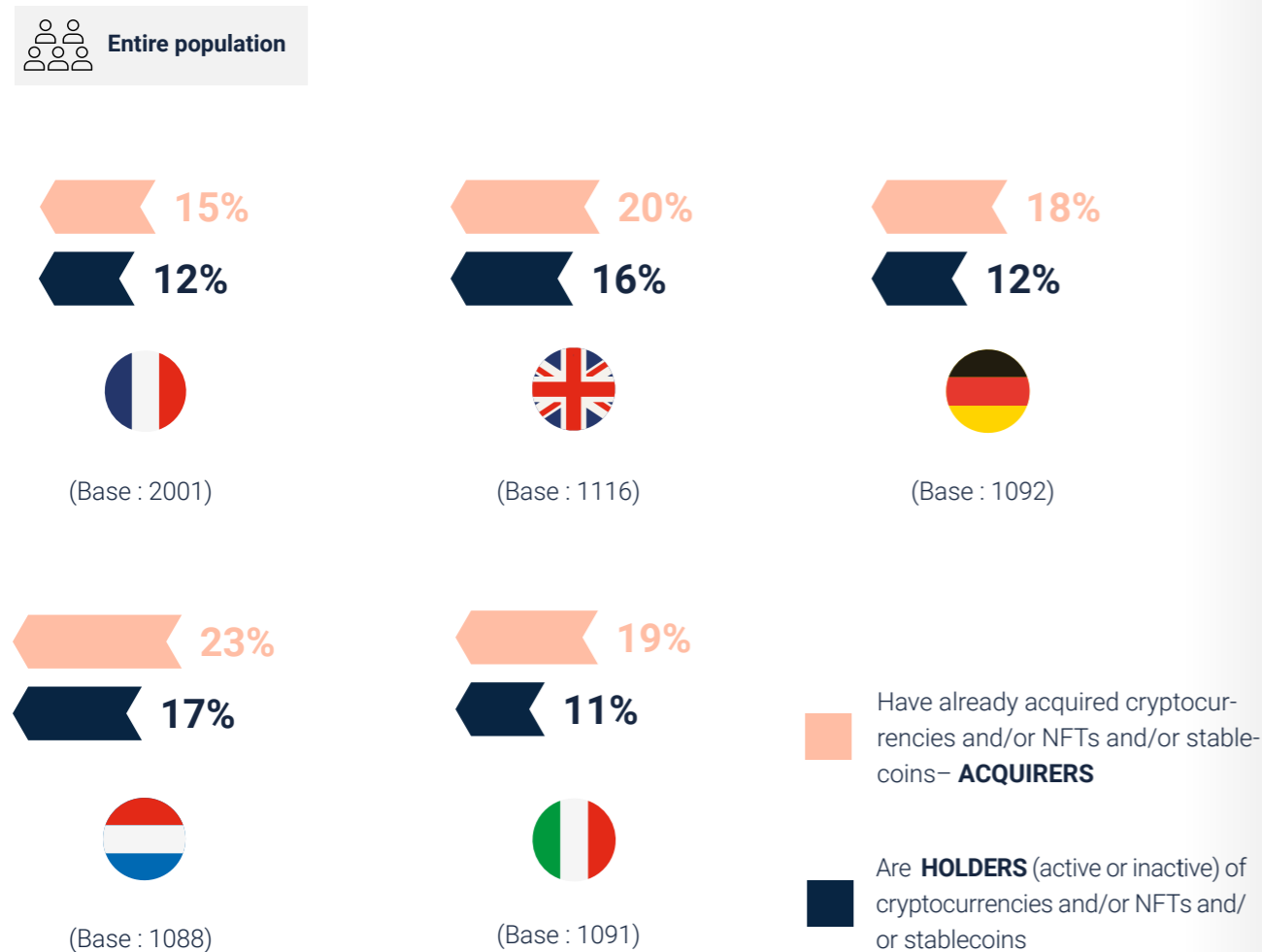
Regarding NFTs, 7% of French citizens have owned them, and 6% currently possess them, tripling the number of holders over two years. This growth persists despite the media-declared decline in the valuation of certain NFT collections.

Consequently, this expansion reflects a better understanding of NFTs and their myriad use cases. Beyond being a simple asset, NFTs are now perceived as a technological support for multiple use cases championed by corporations for individuals, as exemplified by numerous initiatives from globally recognized brands (Starbucks, Nike, Louis Vuitton, etc.).

2 [Letter from the Savings Observatory of the AMF - No. 55 - December 2023 | AMF \(amf-france.org\)](#)
 3 [New retail Investors in France: Attitudes, Knowledge, and Behaviours - OECD \(oecd.org\)](#)

In Europe:

Acquisition and holding of crypto-assets



Among the surveyed countries, the Netherlands boasts the highest rate of crypto-assets holders, maintaining an adoption rate of 17%. Meanwhile, the United Kingdom shows a decrease of 2 points in the number of individuals investing in cryptocurrencies, now standing at 16%. Germany follows closely with 12%, and Italy records a decline in the number of holders to 11%. As mentioned earlier, France ranks third alongside Germany, with a current crypto-asset holder rate of 12%.

It's noteworthy that, despite a widespread decrease in «intentionists» within this European panel, Italy and France represent the most significant presence of this group, emphasizing a robust adoption potential in these two countries for the coming years. For instance, even though France and the Netherlands have the same number of « non-resistant» investors, France holds a greater acquisition potential than its European neighbors, with a smaller portion of its population having already acquired crypto-assets.

In summary:

While France lagged behind other European countries in early 2023, the adoption of crypto-assets by the French continues to rise in 2024, while stabilizing or declining in other surveyed nations. The evolution of the level of knowledge about crypto-assets is similar in all countries compared to 2023. Consequently, cultural differences or specific characteristics of each country seem to diminish in light of the ongoing convergence in adoption.

Regarding NFTs and stablecoins, a similar trend is observed in European countries: the share of current active holders is declining by 3 points in Germany, 2

points in Italy, and 1 point in the Netherlands, while passive holders stabilize. In contrast, in France, active holders of NFTs and stablecoins have increased by one point. Similar to cryptocurrencies, France stands out, as it records a stable level of intentionists and a decrease in the number of resistant individuals, while its neighbors experience a significant decrease in intentionists and a widespread increase in resistant individuals. This distinction can be explained by France catching up in terms of recent acquirers, as evidenced by the low number of former holders. Our future studies will identify whether France will further widen the gap between these two categories, thus following the adoption curve of our European neighbors.

C TYPICAL INVESTOR PROFILE AND INVESTMENT MODALITIES

FRENCH INVESTOR SOCIOLOGY:

According to our sample, **men represent 70% of crypto-asset buyers in France (with 30% being female holders)**, indicating an increased gender gap compared to the previous year, where men constituted 64% of buyers. The AMF's⁴ Barometer of Savings and Investment published in March 2023 also emphasizes this difference between women and men, which applies to other asset classes such as shares in listed companies in similar proportions. Several reasons are cited in this study that resonate with the specific characteristics of investing in crypto-assets:

- A stronger need for information as traditional acquisition channels offering advice are still underdeveloped (few financial advisors or lack of exposure proposals from financial institutions).
- A different risk perception for different assets and investment timeframes.
- Clearer differences for the upper socioeconomic categories under 35 years old between women and men, while the crypto-asset holder population remains young (as described later).

However, there is still near equality among intentionists, with 51% men and 49% women, highlighting the access difficulties mentioned above based on gender.

The overrepresentation of the young continues to strengthen among the French who have already held crypto-assets, with 57% of them being under 35, compared to 50% in early 2023. The 18-24 age group sees its representation double, from 12% to 24% of holders in 2024. While the majority of holders were in the 25-44 age group in early 2023 (58%), it is now the 18-34 age group that predominates in early 2024 (56%), confirming the structural trend of acquisition among the young. Additionally, the figures confirm that the young invest more readily in crypto-assets, reflecting the evolution of consumption of digital products and services and the adoption of new technologies by this population. Conversely, these same characteristics can be a barrier to entry for older profiles, who are generally more resistant to the digital nature of these assets.

4 [AMF Barometer: Women and Stock Market Investment March 2023 Publishable Version.pdf](#)

The upper socioeconomic categories represent 49% of holders, a figure lower than the previous year's (56%) but higher than two years earlier (46%). This indicates, in addition to the inflation effect, that behaviours are closely linked to market trends. Indeed, in a year of declining valuations like 2022, the upper socioeconomic category demonstrated a stronger acquisition dynamic.

In terms of income, the same rebalancing trend occurs with households earning more than 60,000 euros net per year. The percentage of active holders in this income bracket is 15%, twice as high as the French average (7%). However, this proportion was 27% for the previous edition and 3% for the 2022 study.

The highest proportion of holders is now found in the lower-income households bracket, with 31% earning less than 18,000 euros compared to 22% last year. Consistent with the 2023 edition, 84% of crypto-asset

CHARACTERISTICS OF THE TYPICAL INVESTMENT:

In 2024, Bitcoin maintained its position as the favorite cryptocurrency of the French, with 60% of buyers having owned it. The average number of different cryptocurrencies held per investor is 1.8. Among the assets, Ethereum's token (ETH), Polkadot's token (DOT), and Solana's token (SOL) stood out in terms of proportion. This can be explained, in part, by the financial performance of these assets in the weeks preceding the survey.

buyers still maintain a traditional bank as their main bank. However, they are also twice as likely to be clients of online banks (29% compared to 18% for all French people) and neo-banks (13% compared to 5% for all French people), which is likely correlated with the age of the investors.

Finally, the adoption of crypto-assets reaches all geographic areas, but a real difference is observed among current holders between urban and rural areas. The Paris region (30%) and large cities (37%) are over-represented compared to small rural communities (10%) and those with fewer than 20,000 inhabitants (7%), a gap that has widened over the past two years. However, this trend is less pronounced among former holders and those considering investing soon, whose geographical distribution is almost identical to that of the French population.

Regarding transaction frequency, 80% of French people holding cryptocurrencies make less than two transactions per month, a percentage down from last year's 88%. The most active group, those conducting more than ten transactions per month, has increased from 1.4% in early 2023 to 6%. This growth needs to be contextualized within a bullish market trend that accompanies a more pronounced diversification trend into assets other than Bitcoin. We observed the opposite in a market downturn, with the 2022 data. This increase should be qualified and still contradicts a stereotype portraying crypto-asset holders as potential traders. This population exists but remains marginal.

I INVESTMENT PROPORTIONS

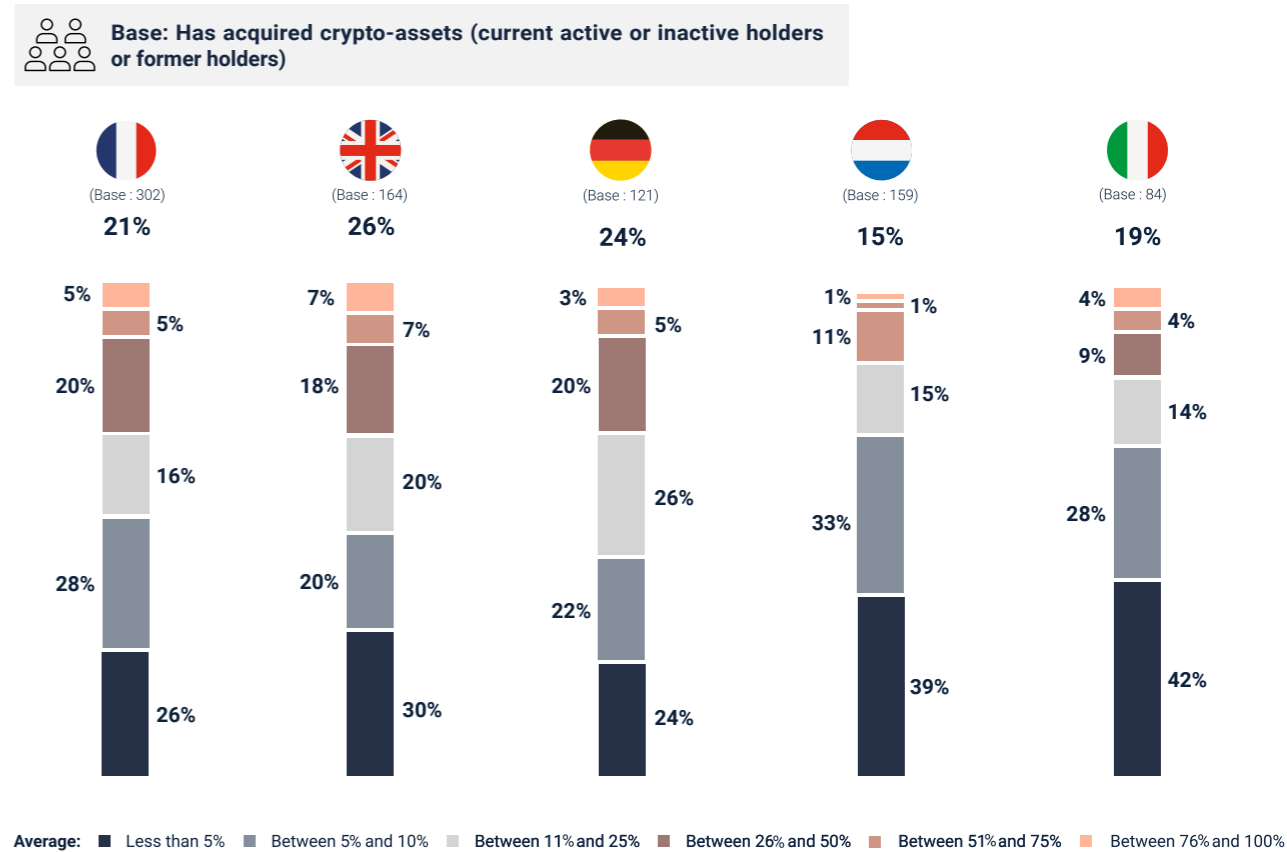
IN FRANCE:

A majority (54%) of crypto-asset investors allocate less than 10% of their savings to this asset class, while 36% of investors allocate between 10% and 50% of their savings to crypto-assets. Only 10% of investors allocate between 50% and 100% of their savings to crypto-assets. **On average, 21% of investors' savings capacity is allocated to crypto-assets by the end of 2023.** Regarding cryptocurrencies, the comparison across the three studies highlights an increase in the share of these assets in investors' savings composition. Among those who have previously held cryptocurrencies, the proportion of people whose investment represents less than 10% of total savings has decreased from 76%

to 57%. For those whose proportion exceeds 50% of the total, the dynamic is significant, with an increase from 1% to 10% in two years. The average savings capacity devoted to cryptocurrencies is 21%, similar to crypto-assets.

This data is not comparable to last year's average savings rate of 10.7% due to a different calculation method⁵: Buyers of NFTs and stablecoins allocate an average of 30% and 27% of their savings, respectively, to these assets. Usually, NFT or stablecoin holders are also cryptocurrency holders with strong convictions and a higher risk appetite for this investment.

Invested savings share




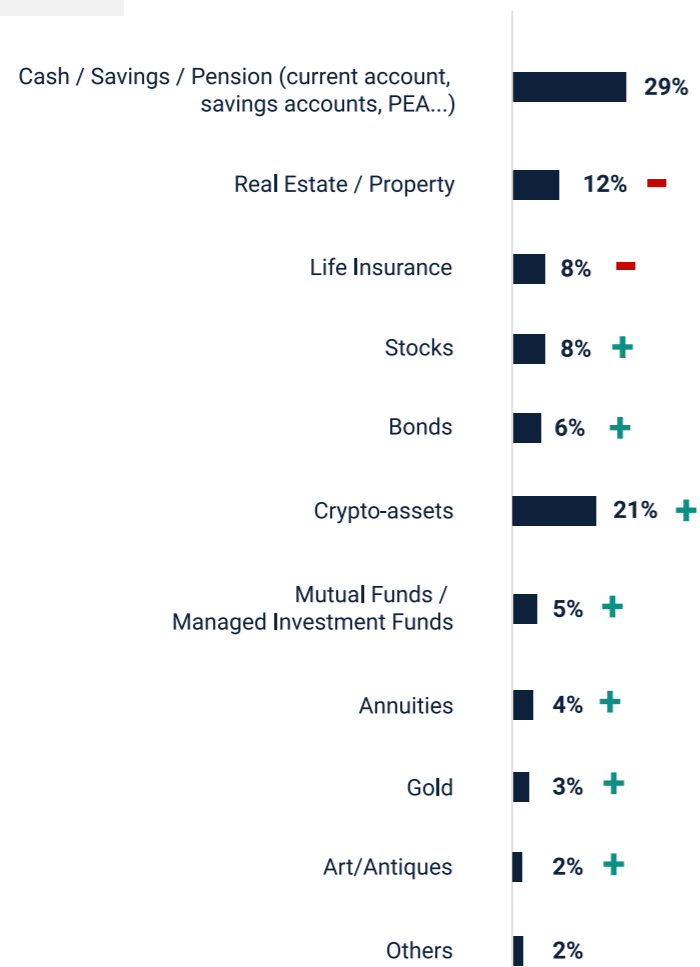
⁵ In 2023, the question was asked in ranges. To calculate an average, we took the middle of each range, as we did not have the exact distribution of the percentages invested. In 2024, we asked the question openly, and respondents provided us with a percentage. Thus, the calculation of the average is more precise.

Considering the volumes, this dynamic follows the increase in the relative allocation to crypto-assets. Although the majority of cryptocurrency investors (75%) invested less than €5000, as last year (74%), a transfer occurred between the €0 to €500 and €500 to €5,000 ranges over the past year, with the proportion increasing from 32% to 39%. The same trend is observed for the €10,000 to €50,000 range.

