

Staking

May 2023



Manager's Vision

Coinhouse's solution allows investors to optimize their investment in Crypto-assets eligible for staking over a given period of time, to access a return offered by this process directly through Coinhouse. It is a strategy that allows to obtain a result and to participate in the Blockchain validation process.

The Staking and delegation process

Staking¹ consists of participating in the operation of Proof-of-Stake² / Delegated Proof-of-Stake (PoS / DPoS) blockchains by validating transactions, and being paid in crypto assets for this service. The remuneration depends on the Blockchain. In order to participate, one must either maintain a validation node (a Validator) or perform a Delegation to a Validator.

The Delegation consists in delegating one's voting rights to a Validator³ who participates in a PoS or DPoS Blockchain network. Depending on the blockchain, the duration and the period of Delegation⁴ can be different. Moreover, not all Validators have the same characteristics (country of hosting, potential gains, resilience to disconnections or uptime⁵).

Detailed synthesis

Strategy	Staking
Subscription currency (choice of)	ADA, AVAX, DOT, MATIC, SOL, XTZ, ETH
Entry fee	0%
Exit fees	0%
Management fees	0%
Performance fee	0%
Interest Period	Daily (midday) for any continuous 24 hour period
Lock-in period ⁶	Protocol lock-in period. During the lock-in period, the Client will no longer receive any Staking rewards.

Which crypto-asset to choose?

POLYGON (MATIC) //

Founded in 2017 by Indian engineers, Polygon/MATIC is a second-tier network connected to the Ethereum blockchain, which also enables the execution of

¹ See Glossary Staking

² See Glossary PoS

³ See Glossary Validateur

⁴ See Glossary La Délégation

⁵ See Glossary Uptime

⁶ During this lock-in period, the customer will not be able to withdraw and/or sell digital assets on the Coinhouse platform

smart contracts and the creation of decentralized applications. These solutions have been of interest in the crypto-asset market since the main blockchains, such as Ethereum, suffer from high transaction fees.

POLKADOT (DOT) //

Project launched in 2017 by one of the co-founders of Ethereum, Gavin Wood, with the idea of participating in the emergence of Web3. Polkadot is an interconnection network between blockchains called parachains that aims to connect blockchains that are usually incompatible with each other, like Bitcoin or Ethereum. Polkadot puts all its users at the center of the project, with a decision-making system that provides for collective decision-making.

AVALANCHE (AVAX) //

Launched on September 21, 2020, Avalanche is a blockchain network and smart contract platform that aims to both compete with and complement Ethereum. On November 21, its AVAX coin hit its highest level ever at nearly \$145. Already having a bridge to Ethereum to trade its ERC20 and ETH, Avalanche has just erected another bridge to Bitcoin.

SOLANA (SOL) //

Blockchain that aims to provide a high-speed transaction platform for decentralized applications (dApps). It uses a Proof-of-Stake (PoS) consensus protocol called «Proof of History» that enables efficient and high-speed transaction validation. It is used for applications in decentralized finance (DeFi), gaming, advertising, data analytics and identity management.

CARDANO (ADA) //

Cardano is a blockchain project that aims to provide a smart contracts platform for decentralized applications. It uses a Proof-of-Stake (PoS) consensus protocol called «Ouroboros» to validate transactions. The Cardano project is developed by the company IOHK (Input Output Hong Kong) which is led by Charles Hoskinson, one of the co-founders of Ethereum.

TEZOS (XTZ) //

Blockchain project that aims to provide a platform for smart contracts. It uses a Proof-of-Stake (PoS) consensus protocol called «Liquid Proof of Stake» that allows transactions to be validated efficiently and securely. The Tezos project is developed by the Tezos Foundation, which is based in Switzerland.

Implementation

Coinhouse's ISS team is composed of experts who continuously analyze the dynamics of the crypto asset

markets. Fundamental analysts study the soundness and technical relevance of projects and protocols in a long-term vision (several years), while market analysts monitor price trends and investor behavior over shorter-term horizons.

