



## WisdomTree Issuer X Limited

**Registered No: 129881**

**Unaudited Interim Financial Report for the  
Six Months to 30 June 2022**

## WisdomTree Issuer X Limited

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**WisdomTree Issuer X Limited****Directors' Report (Continued)**

The directors of WisdomTree Issuer X Limited ("Issuer X" or the "Company"), submit herewith the unaudited financial report and interim financial statements of the Company for the period ended 30 June 2022.

**Directors**

The names and particulars of the directors of the Company are:

Stuart Bell  
Hilary Jones  
Patrick Nyahwo  
Peter Ziembra

**Directors' Interests**

No director has an interest in the Shares of the Company as at the date of this report.

**Principal Activities**

During the period there were no significant changes in the nature of the Company's activities.

**Review of Operations**

The most recent Prospectus was issued on 18 July 2022. The table below provides the respective launch dates for each class of digital security offered by WisdomTree Issuer X together with the listing date per exchange.

<b>WT Securities Programme</b>	<b>Launch date</b>	<b>Six Listing</b>	<b>Euronext (Paris &amp; Amsterdam) Listing</b>	<b>Xetra Listing</b>
WisdomTree Bitcoin	28/11/2019	03/12/2019	01/06/2021	14/04/2021
WisdomTree Ethereum	27/04/2021	29/04/2021	01/06/2021	29/04/2021
WisdomTree Solana	21/03/2022	29/03/2022	31/03/2022	29/03/2022
WisdomTree Cardano	21/03/2022	29/03/2022	31/03/2022	29/03/2022
WisdomTree Polkadot	21/03/2022	29/03/2022	31/03/2022	29/03/2022
WisdomTree Crypto Market	18/11/2021	29/11/2021	14/02/2022	29/11/2021
WisdomTree Crypto Altcoin	22/11/2021	29/11/2021	14/02/2022	29/11/2021
WisdomTree Mega Cap Equal Weight	24/11/2021	29/11/2021	02/12/2021	29/11/2021

As at 30 June 2022, the revaluated amount of assets under management amounted to USD 152.9 million (31 December 2021: USD 357.8 million). The Company recognises its assets (Digital Assets) and financial liabilities (Digital Securities) at revaluated amounts in the Statement of Financial Position.

The Company holds Digital Assets to support the Digital Securities as determined by the Entitlement. The Company has entered into contractual obligations to issue and redeem Digital Securities in exchange for Digital Assets as determined by the Entitlement of each class of Digital Security on each trading day. The value of the Digital Assets in respect of each creation and redemption is recorded using the relevant price on the transaction date.

IFRS 13 requires the Company to identify the principal market for its assets and liabilities, and to utilise the available price within that principal market.

The directors consider the exchanges where the Digital Assets may be traded to constitute markets, and the principal market is an exchange where:

- The Company is not restricted from establishing a trading relationship with the exchange;
- The exchange publishes independent prices; and
- The exchange meets a number of pre-set eligibility criteria (including reliability of published data, and trading volumes, particularly in exchanging the underlying Digital Assets for US Dollars, being the functional currency for financial reporting purposes).



## Review of Operations (continued)

As a result the Digital Assets are marked to fair value using the exchange price for that digital asset, published by an exchange meeting those requirements (the “Quoted Price”). During the period (and subsequently to the date of this report), the exchange considered by the directors to meet these requirements is Coinbase Global, Inc. (“Coinbase”). Is the ultimate parent in that group. An overall gain on Digital Assets is recognised in Other Comprehensive Income and an overall loss on Digital Assets is recognised in Profit or Loss. In addition, the directors consider the stock exchanges where the Digital Securities are listed to be the principal market and as a result the fair value of the Digital Securities is the on-exchange price as quoted on those stock exchanges demonstrating the greatest volume of active trading. The gain or loss on Digital Securities is recognised through Profit or Loss in line with the Company’s accounting policy.

The revalued amounts resulted in a Loss for the period of USD 17,750,790 (30 June 2021: Loss for the period USD 20,023,924), and Other Comprehensive Income for the period of USD 11,094,160 (30 June 2021: USD 16,885,140)

As a result of the difference in valuation between Digital Assets and Digital Securities there is a miss-match between the values recognised (through the application of the Quoted Price against the Digital Assets held to support the Digital Securities) and the market price of Digital Securities. Furthermore, due to a difference in accounting requirements applied to the gains or losses on the Digital Assets and Digital Securities the results and comprehensive income of the Company will reflect a difference. This is presented in more detail in note 6 to these financial statements.