According to last year's⁶ assumptions, the French would have invested between €32.5 billion and €42.5 billion in cryptocurrencies, representing an average increase of over 60% since early 2023 when we mentioned a range of €20 billion to €25 billion in volume. It is interesting to note that the average exposure remains stable compared to last year, ranging between €4,650 and €6,000. The increase in the absolute value of cryptocurrency investments is thus explained by an increase in the overall number of buyers.

Distribution of french savings

 **Have already acquired crypto-assets (Base 302)**



⁶ 1/3 of each range as the average for a conservative assumption and €50,000 for the highest range, and 1/2 and €70,000 for the second assumption.



The rise of crypto-assets: a new paradigm for wealth managers

The 2024 study by Adan on the adoption of crypto-assets and the health of the Web 3 industry marks a decisive turning point in the landscape of wealth and asset management. This analysis reveals an emerging sector characterized by the emergence of new investors and a potential use of crypto-assets that can no longer be ignored.

Crypto-assets, long considered a speculative niche, are gaining legitimacy and popularity today. Their increasing adoption by a diverse audience, ranging from individual investors to institutions, reflects a profound shift in attitudes and investment practices. These new assets offer unprecedented diversification opportunities, with risks and returns distinct from traditional assets. At DLPK, we have attached particular importance on selecting investment products for our partners for the past 30 years.

Wealth management advisors are now at a crucial crossroads. Ignoring this evolution would mean neglecting an increasingly relevant component of the modern investment portfolio. The demand for expertise in

crypto-assets is real and growing. It requires a quick adaptation of skills and knowledge to guide clients through the complexities and opportunities of this new market. It is our mission, especially at Nortia, to support and educate wealth management advisors.

Moreover, the uses of crypto-assets go beyond mere speculation. Their integration into innovative financing solutions, asset tokenization, payment systems, and smart contracts pave the way for a revolution in various economic sectors. These technologies enable greater transparency, efficiency, and offer new paths for value creation.

In conclusion, the Adan study emphasizes an imperative for finance professionals: to adapt, learn, and innovate. Crypto-assets are no longer a passing trend but a key element of a global financial transformation. For wealth management advisors, this is a unique opportunity to position themselves at the forefront of a new era of investment.

IN EUROPE

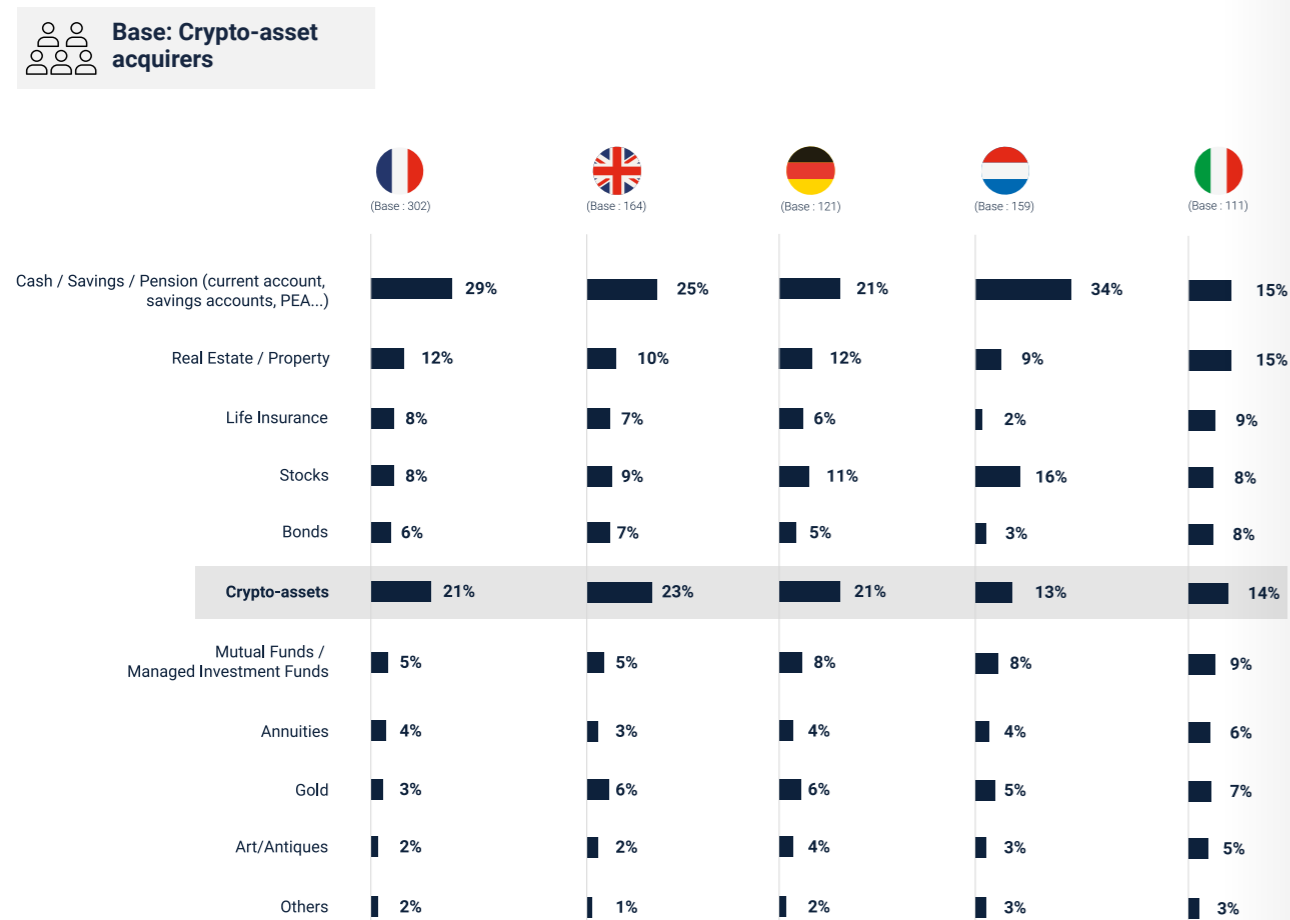
Unlike the beginning of 2023, France no longer has the lowest average savings rate invested in crypto-assets among the surveyed European countries in 2024. The country records an average savings rate of 21%, higher than that of the Netherlands and Italy, respectively 15% and 19%. The differences between countries are less pronounced than before, with a narrower standard deviation ranging from 15% to 26%, compared to 11% to 25% the previous year.

Germans and Britons continue to dominate the European panel in terms of the proportion of their savings invested in crypto-assets, with respectively 52% and 54% of them, having allocated more than 10% of their

savings to crypto, which is 20% to 30% more than in other European countries. The latter have a majority of crypto-asset investors who have invested between 1% and 10% of their savings, as in France, where 54% of investors fall within this range.

On average, contrary to practices observed in France, **populations in other European countries tend to diversify their savings more**, especially towards alternative vehicles such as stocks, bonds, or mutual funds. In contrast, the French seem to prefer life insurance or real estate for saving.

Distribution of savings for European crypto-asset acquirers



2 MOTIVATIONS OF THE FRENCH AND THE EUROPEANS REGARDING CRYPTO-ASSETS AND ASSOCIATED POLICIES

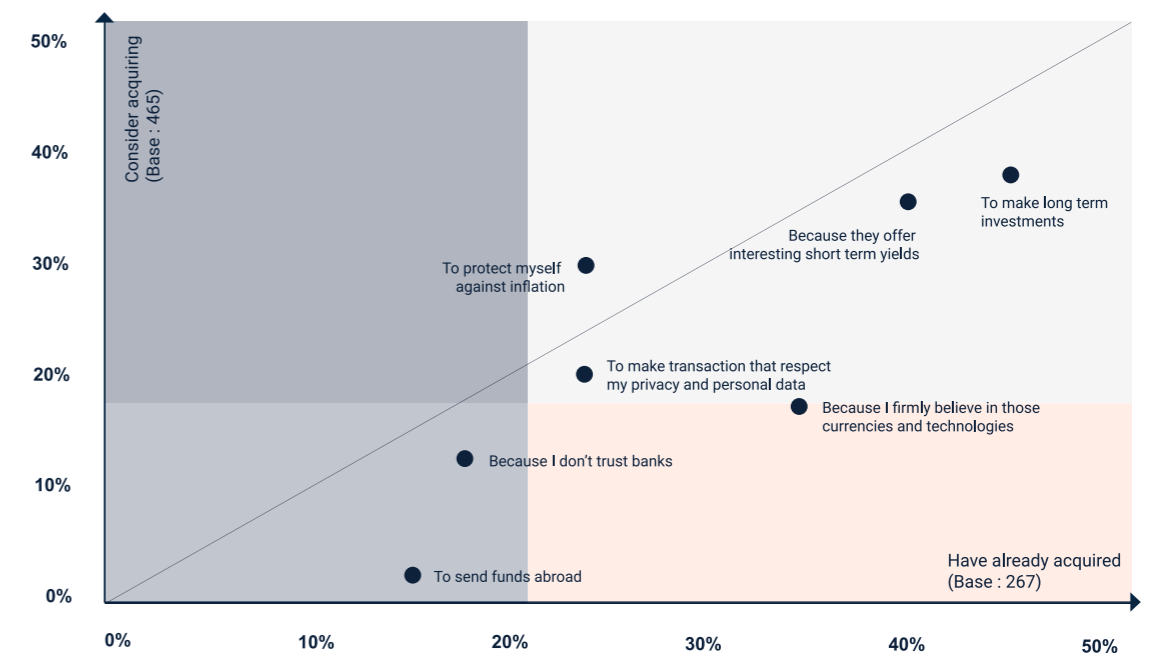
A INVESTMENT AND NON-INVESTMENT MOTIVATIONS

As in previous years, the acquisition of crypto-assets by the French is primarily motivated by the pursuit of financial returns. 46% of French citizens who have acquired crypto-assets did so because these assets offer attractive short-term returns, surpassing ideological or usage-related reasons (such as payment) for those considering acquisition. These motivations highlight that in France, this asset class is primarily perceived as an investment vehicle, unlike in some crisis-ridden countries (political and economic), where payment usage dominates.

There is a growing perception of cryptocurrencies as a safe-haven asset, with 34.4% of investors convinced of this idea, up from 30.3% in early 2023. This sentiment is reinforced by the inflationary context (4.9% inflation in 2023 following a peak at 5.2% in 2022) and the rise in crypto-assets valuations.

Similarly, compared to 2023, the investment horizon is lengthening. The increased attraction to long-term investment among holders, whether active or not (from 41% to nearly 48% for active holders), shows this. This evolution can be explained by the changing perception of cryptocurrencies as a safe-haven and the maturity of investors in this market, reacting less strongly to price volatility.

Ideological motives constitute the third major reason for acquisition. **The majority of investors and intentioned non-investors recognize other utilities for crypto-assets beyond investment, distinguishing them from other asset classes** and reflecting a growing understanding of value on the internet by the general public.



Regarding stablecoins: French citizens are primarily motivated by their use in decentralized finance (53%), followed by the opportunity for volatility hedging (44%), and the possibilities for fund transfers and payments (42%). Among actively holding French citizens, the use of stablecoins in decentralized finance, as a more pronounced reason for acquisition (60%), reflects the broader development of DeFi. The avoidance of tax events related to cryptocurrencies (34%) is a reason that remains stable compared to the previous year (33%). The rise in crypto-assets prices justifies the downward trend in the desire to hedge against volatility (-4 points) and the upward trend in the desire for access to fund transfers and payments (+13 points) compared to the previous year.

Compared to 2023, interest in NFTs remains stable for digital art (45% compared to 44% in 2023) and loyalty programs (31.4% compared to 30.8% in 2023) and appreciates for video games (33.6%, +6 points) and decentralized identity (23.6%, +8 points). The interest in the latter has been popularized by brands using them to gamify the customer experience and provide access to exclusive communities, events, or

rewards through these assets. Interest in NFTs of personal avatars increases slightly (23.3%, +3 points), especially among active holders looking to decentralize their online identity or emphasize their belonging in certain user communities.

In a less favorable economic investment environment, our survey shows that the main obstacles to French citizens buying crypto-assets are their perception of risk (27%) and the lack of available savings (18%), just behind simple disinterest (41%), a sentiment logically more pronounced among refusers (64%). **Others are discouraged by the lack of crypto-asset banking offerings (19% for former holders and 17% for those considering a purchase),** lack of time (20% and 14%, respectively), or the perceived high cost of crypto-assets (16% and 13%). Concerns such as the lack of regulation, the apprehension of technological and intellectual challenges, or environmental impacts appear less deterrent, indicating a better understanding of these technologies and the developing regulations in Europe.

I ENVIRONMENT

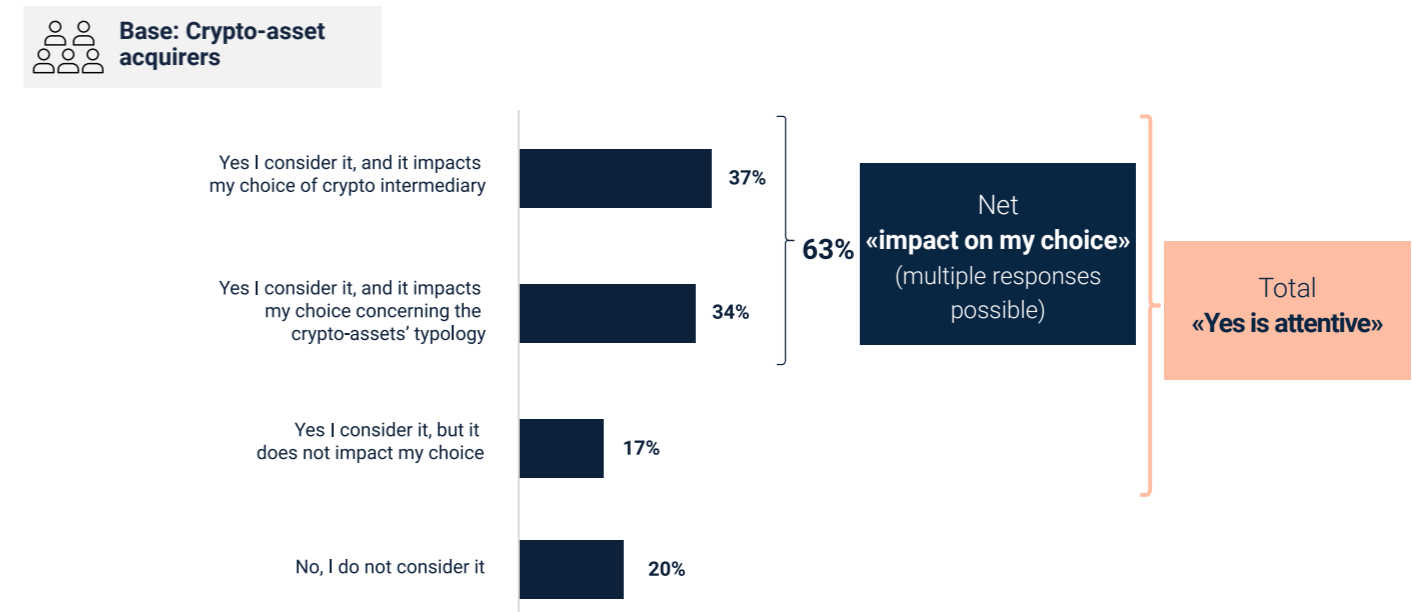
A significant majority of crypto-asset investors, 80% express concerns about the environmental impact of these technologies, with 63% believing that it influences their choice of intermediaries (37%) or the typology of their investments (34%).

The typical profile of crypto-asset investors, often young and with a high level of education, may explain this sensitivity to environmental issues. Despite better public information and more nuanced discussions about the actual energy consumption of these technologies,

6% of non-investing French citizens still cite negative environmental impact as a barrier to acquisition.

On this point, European legislation aims to meet the expectations of investors by requiring intermediaries to provide more information about their products and services' environmental impact. This increased transparency could help re-attract some non-active holders or former buyers sensitive to the issue of environmental impact.

The environmental impact of crypto-assets



B NEW USES AND NEW SECTORS OF THE «INTERNET OF VALUE»

I DIGITAL IDENTITY

French citizens express a desire for independence from GAFAM concerning the management of their personal data. When the establishment of a digital identity is mentioned, 43% of them declare not wanting it to fall into the hands of these operators.

This statistic rises to 79% among crypto-asset holders, who are often particularly attentive to the possibilities

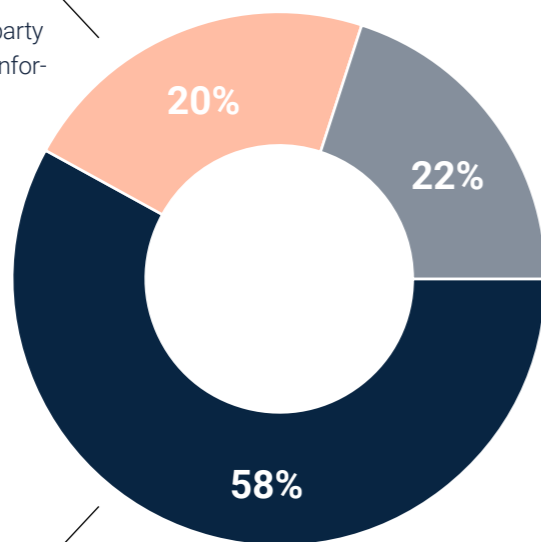
offered by cryptography for managing digital identity. Moreover, these interested French citizens are 58% likely to prefer autonomous verification through a digital wallet, without the direct intervention of a third party or the state. It is important to note that the question asked did not refer to crypto-assets but only to the modalities (using a public or private third party or a self-sovereignty solution) constituting a digital identity.