In order to offer this product, the ISS team selects the Blockchain Validators that offer the most reliable online or uptime and non-slashing characteristics. These Validators can change during the product if these characteristics change or evolve.

FLEXIBLE AND SECURE INVESTMENT INFRASTRUCTURE //

Staking is done directly through the Coinhouse user interface. You can add, remove or change the amount invested at any time.

Coinhouse takes care of the safekeeping of the crypto-assets.

Glossary

POS (PROOF-OF-STAKE) / DPOS (DELEGATED PROOF-OF-STAKE) //

PoS refers to a way of validating transactions on a blockchain. This consensus protocol differs from Bitcoin's Proof-of-Work (PoW) protocol. The miners (Validators in this case) of a PoS /DPoS blockchain do not use powerful computing machines, but deposit enough crypto assets to participate in the validation of transactions.

STAKING //

Delegating Crypto-assets to a Validator on a proof-of-stake blockchain (PoS / DPoS), and receiving rewards in return in the form of crypto-assets.

DELEGATION //

Delegation on a Proof of Stake (PoS) network is a mechanism that allows users to «delegate» their transaction validation authority to a chosen «Validator» or «validation node». Users can delegate their token without losing ownership, but they receive a reward proportional to the amount of tokens delegated and the time they delegated them.

VALIDATOR //

A validator on a Proof of Stake (PoS) network is a node or computer that is responsible for validating transactions and creating new blocks on the network. Validators are selected based on the amount of tokens they have «staked» for their participation in the network. The more tokens they have pledged, the more likely they are to be chosen to validate transactions and

create blocks. Validators are rewarded for their work with tokens and are also subject to penalties if they do not follow the network rules. Validator rules can change from one blockchain to another.

UPTIME //

The uptime is a percentage of performance on the work done by the validator, if he does his work correctly, his uptime should be close to 100%.

SLASHING //

Slashing is a security mechanism implemented on Proof-of-stake blockchains. It allows to control that the Validators do their job. They can have a loss of crypto-assets in the contrary case.

ABOUT

Coinhouse is a pioneer in the crypto asset ecosystem, born in 2015. Coinhouse offers alternative investment and savings solutions based on products backed by digital assets. Coinhouse also allows people to safely store their digital assets, buy and sell them for euros. Headquartered in Paris, Coinhouse aims to be the leading French partner for individuals and businesses and serves more than 500,000 customers in Europe with over 100 employees.

of the Blockchain protocol or the stopping of the Blockchain. Coinhouse will not be held responsible in case of loss of crypto-assets due to a security problem on a protocol used to perform a staking activity.

- As staking is a relatively new product, the government could legislate on staking as a financial transaction or security, or subject to specific tax rules.

- You make your active cryptos available and for this the protocol of these provide you with rewards that we pay you! Sometimes these rewards may not be passed on to us, therefore this may affect the rewards that are paid to you.

Warnings

- This document may contain price and statistical information that is believed to be correct as of the date of publication. This information is provided without knowledge of the investor's specific situation.

- Investors are advised to consult their own legal and tax advisors before investing in this type of product.

- Performance figures are given after deduction of management fees and are calculated on the basis of overall performance. They do not include entry or exit fees.

- These figures are purely indicative and should not be taken as an indication of future gains or losses.

Risks

The risks associated with investing in crypto-assets are detailed in the [«Risk Warning»](#) section available on the Coinhouse website. Investing in crypto-assets involves, among other things, risks of liquidity, volatility and partial or total loss of capital.

Specific warnings relating to staking:

- Staking, operating directly on the blockchain, necessarily involves technological risks related to its operation. These risks can be materialized by a hack

Coinhouse is registered with the Autorité des Marchés Financiers as a Digital Asset Service Provider under number E2020-001 and with the Commission de Surveillance du Secteur Financier as a Virtual Asset Service Provider under number @0000005
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