The Company is entitled to a Management Fee which is calculated by reducing the Entitlement of each class of Digital Security on a daily basis by an agreed amount and order fees on the issue and redemption of the Digital Securities. During the period, the Company did not incur any order fees and generated income from Management Fees as follows:

	Period Ended 30 June 2022 USD	Period Ended 30 June 2021 USD
Management Fees	1,154,384	1,265,922
Total Fee Income	1,154,384	1,265,922

### *Non-GAAP Performance Measures*

Under the terms of the service agreement with WisdomTree Management Jersey Limited (“ManJer” or the “Manager”), the Company accrued expenses not equal to the Management Fee and order fees, which, after taking into account other operating income and expenses, resulted in a profit before fair value movements for the period of USD 1,748 (30 June 2021: USD Nil).

As the difference in the valuation of Digital Assets (held to support the Digital Securities) and Digital Securities would be eliminated on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Asset (as described further in note 5), the Company presents an adjusted Statement of Profit or Loss and Total Comprehensive Income and an adjusted Statement of Changes in Equity for the period in note 12 of the financial statements.

### *Ukraine Invasion*

On 24 February 2022, Russian Federation engaged in military actions in the sovereign territory of Ukraine (the “Crisis”). The potential impacts from the Crisis remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Company are unclear at this stage, however, given the broad nature of the sanctions imposed by a number of governments, (including the US, UK and EU) directly targeting the Russian Federation and Belarus, the global nature of the asset management and capital markets sector and the potential for other impacts to emerge, the Directors continue to actively monitor the situation.

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**Review of Operations (continued)***Coronavirus disease (COVID-19)*

The COVID-19 pandemic continues to persist and the ultimate duration of the pandemic and its short-term and long-term impact on the global economy is unknown. During 2021, national governments and supranational organisations continued with measures to protect their populations. Since the start of 2022, they are now initiating steps towards a return to more normal functioning of society. The initial market turmoil and increased market volatility created by COVID-19 has settled. Mutations in the virus, the pace of vaccine distribution and negative global economic consequences arising from the pandemic, amongst other factors, could still have a future adverse impact on the global financial markets. The Board of Directors (the "Board") will continue to monitor the potential impact of COVID-19 on our 2022 financial results and on the Company's activities, however, there has not been a deterioration of the performance of the Company's activities to date.

The WisdomTree group has, and continues to implement, measures to maintain the ongoing safety and well-being of employees, whilst continuing to operate business as usual.

**Going Concern**

The nature of the Company's business dictates that the outstanding Digital Securities may be redeemed at any time by the holder and in certain circumstances may be compulsorily redeemed by the Company. As the redemption of Digital Securities will always coincide with the transfer of an equal amount of Digital Assets, and furthermore, the Company will hold the Digital Assets received to support the Digital Securities issued and will only transfer out Digital Assets to facilitate the payment of Management Fees, rebalancing the Baskets or the redemption of Digital Securities, this process is considered to minimise exposure to liquidity risk. All other expenses are met by ManJer. The directors are closely monitoring the financial position and performance of ManJer, its assets under management, and therefore its related revenue streams, in respect of fulfilling the obligations under the services agreement. The directors consider the operations of the Company to be ongoing, with a reasonable expectation that the Company has adequate resources to continue in operation existence for a period of 12 months from the date of these financial statements, and accordingly these financial statements have been prepared on the going concern basis.

**Future Developments**

The board of directors (the "Board") are not aware of any other developments that might have a significant effect on the operations of the Company in subsequent financial periods not already disclosed in this report or the attached interim financial statements.

**Dividends**

Due to the design of the Digital securities, the Company will never have sufficient distributable reserves to enable any declaration or payment of a dividend.

**Employees**

The Company does not have any employees. It is the Company's policy to use the services of specialist subcontractors or consultants as far as possible.