Alternative solutions to GAFAM

Is interested by a GAFAM independent solution (Base 868)

43% of French are interested by a virtual identity solution that is independent of GAFAM

By an institutional third party who owns your identity informations



By myself, thanks to a secured digital wallet

The underlying technologies of crypto-assets play a central role here, enabling this autonomous online identity verification through a secure digital wallet.

This mechanism of disintermediation from GAFAM serves as a catalyst towards new applications of Web3.

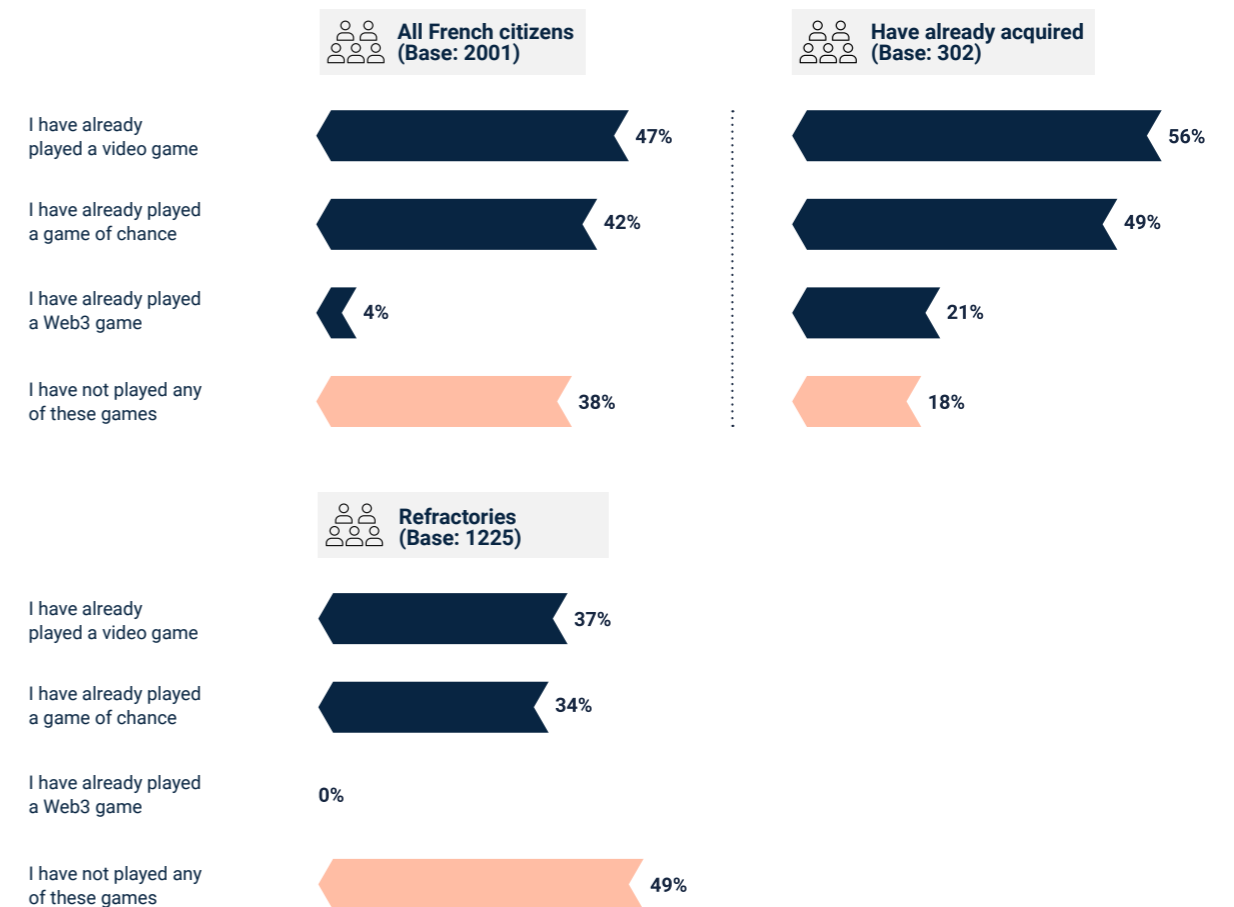
II WEB3 VIDEO GAMES

Video games are a widespread practice in France, and this industry represents a considerable field of opportunities for Web3 technologies. Native French actors in the sector are already firmly established, such as Sorare or Cometh, and more traditional gaming companies are gradually investing in this sector. **Although the specific practice of Web3 games is still marginal compared to the entire French population or video game players, it involves 21% of major crypto-asset acquirers (approximately 1.7 million people)** and

presents strong growth potential, especially within the pool of enthusiasts of classic games.

French citizens engaging in video games show comparable interest, both in the adventure offered and in the financial opportunity provided by these games. This is corroborated by an increase in interest in NFTs related to video games, with 33.4% of NFT holders showing interest.

Web 3 games



Furthermore, the digital ownership offered by crypto-assets—and thus NFTs of video games—raises new questions regarding the qualification of these assets. Therefore, France aims to regulate these new practices and usages in the video game sector through a specific regulatory framework: JONUM (*Jeux à Objets Numériques Monétisables* or Games with Monetizable Digital

Objects). This framework would secure and regulate the use of NFTs, such as those used by Sorare, the French National Lottery (Ultimate Numbers), or PMU (Stables) in their respective projects. The JONUM project, if adopted by Parliament, would be a pioneering text, similar to the PACTE law that later inspired the European MiCA (Markets in Crypto-Assets) regulation.

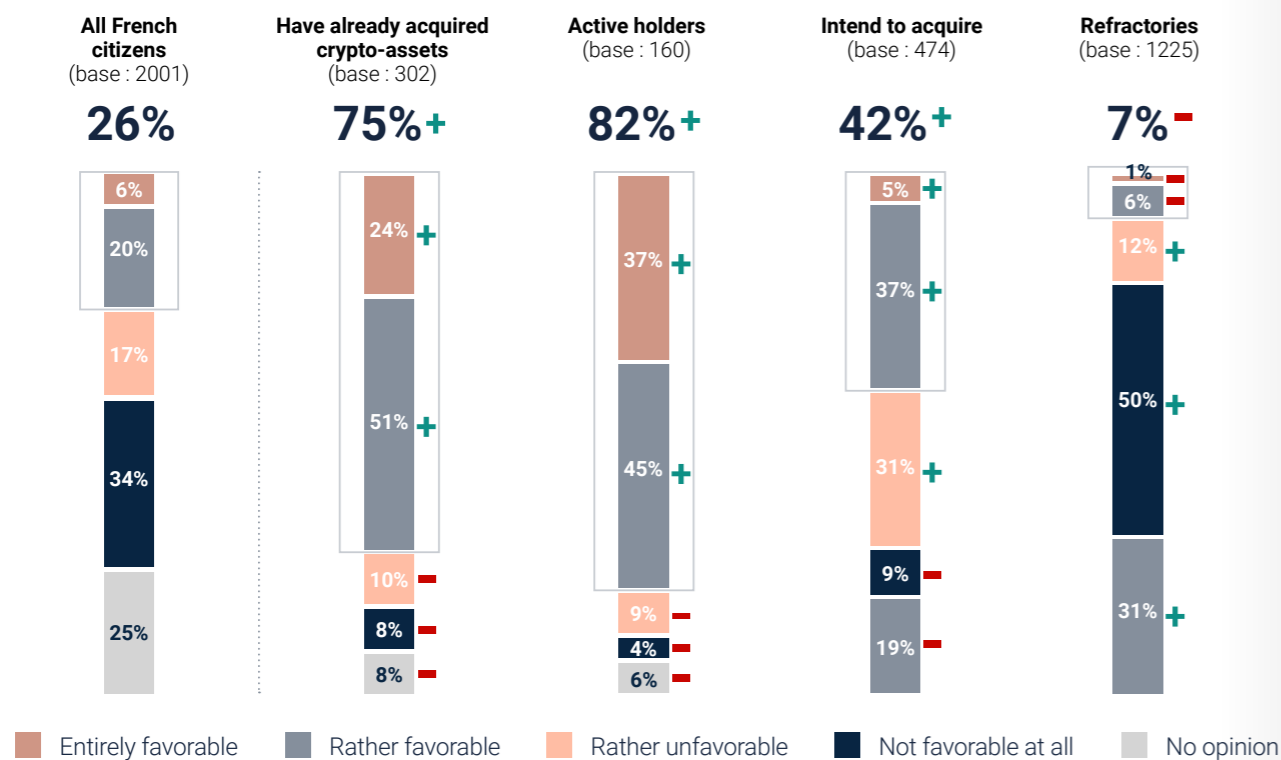
III PAYMENTS

26% of French citizens express support for the development of payments in crypto-assets. This proportion has increased by 5 points compared to 2023 among former holders and active holders of crypto-assets (75% and 82% respectively support the growth of payments in crypto-assets in 2024). However, only 7% of those resistant to crypto-assets are in favor, and their significant representation within

the French population means that over half of the French remain wary of the development of payments in crypto-assets.

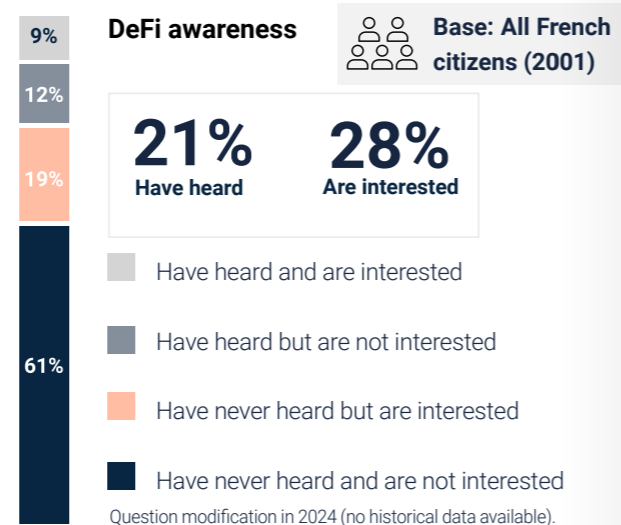
This caution reflects prudence or reluctance attributed to various factors such as the volatility of crypto-assets, regulatory concerns, or limited understanding of the benefits of this new form of payment.

Development of cryptocurrency payments



IV DECENTRALIZED FINANCE (DEFI)

Since 2023, the awareness of decentralized finance (DeFi) has been maintained among 21% of the population. Meanwhile, there is significant use and interest in DeFi among crypto-asset investors, a trend that can be attributed to better acculturation, the proliferation of DeFi protocols (including those from the French sector) and the reduction of transaction fees with the emergence of scalability solutions. It is noteworthy that the European Union is working on specific regulatory proposals for DeFi: clarifying such a framework in the future will further encourage its adoption by the general public.



ACI

The adoption of crypto-assets in France continues to grow, marking a significant shift in how the French diversify their wealth. Beyond its wealth management aspect, France stands out for its exceptional contribution to the crypto-assets ecosystem, thanks to a pool of talented engineers and founders hailing from the country. This progress is partly explained by France's pioneering role in the adoption of the CASP (crypto-asset service providers) regulation with the PACTE law, which served as a model in many aspects for MiCA at the European level.

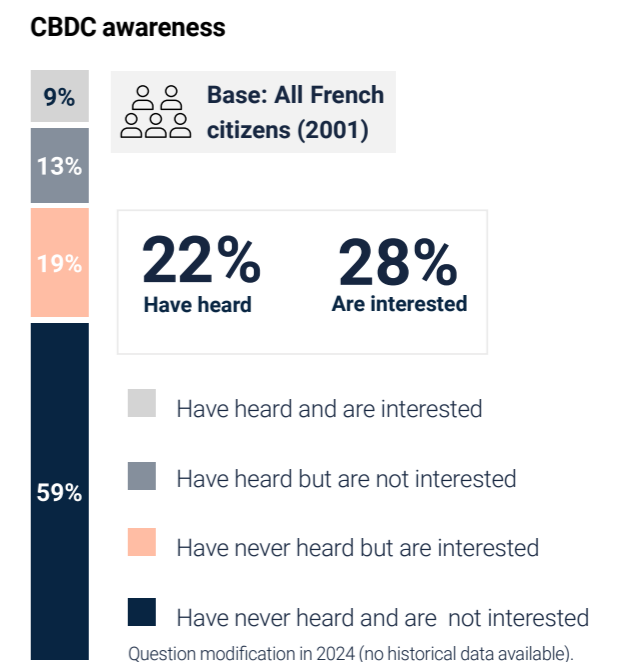
Avave-Chan Initiative (ACI) now positions itself as one of the world's first companies to be a direct service provider for a Decentralized Autonomous Organization (DAO), highlighting the shift towards decentralized structures. Today's investments are the DAOs of tomorrow, and this transformation represents a new

era in the management and organization of digital enterprises. We, as representatives of Adan's DeFi committee, take pride in contributing, to the best of our ability, to this paradigm shift.

France is now at a turning point, with the opportunity to lead once again by defining a balanced regulatory framework for Decentralized Finance (DeFi). In doing so, it could not only foster the emergence of future leaders in this field but also transform its territory into a major hub for innovation and investment in the industry. We hope that France and Europe will take their rightful place in this movement, consolidating their position in the adoption and regulation of crypto-assets. This dynamic could promote the development of an ecosystem conducive to innovation.

V CENTRAL BANK DIGITAL CURRENCIES (CBDCS)

While the awareness of Central Bank Digital Currencies (CBDCs) remains relatively low among a vast majority of the French population (77.9% have never heard of these projects), 76% of crypto-asset investors are supportive of a CBDC project. However, this support is contingent on the assurance of data confidentiality, which only a CBDC issued and circulated on blockchain networks could provide (a technological choice currently not explicitly endorsed by the European Central Bank, for example). On the other hand, individuals resistant to crypto-assets are also opposed to CBDCs and digital currency projects in general, with 77% of them expressing opposition. This may be attributed to reluctance regarding the potential phasing out of physical currency and concerns about privacy.



C FRANCE AND EUROPE'S POLICY PERSPECTIVES ON CRYPTO-ASSETS

IN FRANCE

63% of crypto-asset buyers believe that France does not support the development of the Web3 sector, while 21% think it does. When this perception is extended to the entire French population, 32% believe that France does not promote the Web3 industry, and a small portion, 5%, believes that France supports it.

In line with the observation that a vast majority of them find France's support insufficient, only 4% of crypto-asset investors see the country as a leader on the European stage. 20% believe there is room for improvement in positioning, and 22% think that France is already lagging behind other jurisdictions that are seen as more encouraging of innovation.

However, crypto-assets are seen as sources of opportunities for France. Respondents emphasize that a strong and competitive industry would be beneficial for global influence (28%), digital sovereignty (28%), the development of greater economic power (27%), job creation (27%), and global outreach (26%). Among crypto-asset investors, each of the mentioned opportunities has more than 60% approval. The perception of the regulatory framework plays a crucial role here, now seen as a competitive advantage internationally. Despite notable hesitation among the French in assessing France's competitiveness in this field, the arrival of actors such as OKX or Coinbase, following those of Binance and Circle, coupled with the development of European players (Bitpanda, Coinhouse, etc.), reinforces the positive perception of investors regarding the opportunity that crypto-assets and its sector represent for France.

At the European level, French citizens express doubts about Europe's ability to promote the development of Web3, with only 30% expressing confidence. Only 6% of French citizens believe that Europe supports this industry, and a large majority has no opinion on the matter, indicating a lack of information about the actions of the European Union in this regard.

These positions, comparable to those observable at the French level, are also found among crypto-asset investors: 63% doubt Europe's ability to stand out as a global region for Web3, and fewer than one in five French buyers (19%) assert that Europe already supports the Web3 industry.

IN EUROPE

In Europe, the majority of crypto-asset buyers perceive that the policies of their countries do not sufficiently support the Web 3 sector. This sentiment is particularly widespread among Italian crypto-asset buyers (73%), while Dutch buyers are at 58%. However, while Italy and the Netherlands each have between 4% and 5% of their population claiming that their country already supports the industry, French and British crypto-asset investors stand out as the most likely to believe that their countries support the industry (21% and 20% respectively), followed closely by German investors at 14%. This perception suggests a certain level of political support in France and the UK, whereas Italy and the Netherlands are seen by their citizens as more absent or merely spectators. Only 8% of Italian buyers and 11% of Dutch buyers believe that the Web3 industry is supported by their respective governments.

Moreover, the majority of crypto-asset buyers surveyed believe that Europe does not sufficiently promote Web3. For example, 32% of the Italian population and 70% of the country's crypto-asset buyers assert that Europe does not favor its sector. The French and Italians remain less divided and more critical than their German or Dutch neighbors regarding Europe. Interestingly, French and British investors are the most likely to consider that Europe supports the Web3 industry (19% and 18% respectively), even though the UK is no longer part of the EU, and France has the lowest confidence⁷ level in Europe among the surveyed European populations. This can be explained by strong economic development around crypto-assets in these two countries.

bpifrance

Cryptocurrencies are a distinct asset class, and they are here to stay – that's the resounding result of this study. It's safe to say that Europeans, and the French in particular, are showing a strong preference for these assets. With more French citizens owning cryptocurrencies than stocks (12%), and this asset class being especially prevalent among young investors (over 50%, imagine that!), the significance of the matter cannot be overstated.

Consequently, two complementary sets of actions seem necessary. To better inform, regulate, and protect savers, while enhancing the competitiveness of France and Europe in this new economic sector. Bpifrance has been supporting this sector for almost 10 years,

from its initial funding in late 2014 for Ledger to an investment in utility tokens last year.

Our goal is by no means to downplay the numerous risks associated with this asset class; there are still many technological and regulatory challenges to overcome. However, it seems essential to experiment, better understand, and support this invigorating ecosystem to defend a part of our digital and economic sovereignty.

While the road to massive adoption is still long and cyclical, marked by phases of investment and consolidation, it appears to be firmly underway.

I TAXATION

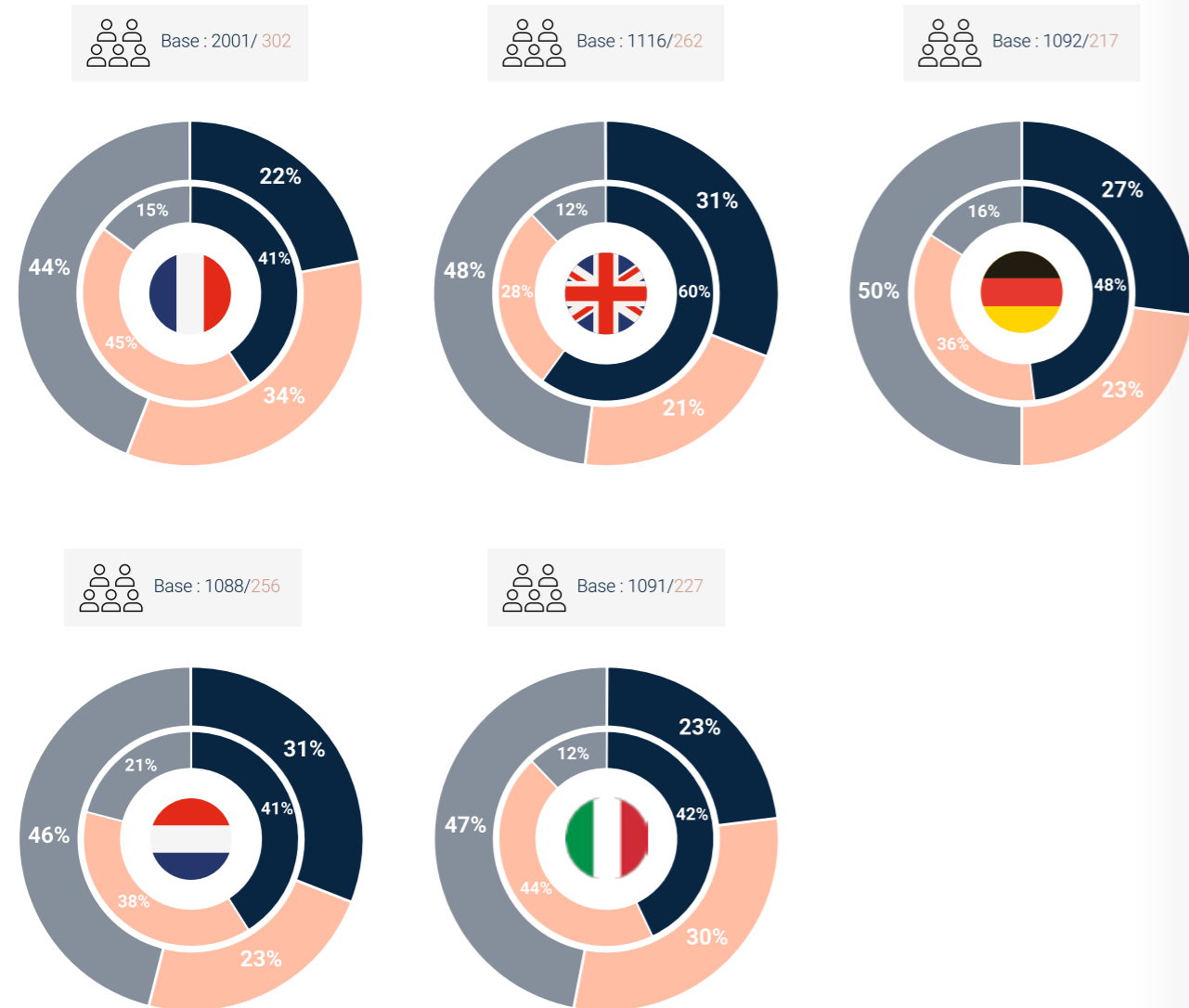
Both the general French population and cryptocurrency investors in France hold mixed opinions regarding the taxation of cryptocurrencies. 34% of the general population and 45% of cryptocurrency investors consider the taxation inappropriate, while 22% and 41% respectively view it as adequate. This division of opinions is also evident among European neighbors, except for the United Kingdom, where the majority of investors find the taxation appropriate (with a 0% tax rate).

Perceptions of the complexity of cryptocurrency income reporting vary based on individuals' experience with the crypto market. Investors are more likely to find it understandable compared to the general French population (38% vs 10%), who mostly deem it too complex in terms of tracking and calculation.

In comparison with Germany, the Netherlands, and the UK, Italy and France are the countries where citizens are most likely to believe that cryptocurrency taxation is not suitable (30% and 34%). Despite having very different tax regimes (0% tax rate in Italy compared to 26% in France), it is likely that the French criticize a regime they consider too harsh, while Italians criticize one they see as too lenient. This opinion may also be attributed to a perceived complexity in tax reporting due to the gradual expansion of financial use cases (staking, farming, etc.) and harsher criticism from individuals who are not familiar with crypto or do not hold crypto-assets in these two countries.

Taxation of crypto-assets

Base: Entire population and crypto-asset buyers



waltio

The French tax regime, implemented in 2019 and known for its innovative approach within the European Union, adopts a principle of fiscal neutrality for transactions involving crypto-assets. This framework, initially designed to stimulate technological and economic development in the cryptocurrency domain, is now facing significant challenges due to the rapidly changing European regulatory and technological landscape.

The introduction of the EU's MiCA regulation clearly illustrates this shifting dynamic. This regulation makes a notable distinction between traditional crypto-assets and stablecoins, which could prompt France to reconsider its position on tax exemption for transactions between these two types of assets. This regulatory evolution raises pertinent questions about the adequacy of the current tax regime with the realities of the ever-changing market.

Furthermore, ongoing innovation in blockchain and cryptographic technologies is giving rise to new types of crypto-assets. These assets, due to their complex nature and operation, do not fit easily into existing tax categories, questioning the effectiveness of the current French tax framework.

Internally, the French Court of Auditors has recently recommended taxing transactions involving crypto-assets and stablecoins. At the same time, the French legislature seems to be paving the way for the possible taxation of gains made on crypto-assets, particularly staking gains.

In tax matters, when an operation is deemed taxable, the taxpayer must carefully track each operation's cost basis. The neutralization of exchanges between cryptocurrencies maintains the complexity of reporting, delaying the tracking of operations until a taxable event occurs. Far from simplifying the calculation and tax reporting, it is now 47% of French citizens who have previously held crypto-assets, revealing that cryptocurrency taxation is too complex and impossible to navigate without assistance.

These factors suggest an imminent re-evaluation of the current tax regime, highlighting the need to adapt French tax legislation to the emerging realities of the crypto-asset market.

II PROXIMITY TO POLITICAL PARTIES

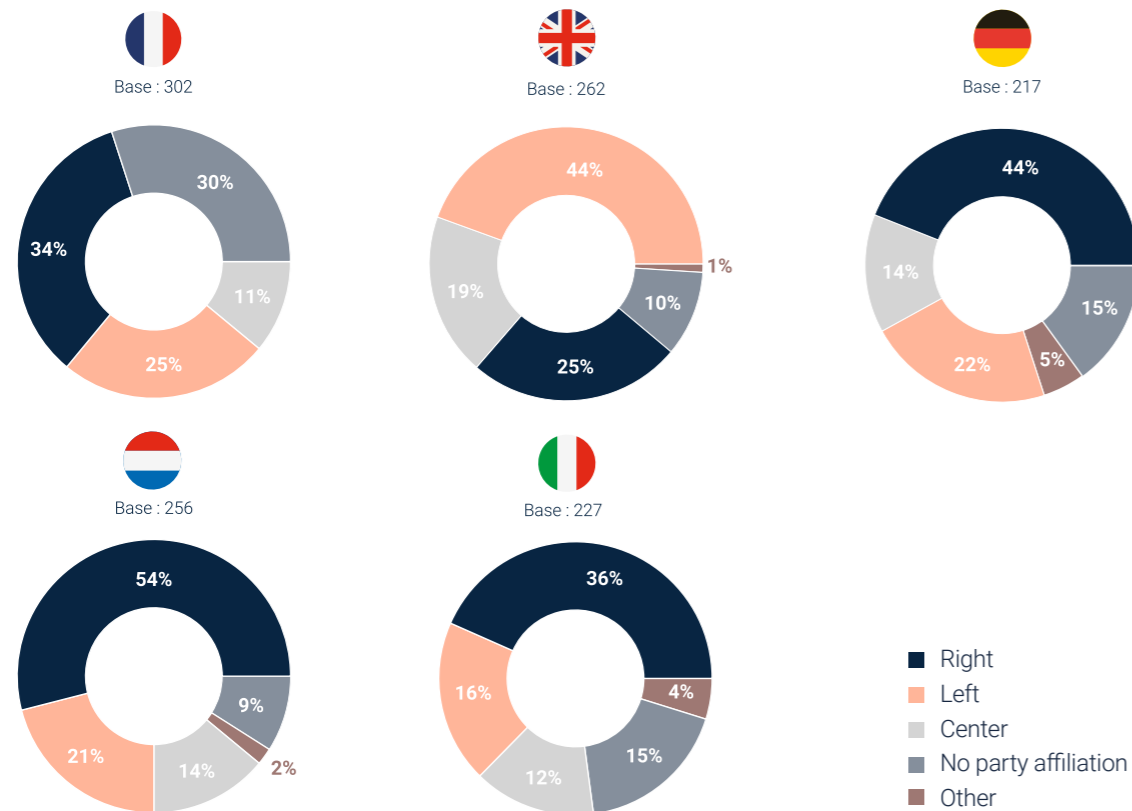
Among all surveyed French citizens, 40% declare that they have no affiliation with political parties. This proportion drops to 30% for French citizens who have previously held crypto-assets, indicating a slightly higher level of politicization. We have defined the three blocs⁸ - Left, Center, and Right - for simplicity and to aid comparison with the European countries in the study⁹.

This more pronounced politicization demonstrates that the differences between the two samples are nevertheless not significant. **Indeed, the data does not allow us to conclude a clear politicization for a specific party among investors.**

The distribution of affiliations breaks down as follows: Left with 25.6% compared to 20.9% for all French citizens, Center with 10.6% compared to 9.4%, and Right with 33.8% compared to 29.7%.

Proximity to political parties

Base: Have already acquired crypto-assets (302)



8 Left: Parti Socialiste (Socialist Party), Les Écologistes (EELV) (The Greens (EELV)), Le Parti Communiste (The Communist Party), La France Insoumise (France Unbowed). Center: Renaissance, and the MoDem. Right: UDI, Horizon, Les Républicains (The Republicans), Reconquête (Reconquest), and the Rassemblement National (the National Rally).

9 Considering all the limitations of comparing blocks that result from histories and cleavages specific to each country, limiting the analysis.

3 PERCEPTION OF FRENCH AND EUROPEANS CITIZENS REGARDING THIRD-PARTY ENTITIES FACILITATING ACCESS TO CRYPTO-ASSETS

A INTERMEDIARIES AND DISTRIBUTION CHANNELS

The distribution channels for crypto-assets in France and Europe have undergone a significant evolution. On average, French citizens use 2.1 platforms¹⁰ for acquiring crypto-assets. They manifest a preference for centralized exchange platforms over cryptocurrency brokers. Platforms such as Binance, Crypto.com, and Coinbase lead the rankings. It's worth noting that all of these are non-European entities, registered with the Autorité des Marchés Financiers.

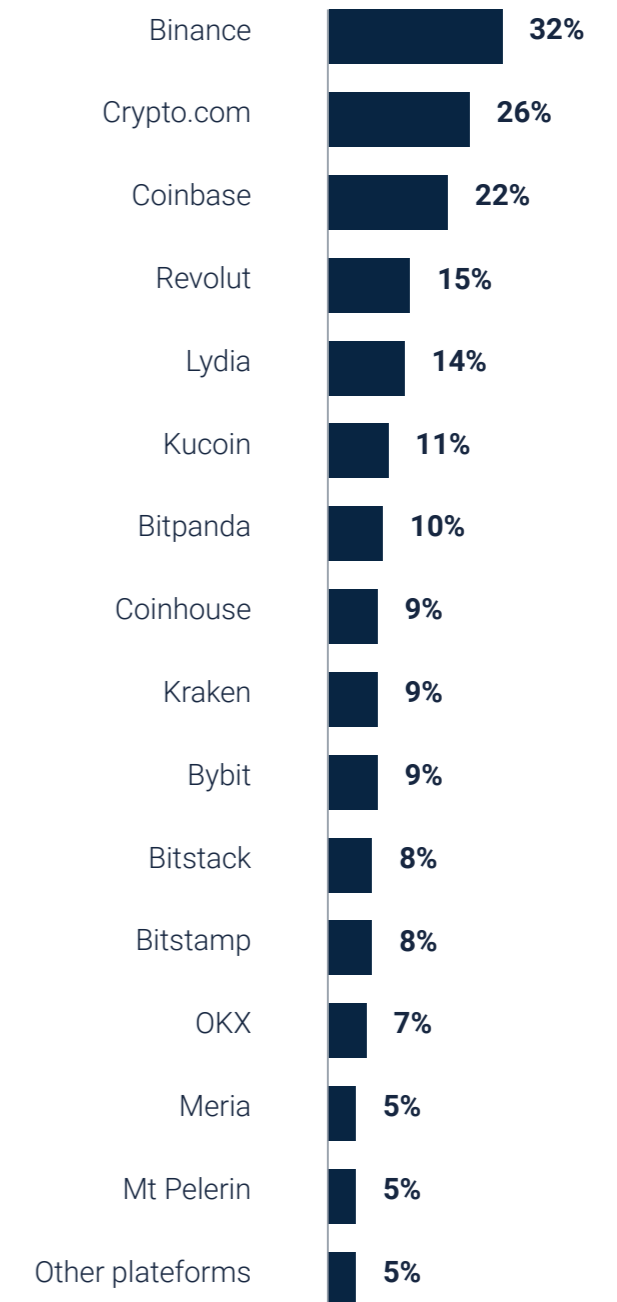
The strong representation of Fintech companies is also noteworthy. These companies distinguish themselves by integrating crypto-assets into their existing solutions, often targeting a young audience interested in crypto-assets, stocks, or exchange-traded funds (ETFs). 14.3% of crypto-asset buyers claim to use Lydia for this service, 14.5% use Revolut, and 10.3% use Bitpanda, which also offers its solution as a white-label «investment-as-a-service» infrastructure.

Three acquisition channels have been distinguished in our study since the 2023 edition:

- Native Web3 innovators: Centralized exchange platforms that constitute the historical vector of adoption.
- Fintech companies: Operating traditional services and serving as a simple and now widespread acquisition channel for crypto-assets.
- Online banks and traditional banks: Gradually entering the market as regulations mature, such as Delubac & Cie in France and Raiffeisen in Austria in early 2024.

Acquisition platforms

Base: Have already acquired crypto-assets (302)



10 Proportion obtained from 16 possible and multiple-choice options (in descending order of popularity: Binance, Crypto.com, Coinbase, Revolut, Lydia, Kucoin, Bitpanda, Coinhouse, Kraken, Bybit, Bitstack, Bitstamp, OKX, Meria, Mt Pelerin, others).

B CRYPTO-ASSET SERVICE PROVIDERS (CASPS)

The awareness regarding the crypto-asset service providers (CASP) status remains stable at 11% compared to last year, while the majority of cryptocurrency investors in France choose platforms registered as CASPs with the Autorité des Marchés Financiers (AMF), a growing proportion. **88% of purchasers consider CASP registration as a sign of trust and security that has been decisive in their choice of the platform with which they have acquired and/or retained their crypto-assets.** However, this rate has decreased since the beginning of 2023, where it was 96%. This decrease could be attributed to the increased distrust following the FTX scandal from our previous survey, even though FTX was not registered with the AMF and therefore not compliant with French cryptocurrency market regulations.

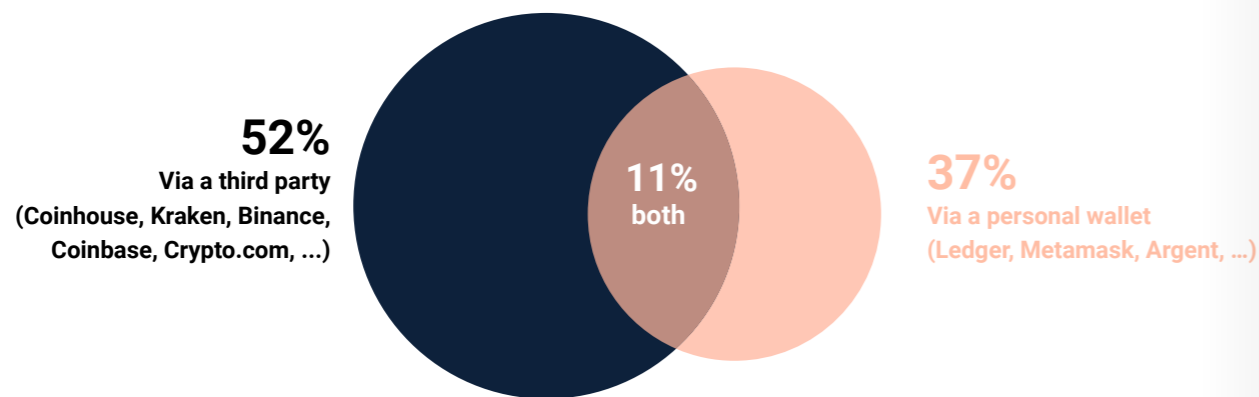
After becoming aware of the provider's registration as a CASP, most current holders, inactive holders, former holders, and those interested in crypto-assets believe that this information could influence their future purchasing decisions. However, these figures have decreased compared to the previous year, with a less pronounced majority and an increase in the number

of individuals stating that it does not reassure them sufficiently, especially among current and former holders (36% versus 16% last year). The impact of the FTX scandal and the spread of negative consequences to other companies within the ecosystem have certainly fueled these concerns. It is also likely that the strengthening of French CASP regulations, adopted in 2023 and effective since January 2024, has not been widely communicated to the general public.