**Directors' Remuneration**

No director has a service contract with the Company. The directors of the Company who are employees within the WisdomTree Investments, Inc. group, the ultimate parent to ManJer, do not receive separate remuneration in their capacity as directors of the Company. JTC Fund Solutions (Jersey) Limited ("JTC") received a fee in respect of the directors of the Company who are employees of JTC.

There were no amounts of loans, advanced payments and guarantees granted to or on behalf of any Director of the Company.



## Corporate Social Responsibility

Sustainability and corporate responsibility are embedded throughout the business of the WisdomTree group as we believe this benefits shareholders and employees of the WisdomTree group, investors in WisdomTree's products as well as wider society.

Environmental, Social and Governance ("ESG") investing is guided at the Wisdomtree group level by an ESG Steering Committee, which includes senior leaders from across the Wisdomtree group business, and which included several sub-committees focused on particular ESG considerations, such as improving data and transparency into the ESG attributes of WisdomTree's products. Particular ESG considerations relevant to the Company's products are overseen by the directors, leveraging the work undertaken by the ESG Steering Committee. More information on WisdomTree's corporate social responsibility strategy can be found on the Wisdomtree group website (<https://www.wisdomtree.eu/en-gb/wisdomtree-corporate-responsibility>).

The Board acknowledges that climate change and its impact on the global economy is of increasing interest and focus for stakeholders and that, where relevant, stakeholders will seek information from companies regarding how climate change is expected to impact the operations of the business and how climate change risk has been considered in the context of reported results.

In acknowledging the above, the Board has considered the Company's exposure to climate change and determined that due to the nature of the Company and its operations there are no directly observed impacts of climate change on the business. As a result, the Board concluded that there is no basis on which to provide extended information of analysis relating to climate change, including as part of the basis of accounting or individual accounting policies adopted by the Company.

In the above determination, the Board has concluded specifically that climate change, including physical and transition risks, does not have a material impact on the recognition and separate measurement considerations of the assets and liabilities in these financial statements as at 30 June 2022.

This conclusion is based on the fact that assets are reported at fair value under IFRS, and as set out in note 10 are categorised as level 1 due to the use of observable, verifiable inputs which is based on market transactions of identical assets through third party pricing sources. The liabilities are valued utilising listed market prices at the period end. These observable inputs and market prices will reflect wider market sentiment, which inherently includes market perspectives relating to the impact of climate change.


The Board recognises that government and societal responses to climate change risks are still developing and the future impact cannot be predicted. Future valuations of assets and liabilities may therefore differ as the market responds to these changing impacts or assesses the impact of current requirements differently.

## Directors Statement

With regard to Directive 2004/109/EC, amended by Directive 2013/50/EU (collectively the Transparency Directive), the Central Bank (Investment Market Conduct) Rules of the Central Bank of Ireland and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the directors confirm to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- the Directors' Report gives a fair view of the development and performance of the Company's business, including financial position and the important events that have occurred during the period and their impact on these interim financial statements.

On behalf of the directors

  
Hilary Jones  
Director

Jersey

29 September 2022

## WisdomTree Issuer X Limited

## Statement of Financial Position



	Notes	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
<b>Profit or Loss</b>			
Income	2	1,156,132	1,265,922
Expenses	2	(1,154,384)	(1,265,922)
<b>Result Before Fair Value Movements</b>	2	<b>1,748</b>	<b>-</b>
Net Gain/(Loss) Arising on Fair Value of Digital Securities	6	236,937,082	(19,960,433)
Net Loss Arising on Fair Value of Management Fee Payable		-	(63,491)
Net Loss Arising on Fair Value of Digital Assets		(254,689,620)	-
<b>Loss for the Period</b>		<b>(17,750,790)</b>	<b>(20,023,924)</b>
<b>Other Comprehensive Income</b>			
<b>Items that may not be Reclassified Subsequently to Profit or Loss:</b>			
Net Gain Arising on Fair Value of Digital Assets	5	11,094,160	16,821,649
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees		-	63,491
<b>Other Comprehensive Income for the Period</b>		<b>11,094,160</b>	<b>16,885,140</b>
<b>Total Comprehensive Loss for the Period<sup>1</sup></b>		<b>(6,656,630)</b>	<b>(3,138,784)</b>

The directors consider the Company's activities as continuing.