CASP registration remains an important factor in choosing an acquisition platform, but 12.3% of those familiar with the regime believe it is not a determining criteria. This is illustrated by the third-place ranking of Coinbase, which has captured a significant market share in France despite its late acquisition of CASP registration in late December 2023. With 106 CASPs registered as of March 1, 2024, the year 2024 is shaping up to be a decisive moment for French CASPs, who must now prepare to comply with the requirements of the MiCA regulation, which will come into effect at the end of the year.

C PRESERVATION OF CRYPTO-ASSETS

Base: Have already acquired crypto-assets (302)



In France, behaviors related to the preservation of crypto-assets have balanced out after self-preservation emerged as the preferred method between 2021 and 2023. This rebalancing could be related to regulation, which now oversees custody services on behalf of third parties.

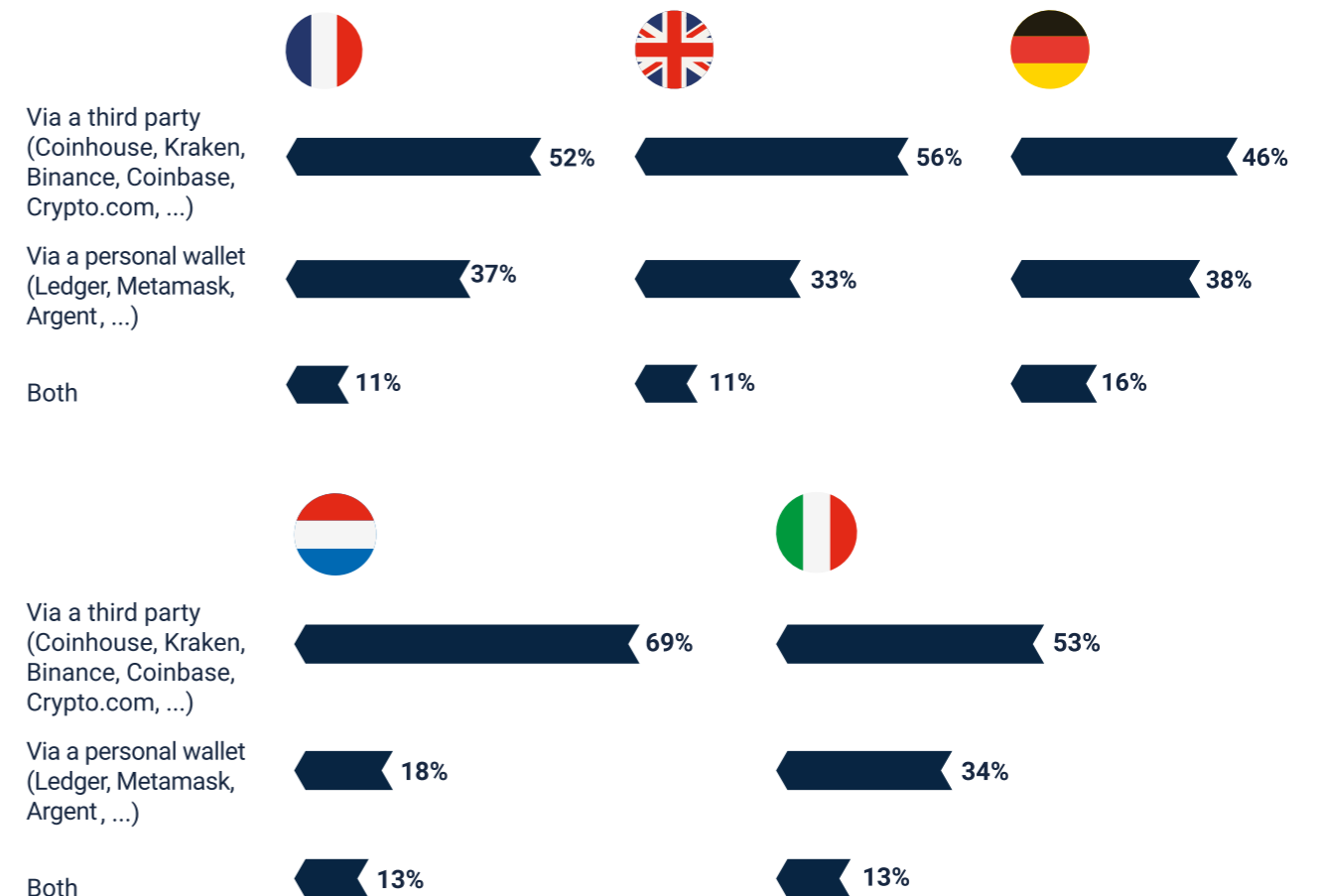
Similar to Italy, France displays a divided attitude: half of crypto-asset investors prefer the preservation of their assets by a third party, while the other half possesses a personal digital wallet. In the United Kingdom, there is a notable decrease in the use of third-party services, unlike in the Netherlands, where the preference for third parties is more pronounced.

Germans, on the other hand, tend to choose personal wallets, with 54% of them opting for this solution, indicating a long-term preservation strategy. Conversely, 69% of the Dutch prefer exclusively third-party services.

These proportions remain constant despite the increasing number of asset holders. The current regulatory framework should enhance trust in third-party services, but the evolution and simplification of decentralized technologies may encourage users to self-preserve their assets. This trend is also reflected in the aspiration for digital sovereignty expressed by the respondents. The future evolution of these behaviors is something to monitor closely.

Storage of crypto-assets

Base: Have held crypto-assets (currently active or inactive, or former holders)



D BANKS' POSITIONING TOWARDS THE FRENCH AND CRYPTO-ASSETS

I BANKING SERVICES

According to our study, 21% of the French express a preference for their banks as primary actors in the acquisition and preservation of crypto-assets, surpassing the use of specialized intermediaries (6%) and online banks (6%). Although 27% of crypto-asset investors currently tend to use specialized intermediaries for buying and selling these assets (in the absence of offers from banking institutions), 23% of them agree with the overall French population in preferring to preserve their crypto-assets in their bank. Traditional establishments are beginning to seize this opportunity by offering services in line with regulations and market maturity.

Today, 23% of the French are willing to change banks to access crypto-asset services, an increase compared to the 20% observed last year. This trend is even more pronounced among crypto-asset investors who already express a demand, with 70% willing to

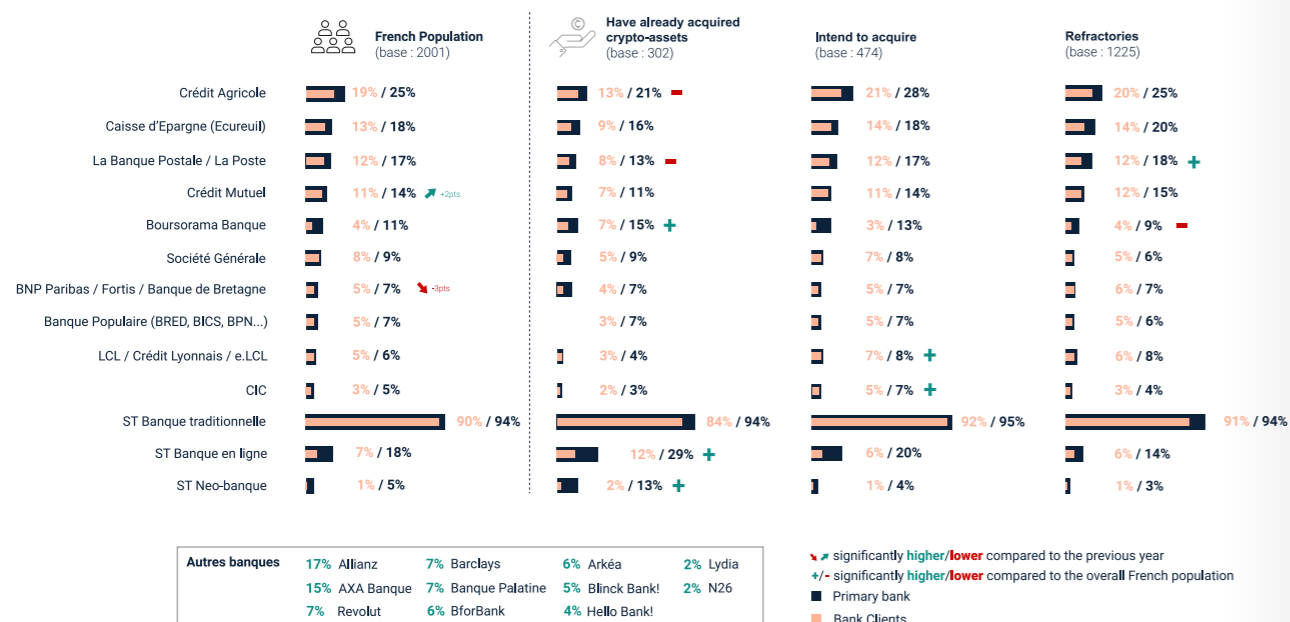
change banks for these services, compared to 60% the previous year.

Wealth management offerings by traditional banks, such as Banque Delubac & Cie, are just starting to emerge. Although one in ten French respondents indicates that the absence of this service from their bank is one of the reasons for not acquiring crypto-assets, this sentiment is even more marked among former holders likely seeking a familiar investment environment (19%) and among intenders who are looking for technical abstraction (17%).

The majority of crypto-asset buyers (84%) continue to trust a traditional bank as their primary bank. However, they are more likely on average to be clients of online banks and neo-banks, with 29% compared to 18% online banking users for the average French population, and 13% compared to 5% for neo-banks.

Primary and secondary banks

Base: All French citizens (2001)



In 2023, nearly 45% of the French agreed that banks could one day take over the crypto-asset market. Regarding interest in banking investments in crypto-assets, 31% of the French express interest, a decrease from the 35% of the previous year, while 71% of crypto-asset investors show their interest in banking investments in crypto-assets, slightly up from the previous year.

Despite some skepticism toward crypto-assets and a proportion of French people resistant to investing in this asset class, this interest remains a significant attractiveness lever for both current and potential investors, representing an opportunity for banks.



THE CRYPTO IMPERATIVE: A CALL TO ACTION FOR FRENCH DIRECT BANKS.

French banks, especially direct and digital banks, have a unique opportunity to respond to the adoption of crypto-assets. By offering services related to crypto-assets, they can attract and retain financially savvy customers, positioning the bank as a forward-thinking leader.

The adoption of cryptocurrencies in Europe is evolving rapidly. Data from this study, including the distribution of French savings by asset class, reveals that cryptocurrency ranks sixth in the overall investments of the French, already representing 3% of portfolios. It is surpassed by mortgages, savings, life insurance, stocks, and bonds, indicating that crypto-asset investors place the majority of their savings in traditional banking products. However, compared to the overall French population, crypto-asset investors have a more pronounced preference for stocks (8% of the portfolio), bonds (6% of the portfolio), and investment funds (5% of the portfolio). They use financial instruments typically offered by digital banks and online brokers to make more technical and diversified investments.

Who are these crypto-asset investors? Mostly male, with a high socio-professional status and education, holding enviable professional positions. Their inclination toward online banking, especially direct banks and neo-banks, is undeniable. The competition among direct banks in France to increase their customer base is intense. In this context, quickly integrating crypto propositions ensures an undeniable strategic advantage, not only diversifying services but also meeting changing customer expectations. Banks must seize the opportunity to exceed the expectations of their high-status customers by delivering solutions that align with their emerging investment preferences.

Offering crypto services is a strategic necessity to remain competitive. A short launch time is advantageous, and banks should assess the complexity and duration of internal implementation compared to the efficiency and predictability of established technological partners such as Bitpanda. Dear bank directors: do not miss the opportunity to capture the growing market of cryptocurrency investors. Time is of the essence; act now to ensure the future growth of your direct customer base.

II INVESTMENT VEHICLES (ETF/SPOT)

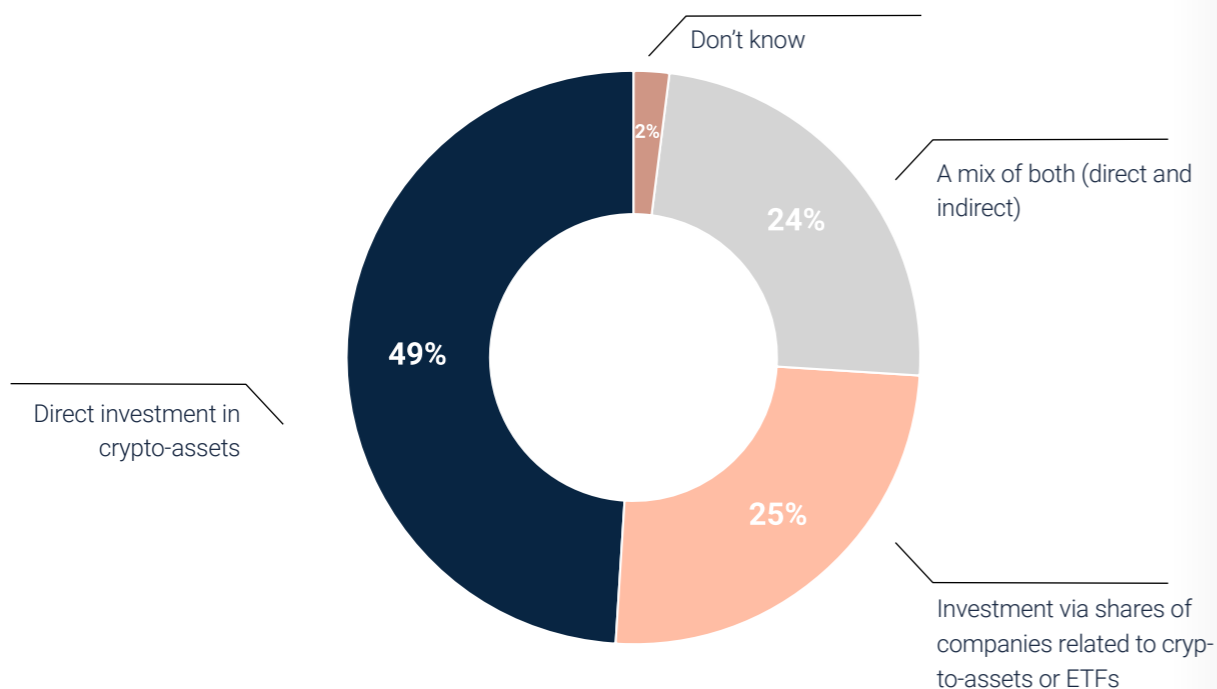
Among the French interested in accessing crypto-assets through their savings, a majority (49%) prefers direct exposure to crypto-assets rather than indirect exposure through investment vehicles such as stocks or ETFs, which attracts 25% of them. 24% of the French would prefer a mix of direct and indirect investment. It is worth noting that the survey took place before the approval of the first ETFs on bitcoin spot by the United States *Securities and Exchange Commission* (SEC) on January 10¹¹. The observation is twofold: on the one hand, ETFs are widespread and more accessible vehicles for banks and private investors, but on the other hand, these already exist for crypto-assets and are not distributed despite their existence and listing on many European exchanges. This situation may also justify a preference and habituation for direct investment in crypto-assets.

The OECD¹² study for the AMF published in November 2023 and mentioned earlier also shows that only 2.4% of the French held traditional ETFs in 2023, compared to 9.4% holding crypto-assets.

This preference for direct access to crypto-assets illustrates the French attraction to the actual ownership of these assets and the desire to minimize the number of intermediaries. Indeed, the flexibility of existing offerings from specialized third parties in the sector allows the direct purchase, sale, deposit, or withdrawal of crypto-assets, offering direct exposure to the benefits of the assets. This contrasts with ETFs and other synthetic vehicles that maintain a chain of intermediation.

Preferred type of crypto-assets investment products

 Are interested in a crypto-asset investment proposal from their bank (Base : 136)



11 [SEC.gov | Statement on the Approval of Spot Bitcoin Exchange-Traded Products](https://www.sec.gov/Statement-on-the-Approval-of-Spot-Bitcoin-Exchange-Traded-Products)

12 [New retails Investors in France: Attitudes, Knowledge, and Behaviors - OECD \(oecd.org\)](https://www.oecd.org/fr/fin/etf/Attitudes-Knowledge-and-Behaviors-2023/)



PART 2

APPLICATIONS IN INDUSTRIES

To complement the data collected by the polling institute Ipsos on the «Adoption» section and to update the figures on the Web 3 industry published in 2022, we distributed a quantitative and qualitative questionnaire to French companies in the sector. The objectives were as follows:

- Assessing the size of the Web 3 sector in France in 2024 (company typology, number of employees, client types, etc.) and highlighting the growth of this industry.
- Identifying the challenges these companies face in developing their activities (regulation, partnerships, financing, taxation, etc.).

METHODOLOGY

Information was gathered through a questionnaire consisting of 51 questions (multiple-choice, closed, open-ended questions, and opinion scales), along with the collection of quantitative data (numbers and dates).

The quantitative and qualitative information was then grouped and analyzed by KPMG and Adan teams to identify trends and insights.

The questionnaire is divided into 7 main themes:

- Company profile (date of establishment, revenue, sectors of activity, etc.)
- Clients (number of clients, target client types, etc.)
- Company employees (number of employees, sought-after positions, etc.)
- Funding (past/future fundraising, types of financing, etc.)
- Partnerships (types of partners, ease of access, etc.)
- Regulation and taxation
- Environmental challenges

Between January 1 and February 2, 2024, we distributed the questionnaire to ecosystem players via Adan's networks and collected 51 responses from companies with one or more Web 3 activities in France. These companies represent the diversity of activities encompassed by Web 3 in France but do not provide an exhaustive view of the sector.