The notes on pages 10 to 20 form part of these financial statements

<sup>1</sup> A non-statutory and non-GAAP Statement of Profit or Loss and Total Comprehensive Income reflecting adjustments representing the movement in the difference between the value of Digital Assets (held to support the Digital Securities) and the price of Digital Securities is set out in note 12.

## WisdomTree Issuer X Limited

## Statement of Financial Position



	Notes	As at 30 June 2022 Unaudited USD	As at 31 December 2021 Audited USD
<b>Assets</b>			
Digital Assets	5	152,923,757	357,841,785
Digital Assets Held in Respect of Management Fees	3	148,716	305,892
Digital Assets awaiting settlement		-	3,384,284
Trade and Other Receivables	4	2	2
<b>Total Assets</b>		<b>153,072,475</b>	<b>361,531,964</b>
<b>Liabilities</b>			
Digital Securities	6	152,661,404	350,922,802
Digital Securities awaiting settlement		-	3,384,284
Trade and Other Payables	7	148,716	305,892
<b>Total Liabilities</b>		<b>152,810,120</b>	<b>354,612,978</b>
<b>Equity</b>			
Stated Capital	8	2	2
Retained Earnings		2,769,690	(111,806,783)
Revaluation Reserve		(2,507,337)	118,725,766
<b>Total Equity</b>		<b>262,355</b>	<b>6,918,986</b>
<b>Total Equity and Liabilities</b>		<b>153,072,475</b>	<b>361,531,964</b>

The assets and liabilities in the above Statement of Financial Position are presented in order of liquidity from most to least liquid.

The financial statements on pages 6 to 20 were approved and authorised for issue by the board of directors and signed on its behalf on 29 September 2022.

DocuSigned by:  
  
 9941BAAD08C14A4...  
**Hilary Jones**  
 Director

The notes on pages 10 to 20 form part of these financial statements



## WisdomTree Issuer X Limited

## Statement of Cash Flows



	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
<b>Loss for the Period</b>	<b>(17,750,790)</b>	<b>(20,023,924)</b>
<b>Non-cash Reconciling Items</b>		
Net (Loss)/Gain Arising on Fair Value of Digital Securities	(236,937,082)	19,960,433
Net Loss Arising on Fair Value of Management Fee Payable	-	63,491
Net Loss Arising on Fair Value of Digital Assets	254,689,620	-
Investment Income	(1,748)	-
Decrease in Digital Assets Held in Respect of Management Fees	(157,176)	(33,891)
Decrease in Trade and Other Payables	157,176	33,891
	<b>17,750,790</b>	<b>20,023,924</b>
Cash Generated from Operating Activities		-
<b>Net Increase in Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Increase in Cash and Cash Equivalents	-	-
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>-</b>	<b>-</b>

Digital Securities are issued through a direct transfer of Digital Assets from the Authorised Participants to the Custodian or redeemed by the direct transfer of Digital Assets by the Custodian to the Authorised Participants. As such the Company is not a party to any cash transactions with the Authorised Participants. The creations and redemptions of Digital Securities and additions and disposals of Digital Assets, which are non-cash transactions for the Company, are disclosed in notes 5 and 6 respectively in the reconciliation of opening to closing Digital Securities and Digital Assets. The Company does hold a cash account with the Custodian to enable rebalancing of the Baskets where direct pairs of Digital Assets cannot be traded. In such circumstances the Custodian will convert the Digital Asset to USD in order to purchase the corresponding Digital Asset required for the rebalancing and no cash will remain in the account. No rebalancing transactions occurred during the period for which Digital securities were outstanding.

The Company has entered into a service agreement with WisdomTree Management Jersey Limited ("ManJer" or the "Manager"), whereby ManJer is responsible for supplying or procuring the supply of all management and administration services required by the Company, (including marketing) as well as the payment of costs relating to the listing and issue of Digital Securities. In return for these services, the Company has an obligation to remunerate ManJer with an amount equal to the aggregate of the Management Fee and the order fees (the "ManJer Fee"). The Digital Assets in respect of the Management Fee are transferred from the Company's Custodian accounts to ManJer's Custodian accounts. In addition, the order fees are transferred directly from the Authorised Participants to ManJer and there are no cash flows through the Company.

The notes on pages 10 to 20 form part of these financial statements

## WisdomTree Issuer X Limited

### Statement of Changes in Equity



	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
<b>Opening Balance at 1 January 2021</b>	<b>2</b>	<b>(85,166,290)</b>	<b>88,305,074</b>	<b>3,138,786</b>
<i>Loss for the Period</i>	-	(20,023,924)	-	(20,023,924)
<i>Other Comprehensive Income for the Period</i>	-	-	16,885,140	16,885,140
<b>Total Comprehensive Income for the Period</b>	<b>2</b>	<b>(105,190,214)</b>	<b>105,190,214</b>	<b>2</b>
Issue of Shares	-	-	-	-
Transfer on Sale of Digital Assets and Digital Assets held in respect of Management fees	-	57,805,422	(57,805,422)	-
<b>Unaudited Balance at 30 June 2021</b>	<b>2</b>	<b>(47,384,792)</b>	<b>47,384,792</b>	<b>2</b>
	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
<b>Opening Balance at 1 January 2022</b>	<b>2</b>	<b>(111,806,783)</b>	<b>118,725,766</b>	<b>6,918,985</b>
Loss for the Period	-	(17,750,790)	-	(17,750,790)
Other Comprehensive Income for the Period	-	-	11,094,160	11,094,160
<b>Total Comprehensive Income for the Period</b>	<b>2</b>	<b>(129,557,573)</b>	<b>129,819,926</b>	<b>262,355</b>
Transfer on sale of Digital Assets and Digital Assets held in respect of Management Fees	-	132,327,263	(132,327,263)	-
<b>Unaudited Balance at 30 June 2022</b>	<b>2</b>	<b>2,769,690</b>	<b>(2,507,337)</b>	<b>262,355</b>

The notes on pages 10 to 20 form part of these financial statements

## 1. Accounting Policies

The main accounting policies of the Company are described below.

### Basis of Preparation

The interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The interim financial statements have been prepared under the historical cost convention, as modified by:

- Financial liabilities held at fair value through profit or loss;
- Revaluation of Digital assets at fair value; and
- Revaluation of digital assets held in respect of Management Fees.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021. Except as described below under *Changes in Accounting Standards* the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2021. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2021.

The presentation of interim financial statements in conformity with International Financial Reporting Standards (“IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key accounting judgement required to prepare these financial statements are in respect of the presentation of non-statutory and non-GAAP adjustments to the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity, as disclosed in note 12.

This half yearly report has not been audited or reviewed by the Company’s auditors.

### Changes in Accounting Standards

On 1 January 2022 the Company adopted all applicable annual improvements to IFRSs and have assessed that the adoption of these revised and amended accounting standards has not resulted in any changes to the accounting policies and disclosures within these financial statements.

## 2. Result Before Fair Value Movements

Result before fair value movements for the period comprised:

	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
Management Fees	1,154,384	1,265,922
Investment Income	1,748	-
<b>Total Income</b>	<b>1,156,132</b>	<b>1,265,922</b>
ManJer Fees	(1,154,384)	(1,265,922)
<b>Total Operating Expenses</b>	<b>(1,154,384)</b>	<b>(1,265,922)</b>
<b>Result Before Fair Value Movements</b>	<b>1,748</b>	<b>-</b>

### 3. Digital Assets Held in Respect of Management Fees

	As at 30 June 2022 Unaudited USD	As at 31 December 2021 Audited USD
Digital Assets Held in Respect of Management Fees	148,716	305,892

Digital Assets held in respect of Management Fees are recorded at fair value.

### 4. Trade and Other Receivables

	As at 30 June 2022 Unaudited USD	As at 31 December 2021 Audited USD
Receivable from Related Party	2	2
	<u>2</u>	<u>2</u>

The fair value of trade and other receivables is equal to the carrying value. The Trade and Other Receivables are due to be recovered within 12 months of the period end.

### 5. Digital Assets

	Period Ended 30 June 2022 Unaudited USD	Year Ended 31 December 2021 Audited USD
Net (Loss)/Gain Arising on Fair Value of Digital Assets	(243,595,460)	110,583,522

As at 30 June 2022, there were no amounts of Digital Assets awaiting the settlement in respect of the creation or redemption of Digital Securities with transaction dates before the period end and settlement dates in the following period.