Interviews with sector companies

Interviews were also conducted with 3 partner companies of the study to gather their interpretation and analysis of the results. These interviews were conducted with:

- Joël-Alexis Bialkiewicz – Managing Partner of Delubac & Cie Bank
- Youssef El Manssouri – CEO and Co-founder of Sesterce
- Nadia Filali – Director of Innovation & Business Development at Groupe Caisse des Dépôts

They were then transcribed by KPMG teams to retain the main messages and adhere to a maximum 750-word format.

1 PROFILE OF FRENCH COMPANIES IN THE WEB 3 SECTOR

INSIGHT 1

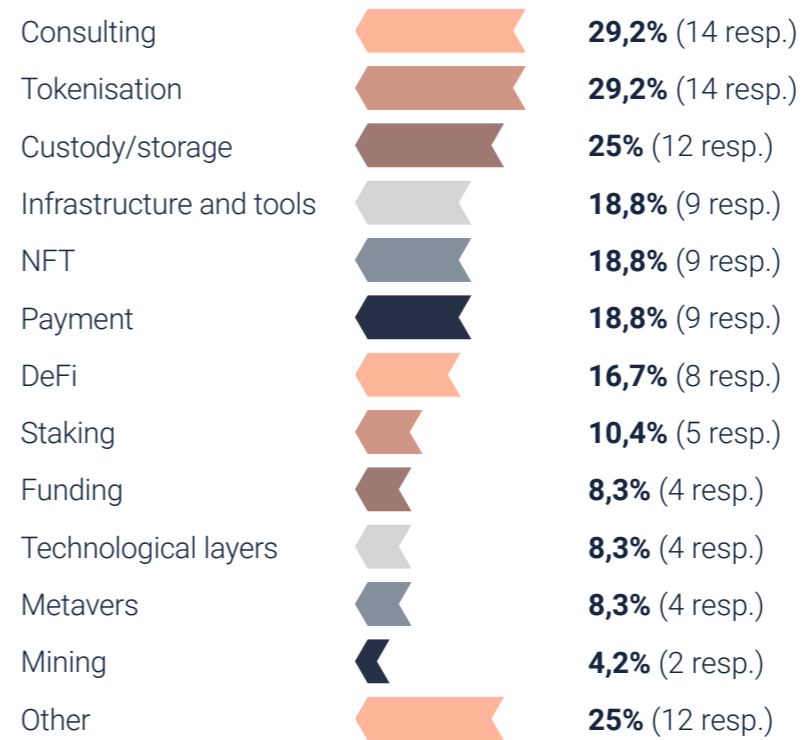
DIVERSE OFFERINGS IN THE FRENCH WEB 3 LANDSCAPE

The surveyed companies primarily fall into two key sectors. **54.2% operate in the financial sector, while 22.9% are involved in computer and telecommunications.** Additional sectors are represented, such as legal and accounting (4.2%), sports and leisure linked to Web 3 (4.2%), and energy (2.1%).

While some services are not exclusive to Web 3, like consulting (29.2%), others, such as tokenization (29.2%), security and asset custody (25%), NFTs (18.8%), and staking services (10.4%), are unique to the sector. These findings underscore the richness of the French Web 3 ecosystem and its capacity to innovate, with companies adept at addressing the diverse and specific demands of the sector.

Despite a notable concentration due to the technological and financial nature of Web 3, these companies cover a broad spectrum of crypto and Web 3 offerings.

Types of Web 3 use cases developed by sector companies



The following categories are included in other: crypto investment, brokers, crypto market place, asset management, gaming, digital signature & traceability.

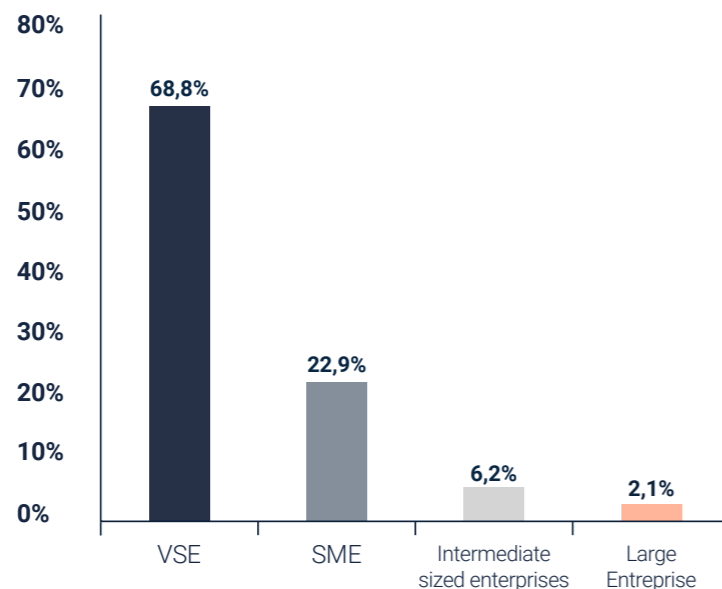
INSIGHT 2

YOUTHFULNESS AND PREVALENCE OF VSES IN THE FRENCH WEB 3 SPHERE

The French Web 3 landscape remains in its infancy. Over the past decade, it has gradually evolved to structure innovative service offerings, catering to the needs of millions engaging with crypto-assets. The youthfulness of this sector is evident in the average age of respondent companies, standing at 5 years, with over **77% of ventures launched post-January 1, 2016**. This nascent stage is reflected in the size and revenue of these companies. In 2024, **68.8% of enterprises are classified as Remplacer par : very small enterprise (VSE)**, akin to the proportion observed in the 2022 study (70%).

Such figures suggest that we are still in a phase of launching companies in this market, with a multiplication of products and services offered by new players. While indicating ongoing market entry, the percentage of companies generating annual turnovers exceeding 2 million euros (31.2%) signals a sectoral maturation, with entrepreneurs demonstrating resilience. Notably, this figure represents growth compared to the 18.5% observed in previous respondent cohorts.

Size distribution of Web 3 companies in France



The digital nature of the sector and blockchain's trans-boundary reach enable French firms to organically expand globally. In 2024, **45% of surveyed companies extended their services internationally, even among small entities** (66.6% are VSEs). Conversely, this native distribution of services internationally also exposes French actors to global competition, including that

of major industry players. These players may have competitive advantages such as more favorable jurisdictions. To minimize the risk of unfair competition, regulatory harmonization and increased oversight by public authorities are necessary.

INSIGHT 3

2024 MARKS A YEAR OF GROWTH AND EXPANSION FOR THE WEB 3 MARKET

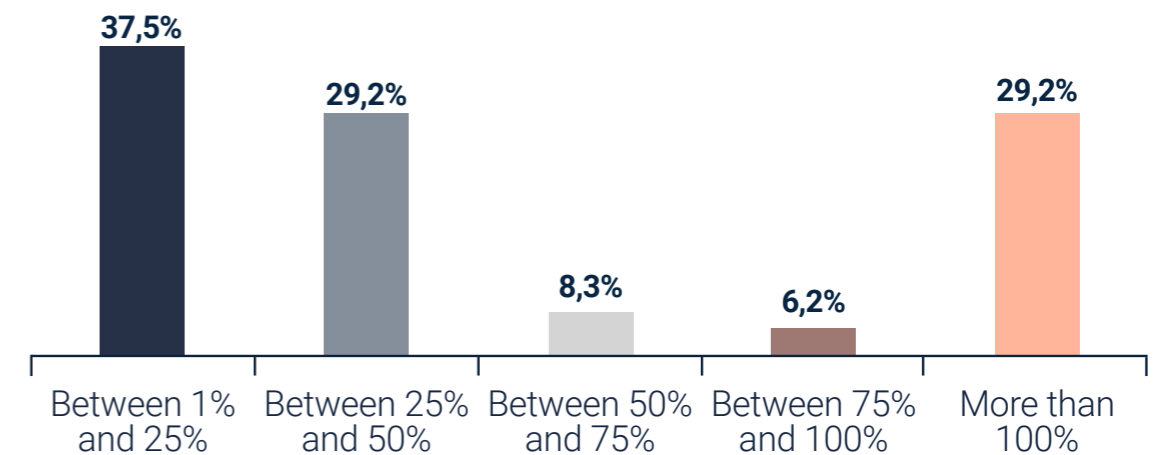
After 18 months marked by a decline in the value of crypto-assets on financial markets, amidst a challenging environment for tech companies overall, French enterprises remain optimistic for 2024.

All respondents anticipate revenue growth in the coming year. 43.7% project revenue growth exceeding 50%, **with nearly one in three companies expecting to double their revenue in 2024**. Forecasts vary significantly depending on the actors' typology. These insights underscore the significant role of entities like Bpifrance in providing assistance during less favorable market cycles for the Web 3 sector.

Several factors bode well for realizing these forecasts in the coming years:

- Continued and increasing adoption of Web 3 users worldwide.
- Market catalysts that have a significant impact on crypto-asset prices (regulatory advancements, financial sector experiments, etc).
- Increasing adoption by companies, notably in the luxury and retail sectors, creating structural demand for crypto-native entities.

Revenue growth outlook for 2024



2 EMPLOYMENT

INSIGHT 1

FOR THE FIRST TIME, LAYOFFS EXCEED HIRES

Between 2018 and 2022, employee numbers increased by an average of 33% annually, reflecting a dynamic sector experiencing strong growth.

However, since 2023, the Web 3 sector has experienced a decline in its workforce for the first time in its history. Employee numbers **decreased by an average of 11% compared to 2022**.

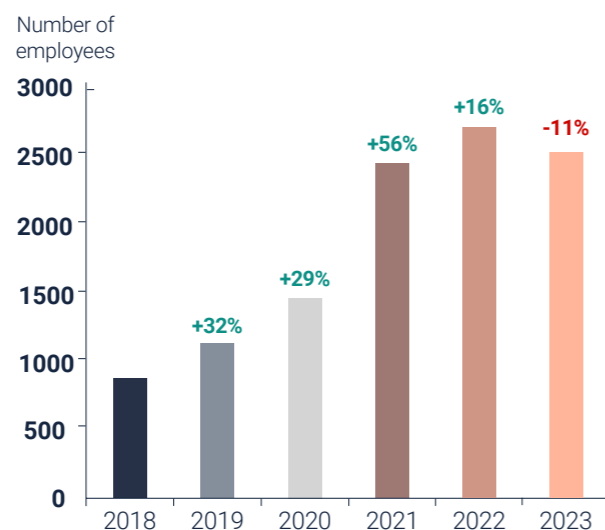
There are differences between the two studies and thus employment results should not be strictly compared. With around fifty participating companies in this edition, the number of jobs reached 2,500 for 2023. This figure is not to be interpreted as the total number of jobs related to Web 3.

Between late 2022 and 2023, after two record-breaking years in terms of fundraising and hiring, many sector companies – both in France and internationally – faced a slowdown in their activities and a scarcity of funding. They had to lay off part of their workforce. In France in 2023, the number of job offers in tech decreased by 41% compared to 2022, indicating a broader trend in which the Web 3 sector is involved.

Beyond this general trend in the tech sector, there are some specificities unique to the Web 3 industry:

- Prolonged decline in crypto-asset prices over the past two years (a 30% decrease in valuations between the two surveys, and a 65% decrease at the lowest point during the period¹³).
- Crisis of confidence triggered by the bankruptcies of Web 3 giants, which directly or indirectly impacted all sector players (FTX scandal and fraud, Silvergate Bank bankruptcy, etc.).
- Increased competition for fundraising with new technologies such as Generative AI, which compete with tech investments that could be directed towards the Web 3 industry.
- Organizational restructuring with increasingly significant compliance needs (e.g., financial security, cybersecurity, regulatory compliance, etc.).

Evolution of the number of employees in the Web 3 sector between 2018 and 2023



13 According to coingecko between December 2021 and January 2024

INSIGHT 2

COMPANIES ARE INCREASINGLY SEEKING DIVERSE PROFILES

Despite sluggish hiring in 2023, **85.7% of companies anticipate a resurgence in hiring in 2024**.

In France, companies in the Web 3 sector are seeking increasingly diverse profiles. In 2022, **93% of companies were looking for technical profiles**, reflecting the pervasive presence of technological topics within companies compared to commercial, financial, and regulatory development topics.

Engineers remain in high demand, with **46.3% of companies seeking to recruit this type of profile**. While this proportion has halved compared to 2022, it remains substantial and consistent with the technological implications of a Web 3 project.

The diversification of sought-after skills suggests greater sector maturity. Beyond engineers, sales-related profiles rank high, **with 43.9% of companies seeking marketing and communication profiles, 39% seeking sales representatives, and 36.6% seeking business developers**.

These figures align with companies' growth expectations and demonstrate their intent to hire employees capable of supporting their development efforts.

This trend of diversifying sought-after profiles also echoes the structuring of the regulatory framework. **Compliance specialists** are in high demand, with **41.5% of companies seeking to recruit these profiles**. The regulatory framework to which sector players are subject, notably the PACTE regime in France since 2019 and the European MiCA (Markets in Crypto-Assets) regulation adopted in April 2023, is prompting companies to strengthen their internal control and compliance mechanisms. This particularly concerns the 106¹⁴ companies registered as CASPs (Crypto-Asset Service Providers), which must follow supervisory authority recommendations and anticipate new provisions required by MiCA (Market in Crypto-Assets). Faced with the intensification of regulation of Web 3 activities, these highly sought-after profiles must combine financial, legal, and technical skills.

Profiles sought by companies in 2024



14 [Obtaining CASP registration / approval | AMF \(amf-france.org\)](https://www.amf-france.org/fr/actualites/actualites-2023/obtenir-lautorisation-dexercice-dun-caspe)

INSIGHT 3

THE NUMBER OF WEB 3 SPECIALISTS CONTINUES TO RISE

At the end of 2021, 83% of companies encountered difficulties in recruiting qualified Web 3 profiles. By early 2024, this figure has dropped to half (43.8%) of them. While still a significant percentage, the trend is positive and demonstrates progress in terms of training and market attractiveness.

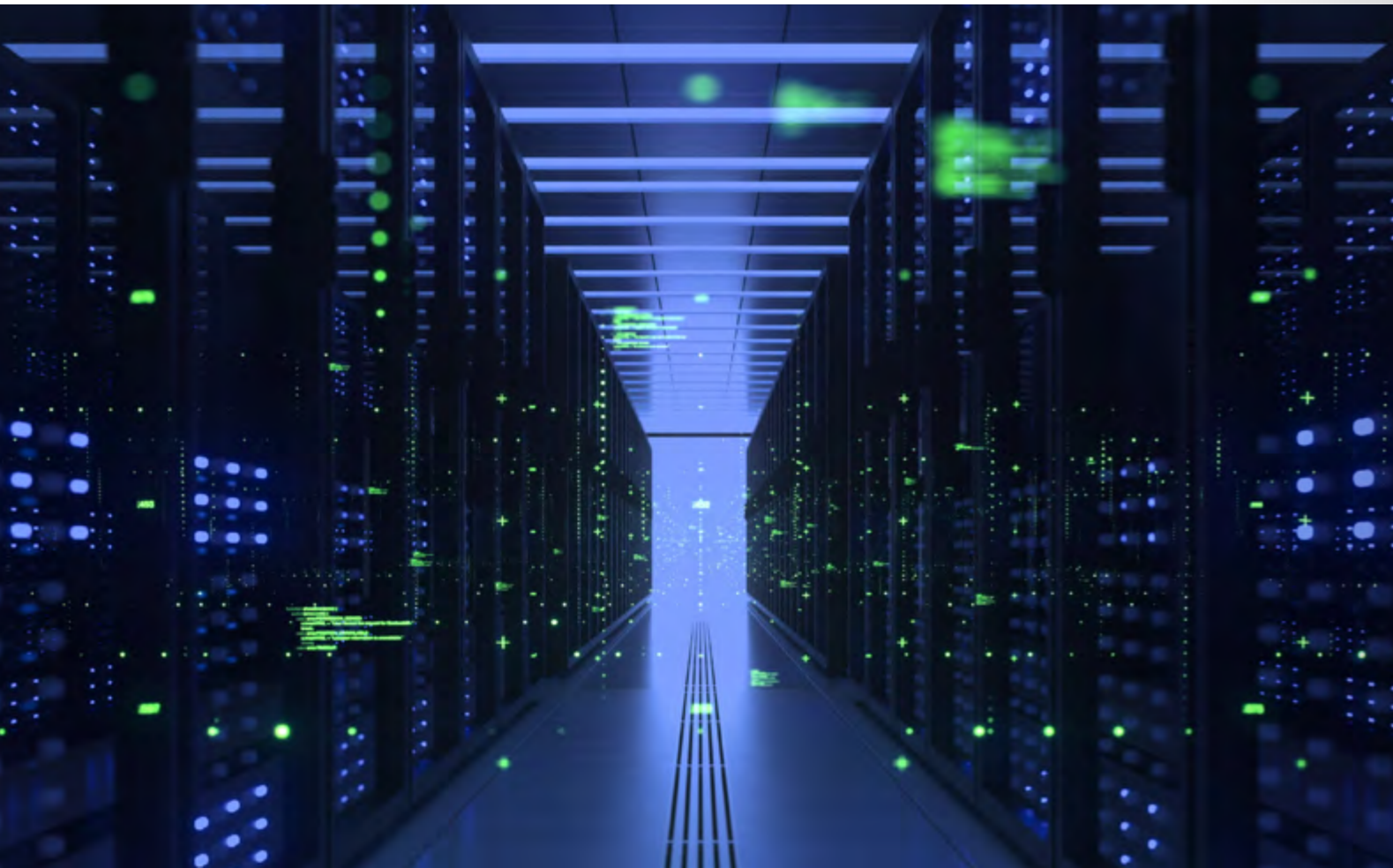
After the observed delay in recent years, France now seems to better grasp the training challenges for building a robust innovation sector. Indeed, academic and professional initiatives have multiplied, making France one of the most attractive and training-oriented countries for Web 3 talents:

- Diverse training offerings integrated into excellence programs (Kryptosphère Association - which brings together many business &

engineering schools - ESILV, HEC, Polytechnique, Dauphine; Schools & specialized formations on blockchain like Alyra or the Blockchain Business School, etc.).