The below reconciliation of changes in Digital Assets includes only non-cash changes.

	Period Ended 30 June 2022 Unaudited USD	Year Ended 31 December 2021 Audited USD
<b>Opening Digital Assets</b>	<b>357,841,785</b>	<b>167,563,231</b>
Additions	376,423,737	291,852,669
Disposals	(336,591,921)	(209,230,037)
Transfer to Digital Assets Held in Respect of Management Fees	(1,154,384)	(2,927,600)
Change in Fair Value	(243,595,460)	110,583,522
<b>Closing Digital Assets</b>	<b>152,923,757</b>	<b>357,841,785</b>

## 5. Digital Assets (continued)

Portfolio Composition	Holdings	Period Ended 30 June 2022 Cost USD	Period Ended 30 June 2022 Market Value USD
<b>Portfolio:</b>			
Bitcoin	6,752.87	287,986,038	129,433,851
Ethereum	20,359.86	115,873,845	21,121,928
Bitcoin Cash	765.07	282,882	76,484
Litecoin	3,752.73	513,086	193,941
Solana	28,099.71	2,784,952	912,398
Cardano	1,611,946.68	1,745,070	724,248
Polkadot	66,933.94	1,048,715	460,907
<b>Total Portfolio</b>		<b>410,234,588</b>	<b>152,923,757</b>

Portfolio Composition	Holdings	Year Ended 31 December 2021 Cost USD	Year Ended 31 December 2021 Market Value USD
<b>Portfolio:</b>			
Bitcoin	6,297.28	190,208,322	302,903,513
Ethereum	13,820.16	46,278,973	52,310,420
Bitcoin Cash	327.37	166,822	142,723
Litecoin	1,642.38	303,611	246,965
Solana	6,654.36	1,338,640	1,170,036
Cardano	534,756.46	851,562	723,205
Polkadot	12,327.49	420,923	344,923
<b>Total Portfolio</b>		<b>239,568,853</b>	<b>357,841,785</b>

The directors consider that the useful life of the Digital Assets are assessed as indefinite on the basis that they can be held, exchanged and transferred as a store of value without an expiration date.

## 6. Digital Securities

Whilst the Digital Securities are quoted on the open market, the Company's ultimate liability relates to its contractual obligations to issue and redeem Digital Securities in exchange for Digital Assets as determined by the Entitlement of each class of Digital Security on each trading day. The fair value of each creation and redemption of Digital Securities is recorded using the Quoted Price on the transaction date. The issue and redemption of Digital Securities is recorded at a value that corresponds to the value of the Digital Assets transferred in respect of the issue and redemption. As a result (and with the exception of the impact of Management Fees), gains and losses in respect of Digital Assets (held to support the Digital Securities) will always be offset by a corresponding loss or gain on the Digital Securities and therefore commercially the Company does not retain any net gains or losses or net risk exposures. However, the difference in valuation between the Digital Assets (held to support the Digital Securities) and Digital Securities creates a miss-match between the values reported within these financial statements.

The Company measures the Digital Securities at their fair value in accordance with IFRS 13 rather than at the contractual obligation described above. The fair value is deemed to be the price quoted on stock exchanges where the Digital Securities are listed or traded.

## 6. Digital Securities (continued)

The fair values and changes thereof during the period based on prices available on the open market as recognised in the financial statements are:

	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
Net Gain/(Loss) Arising on Fair Value of Digital Securities	236,937,082	(19,960,433)

The contractual redemption values and changes thereof during the period based on the contractual settlement values are:

	Period Ended 30 June 2022 Unaudited USD	Year Ended 31 December 2021 Audited USD
Change in Contractual Redemption Value for the Period	130,268,755	(109,916,215)
Digital Securities at Contractual Redemption Value	152,923,756	357,841,785

The gain or loss on the difference between the value of the Digital Assets (held to support the Digital Securities) and the fair value of Digital Securities would be reversed on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Assets. Refer to note 12 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 30 June 2022, there were no Digital Securities awaiting settlement in respect of creations or redemptions with transaction dates before the period end and settlement dates in the following period.

The below reconciliation of changes in the Digital Securities, being liabilities arising from financing activities, includes only non-cash changes.

	Period Ended 30 June 2022 Unaudited USD	Year Ended 31 December 2021 Audited USD
<b>Opening Digital Securities</b>	<b>350,922,802</b>	<b>164,424,447</b>
Additions	72,499,955	291,852,669
Disposals	(32,669,887)	(209,230,038)
Management Fee	(1,154,384)	(2,927,600)
Change in Fair Value	(236,937,082)	106,803,324
<b>Closing Digital Securities at Fair Value</b>	<b>152,661,404</b>	<b>350,922,802</b>

## WisdomTree Issuer X Limited

## Notes to the Interim Financial Statements (continued)



## 6. Digital Securities (continued)

Digital Security	In Issue	Period Ended	Period Ended
		30 June 2022	30 June 2022
		Cost	Market Value
		USD	USD
WisdomTree Bitcoin	(27,373,498)	(210,781,378)	(127,928,565)
WisdomTree Ethereum	(1,975,136)	(59,780,926)	(20,186,184)
WisdomTree Cardano	(31,000)	(254,042)	(171,740)
WisdomTree Polkadot	(67,000)	(364,102)	(264,784)
WisdomTree Solana	(107,000)	(737,437)	(411,148)
WisdomTree Mega Cap Equal Weight*	270,000	(2,432,931)	(769,213)
WisdomTree Crypto Markets*	764,272	(4,407,987)	(1,751,280)
WisdomTree Crypto Altcoins *	752,753	(4,171,354)	(1,178,490)
<b>Total Digital Security</b>		<b>(282,930,157)</b>	<b>(152,661,404)</b>

\*Baskets

Digital Security	In Issue	Year Ended	Year Ended
		31 December 2021	31 December 2021
		Cost	Market Value
		USD	USD
WisdomTree Bitcoin	25,581,760	189,904,049	295,418,164
WisdomTree Ethereum	1,357,136	45,034,792	50,292,424
WisdomTree Crypto Market*	212,272	1,754,015	1,509,944
WisdomTree Crypto Altcoins*	357,753	2,657,591	2,255,633
WisdomTree Mega Cap Equal Weight*	170,000	1,656,140	1,446,637
<b>Total Digital Security</b>		<b>241,006,587</b>	<b>350,922,802</b>

## 7. Trade and Other Payables

	As at	As at
	30 June	31 December
	2022	2021
	Unaudited	Audited
	USD	USD
ManJer Fees Payable	<b>148,716</b>	<b>305,892</b>

Management Fees payable by transfer of Digital Assets are recorded at fair value. The fair value of the remaining payables is equal to the carrying value. The ManJer Fee Payable is due to be settled within 12 months of the period end.

## 8. Stated Capital

	As at	As at
	30 June	31 December
	2022	2021
	Unaudited	Audited
	USD	USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	<b>2</b>	<b>2</b>

The Company can issue an unlimited capital of nil par value shares in accordance with its Memorandum of Association.



## 8. Stated Capital (continued)

All Shares issued by the Company carry one vote per Share without restriction and carry the right to dividends. All Shares are held by WisdomTree Holdings Jersey Limited ("HoldCo").

The Company Issued 2 Shares at incorporation and the shares were translated on initial recognition at the USD/GBP rate of 0.8098. The shares remain unpaid.

## 9. Related Party Disclosures

Entities and individuals which have significant influence over the Company, either through ownership or by virtue of being a director of the Company are considered to be related parties. In addition, entities with common ownership to the Company and entities with common directors are also considered to be related parties.

*Fees charged by ManJer during the period:*

	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
ManJer Fees	1,154,384	1,265,922

*The following balances were due to ManJer at the period end:*

	As at 30 June 2022 Unaudited USD	As at 31 December 2021 Audited USD
ManJer Fees Payable	148,716	305,892

At 30 June 2022, USD 2 is receivable from HoldCo.

As disclosed in the Directors' Report, no director has a service contract with the Company. The directors of the Company who are employees within the WisdomTree Investments, Inc. group, the ultimate parent to ManJer, do not receive separate remuneration in their capacity as directors of the Company. JTC Fund Solutions (Jersey) Limited ("JTC") received a fee in respect of the directors of the Company who are employees of JTC.