- Emergence of numerous associations (Paris Blockchain Society, Women in Web 3) and working groups bringing together sector experts (e.g., Paris Europlace; Amafi; etc.).
- Holding international events (EthCC; PBWS; NFT Paris; Surfin Bitcoin, etc.).

These developments greatly facilitate the upskilling of French citizens on this topic and the emergence of new talents within the industry.



3 FUNDING

INSIGHT 1

THE AMOUNTS RAISED BY WEB 3 COMPANIES IN FRANCE ARE LOW, AND NEW FUNDRAISING ROUNDS ARE EXPECTED IN 2024

Over half (52.1%) of the respondents have raised funds, marking a significant increase from the 33% reported in the 2022 study.

88% of these fundraising rounds are «early-stage», meaning pre-seed, seed, or series A, with the latest notable series A being Kiln's in January 2024. These fundraising rounds typically occur at an early stage of the company's development, confirming the strong presence of VSEs (68.8% of the surveyed entities) and, more broadly, the youthfulness of companies in the sector.

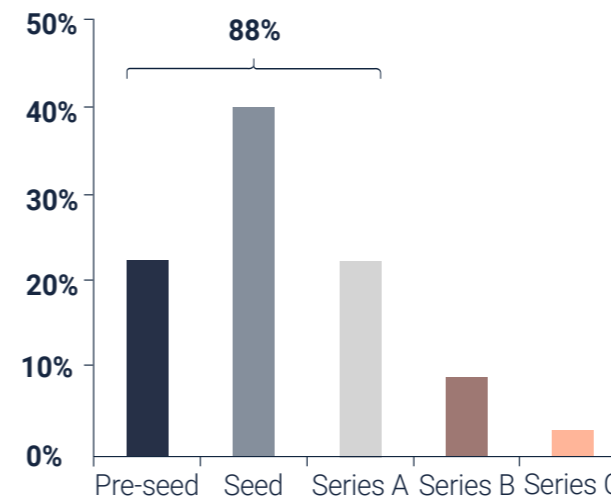
However, given the pool of startups in the Web 3 sector currently in this nascent stage, we may expect to see a significant acceleration in series A funding in the coming years, potentially leading to series B or C rounds at a more advanced stage of maturity. Therefore, it is essential to support these very small

enterprises now to ensure the long-term sustainability of the French ecosystem.

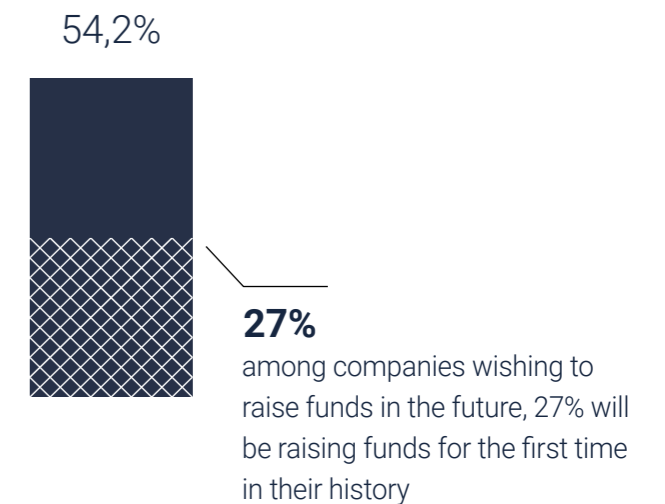
For comparison, between early 2018 and late 2023 in the French Tech sector, early-stage fundraising represented only 30% of total fundraising¹⁵, highlighting the youthfulness of the Web 3 industry.

The year 2023 saw a tightening of financing, particularly in France, where tech start-ups' fundraising dropped by over 30%. However, Web 3 sector companies remain confident for 2024. In line with revenue growth prospects, 54.2% of French Web 3 companies intend to raise funds, a proportion similar to the first study. The majority (72%) of these companies anticipate these fundraising rounds will occur in 2024. Among these companies seeking funding, 27% of them would be raising funds for the first time.

Types of fundraising rounds conducted by the sector's companies



Proportion of companies planning to raise funds in the future



15 [Funding rounds | La French Tech ecosystem map](#)

INSIGHT 2

FRENCH INVESTORS ARE IN MAJORITY BUT ONLY IN THE EARLY STAGES OF PROJECTS

Among the fundraising rounds conducted by responding companies, French actors represent an average of 64% of investors. For comparison, at the end of 2023, French investors accounted for 54% of investors in fundraising rounds conducted by French Tech companies. This representation is strongly supported by Bpifrance, present **in 45% of early-stage fundraising rounds**, demonstrating France's commitment to supporting the sector's development.

In our first study in 2022, French investors were already well represented (58%) in fundraising rounds conducted by sector companies. However, respondents pointed out both the lack of French financing in later-stage fundraising rounds (such as series B and C) and the investors' lack of knowledge about Web 3 and its challenges. Companies tended to naturally turn to foreign investors, who were more knowledgeable about these topics and inclined to invest larger amounts.

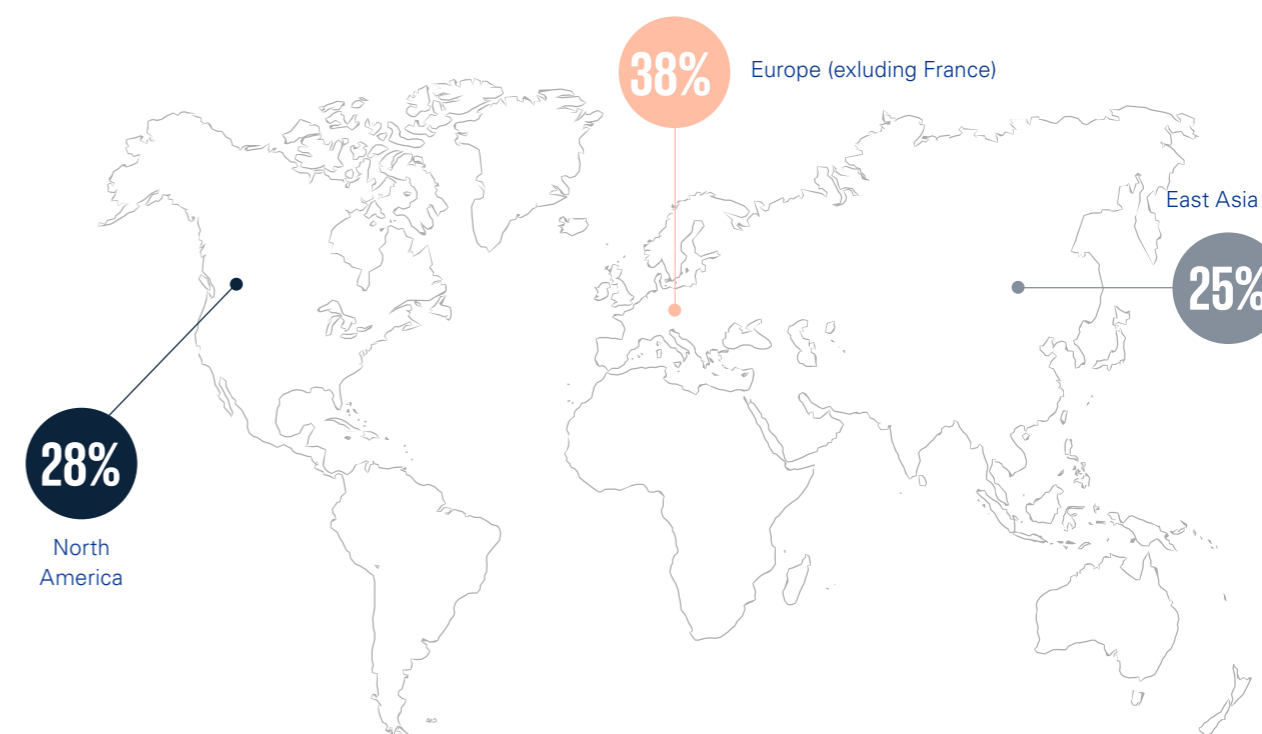
While the overrepresentation of foreign funding in significant fundraising rounds reflects the attractiveness of French Web 3 projects, it may raise questions about national sovereignty. In 2024, among responding companies, French investors are major players in 71% of early-stage fundraising rounds (pre-seed, seed, and series A) and only in 33% of more advanced fundraising rounds (series B and C). The observation remains the same two years after our initial study.

As mentioned earlier, to prevent our national champions from migrating to more «Web 3 friendly» countries and to maintain sovereignty over the sector, French investors must continue to financially support the ecosystem in both early-stage (seed and series A) and later-stage (series B and C) or late-stage funding rounds.

Foreign funding sources are divided among three regions. **First is Europe** (notably the Netherlands, Switzerland, Belgium, and Germany), **which accounts for 37.5% of foreign funds**, followed closely **by North America**

(United States and Canada) and East Asia (Japan, South Korea, Hong Kong, and Singapore), **representing 28% and 25% of foreign funds, respectively.**

Origin of foreign investors



4 CLIENTS

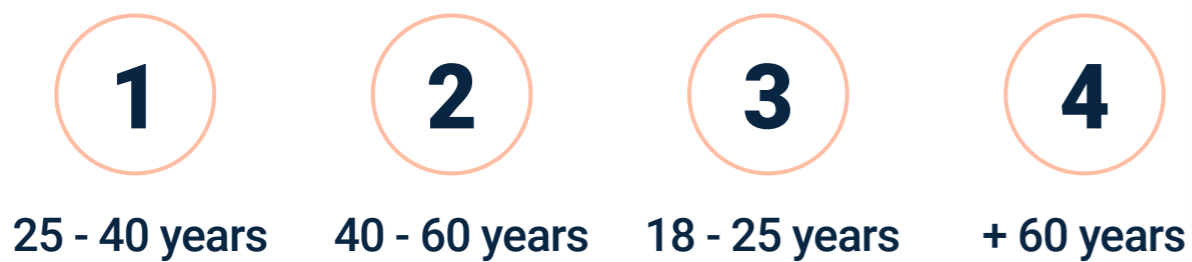
INSIGHT

THE 18-25 AGE GROUP IS NOT THE PRIMARY TARGET FOR WEB 3 COMPANIES

Web 3 companies primarily target the 25-40 age group, followed by the next generation, the 40-60 age group. Thus, the 18-25 age group ranks only third in the ranking of targeted customer populations, despite being the most represented among holders (see the Adoption section).

Their purchasing power and investment capacity are lower than their older counterparts, presenting lesser potential for businesses. It's worth noting that these responses primarily concern companies targeting retail consumers (known as B2C model).

Ranking of age groups most represented among Web 3 companies' clients in France



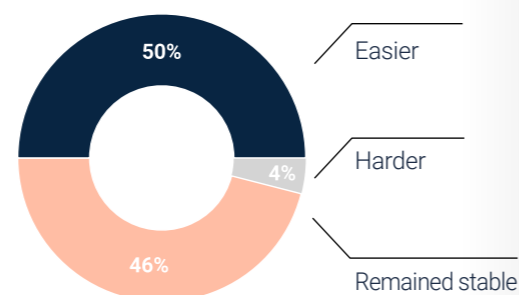
5 PARTNERSHIPS

INSIGHT

THE ECOSYSTEM OF PARTNERS AND/OR SERVICE PROVIDERS IS IMPROVING FOR COMPANIES

Historically, French companies in the Web 3 sector faced difficulties accessing bank accounts and certain insurance products. At the beginning of 2024, 50% of companies believe that the situation has improved compared to 2022. This positive trend is the result of better understanding of the sector, the growing presence of service providers, the implementation of several regulations, and the action of professional associations in the sector.

The search for partners is ...



However, 45.8% of respondents still encounter difficulties in finding insurance partners. Several reasons explain this issue:

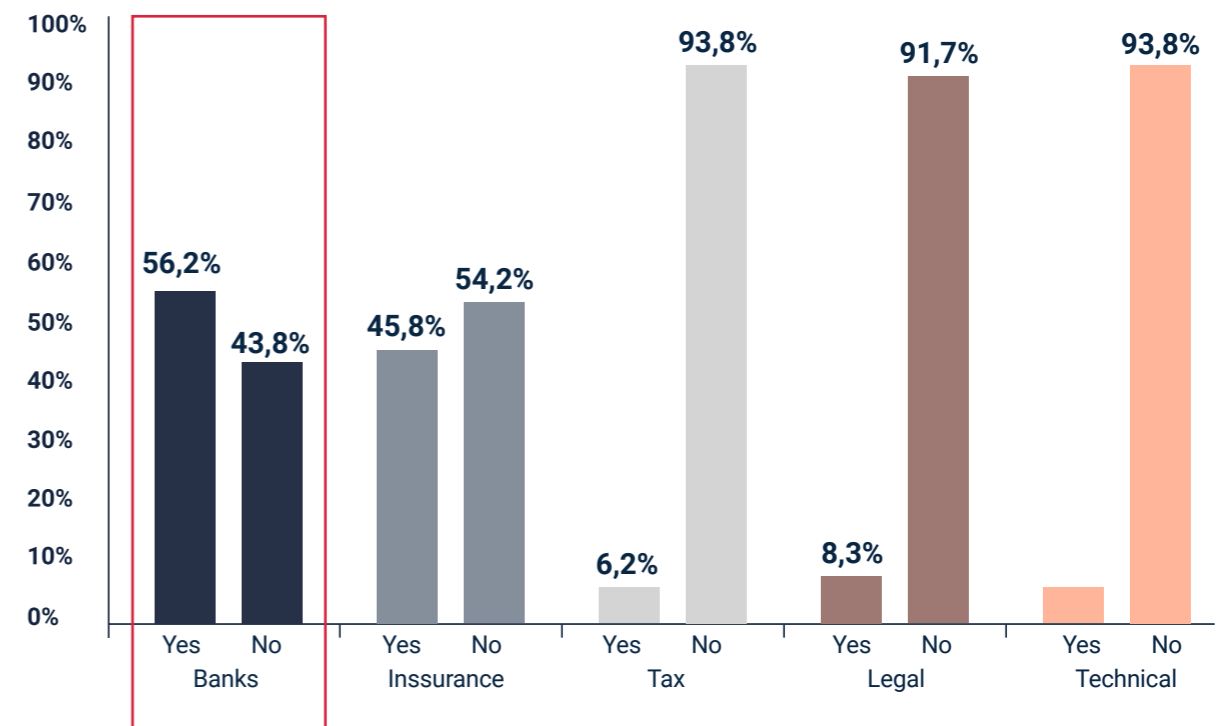
- New and specific activities related to crypto-assets, such as crypto-asset custody, are complex to insure due to the emergence of new risks that are still difficult to assess.
- High concentration in the sector creates interdependencies between actors and systemic risk.
- A still undeveloped market with new risks to apprehend.

Regarding banks, in 2022, 70% of companies in the sector faced difficulties in finding a banking partner for their Web 3 activities. At the beginning of 2024, this number dropped to 56.3%.

Respondents notably cited Delubac & Cie Bank and Société Générale as preferred partners. However, a majority of companies remain on the sidelines of the French banking system. These difficulties may be explained by banks' reluctance to expose themselves to the Web 3 sector due to financial and reputational risks.

On the contrary, over 90% of companies report having no trouble finding partners in tax, legal, and technical domains for their Web 3 activities.

Have you had difficulties finding a partner...



In response to the question, which actors would you prioritize for buying/selling and storing crypto-assets, the French respondents ranked banks first (20.5% for buying/selling and 21.2% for storage), ahead of self-custody (16.6% and 17.5% respectively). Why do you think banks are already emerging as key players?

Delubac : Simply because cryptocurrencies are money, despite what some may claim! And where there's money, there's trust. The crypto sector is currently plagued by numerous financial scandals - like FTX. Despite the high quality of French CASPs (crypto-asset Service Providers), the general public is still hesitant to entrust them with their assets. Today, individuals holding crypto-assets face a dilemma:

- Either entrust their crypto-assets to a major specialized actor, with the risks that entails, as I just mentioned.
- Or self-custody, which requires an extremely sophisticated security system to avoid the risk of theft.

At the core of the blockchain invention was the desire to free citizens from banks. The ultimate goal, in theory, is self-custody. However, this freedom comes at a price. It requires skills, knowledge, and resources. The French neither want to risk being robbed at home nor want to build complex and costly security systems. **Ultimately, the solution that offers them the best balance between security and usability is to place their cryptos where they already have most of their assets: in their bank.** But that's if the bank accepts it...

22.8% of French respondents are willing to change banks to access crypto-asset services. That's 3% more than in 2022. What does this suggest to you?

Delubac : The French are fed up with being patronized. To invest in crypto-assets, they simply want to be able to turn to their account manager. It's up to the manager to remind them of the risks associated with this asset, based on their client's investor profile, before meeting their request.

Today, the traditional financial sector, for the most part, is vehemently against crypto. Terrorism, money laundering, or fraud reign supreme, as some have gleefully reported in the press! As a result, France is lagging behind, and Americans will not hesitate to offer their services in France.

For the sake of sovereignty but above all to meet the needs of the French, we will offer, starting this year:

- On one hand, a platform for buying/selling and storing crypto-assets, secure, segregated, and easy to access, through Delubac & Cie.
- On the other hand, through DeluPay, our subsidiary that has developed a 100% French mobile payment solution, we will make it possible to convert crypto payments to fiat currencies (Euro, Dollar, Pound...). This way, you can make all your payments very easily with DeluPay without having to change your wallet, and at all merchants and e-commerce sites equipped with it.

Among French individuals interested in placing some of their savings in crypto-assets through their bank, 48.5% would opt for direct access to crypto-assets, compared to 25% for indirect access via an investment vehicle (such as ETF). How do you explain this preference?

Delubac : ETFs certainly allow exposure to this market, but only by owning a piece of paper, with all the risks that entails. Being directly the owner of individualized crypto, with an address on the blockchain - as is the case with Delubac & Cie - is fundamentally different! In terms of hacking, it is also obvious that transferring the individual assets of thousands of clients, each holding their own address and who will immediately notice any discrepancies, is much more complicated than emptying the reserves of a pure player where all clients' assets are mixed.

Among French respondents interested in placing a portion of their savings in crypto-assets through their bank, almost 20% are already clients of Delubac & Cie. How did you become the leading player in the industry in France?

Delubac : Firstly, and unlike a very cautious banking market in this regard, we offer operational bank accounts, through advisors trained in crypto, sustainable over time, and accessible on their own phone. You have to admit that this changes the game! Secondly, at the request of our clients, we are also in the process of developing a Banking-as-a-Service offer, combining our crypto expertise with strict compliance. This platform will be open not only to crypto players but also to neo-banks in the market. My guiding principle has always been market openness and free competition.

6 ENVIRONMENTAL CHALLENGES

INSIGHT 1

COMPANIES IN THE SECTOR BELIEVE THAT WEB 3 TECHNOLOGIES ARE COMPATIBLE WITH ENVIRONMENTAL CHALLENGES

In France, 64.6% of responding companies consider blockchain technologies compatible with reducing their environmental impact.

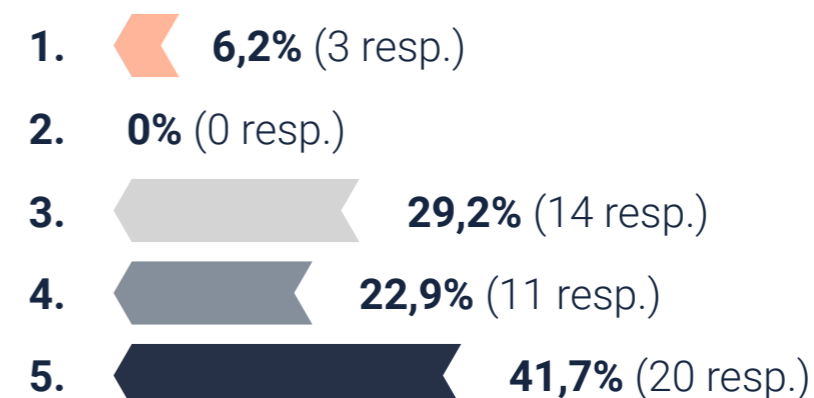
Moreover, 60.4% state that they are influenced by new environmental regulations in their choice of service provider.

Taking these criteria into account by companies seems logical for several reasons. First, integrating environmental criteria into the selection process helps reduce the overall carbon footprint of the company by choosing suppliers committed to sustainable practices.

Additionally, it enhances the company's reputation by demonstrating its commitment to social and environmental responsibility, which can attract clients sensitive to these values. Finally, it promotes innovation and collaboration in developing environmentally-friendly solutions, which can lead to long-term cost savings and better adaptation to future environmental regulations.

In this sense, the MiCA regulation already requires market participants to declare information regarding their environmental footprint. These obligations could also extend to the assets available/distributed on these platforms.

On a scale from 1 to 5, how much do you estimate that blockchain technologies are compatible with your environmental impact reduction objectives?



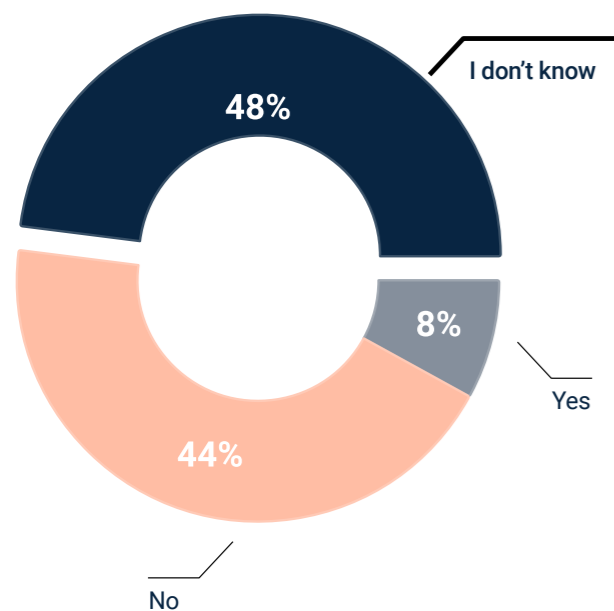
1 = not compatible, 5 = perfectly compatible

INSIGHT 2

INITIATIVES FOR INCREASED WEB 3 SUSTAINABILITY ARE POORLY UNDERSTOOD

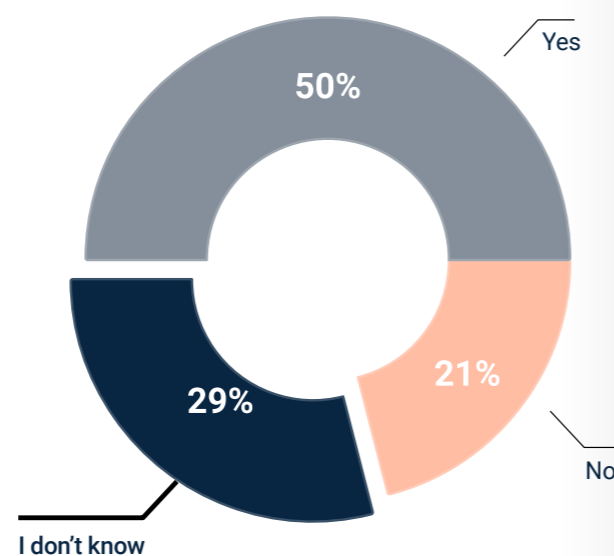
There is a lack of communication in France about the measures taken by government agencies and companies to make the Web 3 industry greener. **29% of companies believe they do not know if concrete measures are being taken by their peers, and this figure rises to 48% when it comes to measures taken by public authorities.**

Do you believe that government entities are taking practical measures to make the industry greener?



Companies today have levers of action to reduce their environmental impact, including the impact of the technologies they use. However, communication about existing measures and levers must be increased, and the directives from public authorities must be clearer from an operational perspective. Increased communication and more clarity would facilitate the implementation of measures by ecosystem actors.

Do you believe that companies in the sector are taking practical measures to make the industry greener?



A majority (79.8%) of French crypto holders are concerned about the environmental impact of their assets, and 63% say they are influenced in their investment choices by environmental issues. What are your thoughts on this?

Sesterce : 63% is quite a high percentage, showing that more than half of crypto holders take this issue into account. The difference between these two figures can be explained in two ways. Firstly, by the lack of available information about the environmental impact of blockchains. And secondly, and most importantly, by the lack of green blockchain solutions. **Today, an investor looking to diversify their crypto-asset portfolio is forced to consider cryptos that do not rely on green blockchains.** It is essential to have clear, varied offerings that provide easy access to green crypto investment solutions. The regulatory framework proposed to investors should also align with the offerings. **Overall, what is needed now is a regulatory, political, and industry leadership push to encourage the adoption of greener solutions.** There's also a matter of ecosystem maturity. The crypto industry is very young and still lacks maturity and ease of understanding to allow consumers to make informed choices regarding environmental issues.

On the topic of regulations, only 7.5% of French crypto companies believe that practical measures are being taken by government authorities to make Web 3 greener. What role do you think the government should play?

Sesterce : There are two important issues. Firstly, regulatory tools need to be put in place by government authorities to facilitate blockchain audits and develop environmental assessments. This will support industry players and allow environmental actors to better advise them. The second issue is information. We need to build a more transparent framework and be able to provide clear information to industry professionals to help them better understand regulations. The problem isn't just that authorities aren't implementing practical measures; there's also a lack of communication. Communications need to be more regular, and measures need to be more transparent to facilitate industry actors' learning curve and better understanding of the measures.

What initiatives is Sesterce implementing to contribute to better access to information?

Sesterce : To provide some context, Sesterce products have a 100% green approach, meaning that all the energy used by our products is 100% green. This commitment to offering green solutions is inherent to our company's DNA. It's a core aspect of our business proposition, and we're proud to explain it to our clients. We also conduct extensive research on environmental issues, which we then publish on our blog and social media channels. The goal is to communicate to the entire industry about the green aspects of blockchain and the utility of our data centers for reducing companies' environmental impact. We have also formed strong partnerships with blockchain companies and industrial players to jointly develop 100% green technological solutions. So, we try to engage with everyone, whether it's with government authorities at dedicated conferences and meetings or with our clients and partners.

In your opinion, are blockchain technologies compatible with environmental challenges?

Sesterce : Blockchain technologies are perfectly compatible with environmental challenges. Historically, blockchain has been criticized for its environmental impact and, as a result, has been heavily scrutinized. The advantage is that industry players have had to develop a certain rigor in environmental issues, much more than in other industries. As a result, the blockchain industry is now rather advanced on these issues. I would even go further and say that it's a matter of ecosystem culture. Blockchain players, for the most part, seek to create a more virtuous, freer, and more environmentally respectful world. **To help them move in this direction, it's important to provide transparency, continue to communicate, and build more adapted tools.**



7 REGULATORY AND FISCAL FRAMEWORK

INSIGHT

FRANCE LEADS IN REGULATORY MEASURES FOR CRYPTO-ASSETS, BUT FISCAL FRAMEWORK POSES CHALLENGES FOR WEB 3 COMPANIES

In 2023, there was a strengthening of French and European regulations for Web 3 sector companies, notably with the publication of the MiCA regulation and the revised Transfers of Funds (TFR) regulation in the Official Journal of the EU in June. France has been a pioneer in this regard, thanks to the establishment of the CASP (Crypto-Asset Service Provider) regime since 2019 with the Pacte law, which has been reinforced three times since (including once in 2023).

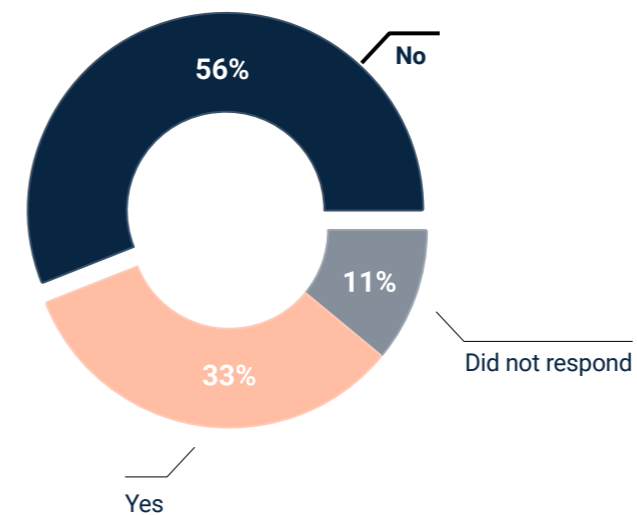
This regime defines and regulates activities such as custody, buying/selling, exchange of crypto-assets, and operation of crypto-asset trading platforms in France. While initially, the implementation of these frameworks could have been promoted as a vector of security and visibility for companies, in practice, unresolved operational issues and associated costs have significantly compromised this ambition. Indeed, the costly compliance requirements, coupled with the complexity of labor law and the cost of hiring in France, are now leading a majority of companies to consider the opportunity to establish themselves in other jurisdictions, especially those where obtaining approval is faster. This is further emphasized by the fact that obtaining a license under the MiCA regulation will enable companies to passport their activities across all member states of the European Union. This trend

is reinforced by the negative perception companies have of taxation in France.

From a fiscal standpoint, **56% of respondents believe that the French framework is not favorable to the adoption of crypto-assets, and 63% feel it is not adapted to their Web 3 activities.** One of the most criticized measures is the 30% tax on capital gains made in cryptocurrencies by individual investors. Companies fear that this tax will hinder adoption and create a competitive imbalance between France and countries with more favorable taxation. For example, Germany distinguishes between two levels of taxation based on the duration of asset holding (lower taxation for long-term holding). Furthermore, there are doubts about the qualification of certain crypto-assets in relation to their use. This lack of clarity risks subjecting crypto-assets representing diverse underlyings to inadequate tax regimes. Beyond assets, specific Web 3 events, such as airdrops, can raise new questions for companies and users conducting them.

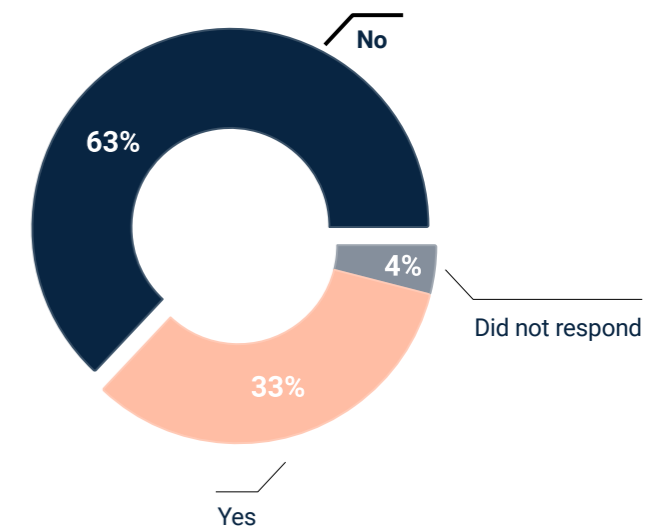
Web 3 sector companies in France also denounce the ambiguity surrounding the declaration of certain revenues from farming or staking, in addition to the overall complexity of the tax framework.

Do you believe that the current tax system on crypto-assets' investment in your home country is suited to the adoption of crypto-assets ?



Finally, the political year 2024 will be marked by the European elections in June. These elections will be an opportunity for the French Web 3 ecosystem to strengthen its positions.

Do you believe that the current tax system in your home country is well suited for your activities involving operations on crypto-assets ?



91.7% of respondents also believe that it is the role of a candidate in the European elections to promote the development of Web 3 in France and Europe.



8 THE FINAL WORD BY NADIA FILALI - DIRECTOR OF INNOVATION AND BUSINESS DEVELOPMENT FOR THE CAISSE DES DÉPÔTS GROUP

As a partner of this study since its inception, **Caisse des Dépôts** supports the development of innovative ecosystems like that of Web 3. To understand the evolution of this sector and better anticipate future uses, it is crucial to have tangible data on the industry. Within the framework of this study, the information will allow us to analyze the sector's development, as well as the adoption of new practices by users and the dissemination of new financial tools in France and Europe. Ultimately, this helps to enlighten all stakeholders involved, as well as to raise awareness and provide insights to public decision-makers and regulators, especially at a time when the Web 3 industry is becoming more professionalized and regulators are working to regulate digital uses.

A stabilization of figures, resulting from the concerted efforts of regulators and the industry

The overall trend of this 2024 study reflects stable knowledge and usage: 84% of French people have heard of crypto-assets, and 12% own them. The year 2023 was challenging for the crypto markets, which may have influenced the public's interest in these assets and encouraged more occasional investment practices, as 53% of investors have less than 10% of their savings in crypto-assets, and 73% have invested less than €10,000. This cautious trend is also reflected in the trust in the sector's regulation, as CASP registration remains a reassuring factor for 88% of purchasers, and future European regulations will influence the acquisition choices of the majority of respondents interested in or already holding these assets. Regulation thus remains a major factor in the sector's development as a vector of trust and institutionalization. By anticipating the development of this industry, French and then European regulators have created a secure regulatory framework for savers, and their concerted efforts have been a determining factor in the sector's growth. Today, the texts are under discussion with a view to revision at the European level, and it is important to continue exchanges with regulators to ensure a balanced and appropriate framework that continues to support innovation and sovereign development of the Web 3 industry in Europe.

Consolidation of the sector to support

On the industry side, the study highlights a rebound in business growth after a crisis phase, reflected in hiring intentions, with 41% intending to recruit employees responsible for compliance matters. The development of dedicated teams responsible for these issues is essential, both to comply with the MiCA regulation that will soon come into force, but also in an internal structuring approach for companies, an essential step towards professionalizing the sector and building large companies that will be tomorrow's leaders in Europe. Regarding investment, while French investors are increasingly interested in Web 3, financial support for the sector still needs to be developed, especially in the face of international financing, mainly American and Asian. Support for the creation and growth of Web 3 champions in France is necessary to defend our interests, our values, and above all, to support the development in Europe of future digital tools.

Web 3, a decentralized tool serving future uses

While Web 3 is primarily known for crypto-assets, its decentralized architecture is now at the heart of work on citizens' future digital tools. The study indicates that 43% of respondents would be interested in a digital identity that does not depend on major American players, and this figure rises to 79% among crypto-asset holders. There is therefore a demand for these new digital identity tools, the design and implementation of which are important sovereignty issues in Europe. With the aim of developing a sovereign ecosystem in the field of digital trust and Web 3, Caisse des Dépôts, alongside La Poste, Engie, and EDF, created Archipels, now joined by IN Group, a platform dedicated to certification and management of digital identities. Archipels is now operational and contributes notably to the development of the e-wallet for digital identity supported by the European Commission.

Investing in Web 3 is therefore important to defend the competitiveness of our market, but above all for the future of our digital landscape, in order to support the development of sovereign technological solutions that protect users' rights and data.

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