Hillary Jones is a Director of the Company and an employee of JTC Fund Solutions (Jersey) Limited, the Administrator to the Company. Patrick Nyahwo is a Director of the Company and the Administrator.

Peter Ziembra and Stuart Bell are executive officers of WisdomTree Investments, Inc.



## 10. Fair Value Hierarchy

The levels in the hierarchy are defined as follows:

- Level 1 fair value based on quoted prices in active markets for identical assets.
- Level 2 fair values based on valuation techniques using observable inputs other than quoted prices.
- Level 3 fair values based on valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement of each relevant asset/liability.

The Company is required to utilise the available on market price as the Digital Securities are quoted and actively traded on the open market. Therefore, Digital Securities are classified as Level 1 financial liabilities.

The Company holds Digital Assets to support the Digital Securities as determined by the Entitlement (which is calculated in accordance with an agreed formula published in the Prospectus). Digital Assets are marked to fair value using the Quoted Price. The Company has contractual obligations to issue and redeem Digital Securities in exchange for Digital Assets (held to support the Digital Securities) as determined by the Entitlement of each class of Digital Security on each trading day. The fair value of each creation and redemption of Digital Securities is recorded using the Quoted Price on the transaction date applied to that Entitlement. Therefore, Digital Assets are classified as a level 1 asset, as the value is calculated using third party pricing sources.

The Management Fees Payable is valued by converting the Digital Assets accrued and payable into the functional currency by application of the Quoted Price on the period end date, and is therefore classified as a Level 2 financial liability.

The categorisation of the Company's assets and liabilities are as shown below:

	Fair Value as at 30 June 2022 Unaudited USD	Fair Value as at 31 December 2021 Audited USD
<b>Level 1 – Liabilities, Digital Securities</b>	<b>152,661,404</b>	<b>350,922,802</b>
<b>Level 2 – Liabilities, Management Fees Payable</b>	<b>148,716</b>	<b>305,892</b>
<b>Level 1 – Assets</b>		
Digital Assets	152,923,757	357,841,785
Digital Assets Held in Respect of Management Fees	148,716	305,892
	<b>153,072,473</b>	<b>358,147,677</b>

The Digital Securities are recognised at fair value upon initial recognition and measured at fair value in line with the Company's accounting policy. The Digital Assets (held to support the Digital Securities) are recognised at cost upon initial recognition and revalued to fair value in line with the Company's accounting policy. Transfers between levels would be recognised if there was a change in the accounting policies adopted, or should there be changes in circumstances that prevented public information in respect of Level 1 inputs from being available. Any such transfers would be recognised on the date of the change in circumstances that cause the transfer. There were no transfers or reclassifications between Levels for any of the assets or liabilities during the period.

## 11. Events Occurring After the Reporting Period

Subsequent to period end, the Directors of the Company approved a split of the WisdomTree Bitcoin Securities in accordance with the programme document. The total value of a security holder's investment will not be impacted as the split ratio is an integer.

There were no other significant events since the reporting period that require disclosure.

## 12. Non-GAAP and Non-Statutory Information

As a result of the mismatch in the valuation of Digital Assets (held to support the Digital Securities) and Digital Securities (as disclosed in notes 5 and 6) the profits and losses and comprehensive income of the Company presented in the Statement of Profit or Loss and Other Comprehensive Income reflect gains and losses which represent the movement in the cumulative difference between the value of the Digital Assets and the price of Digital Securities. The Statement of Changes in Equity also reflects the fair value movements on both the Digital Assets (held to support the Digital Securities) and the Digital Securities.

These gains or losses on the difference between the value of the Digital Assets (held to support the Digital Securities) and the price of Digital Securities would be reversed on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Assets. Furthermore each class of Digital Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant Digital Assets (held to support the Digital Securities) and not to the digital assets of any other class of Digital Security or to the Company. As a result the Company does not make gains from trading in the Digital Assets (held to support the Digital Securities) and, from a commercial perspective (with the exception of the impact of Management Fees) gains and losses in respect of Digital Assets (held to support the Digital Securities) will always be offset by a corresponding loss or gain on the Digital Securities and the Company does not retain any net gains or losses.

The Company has entered into contractual obligations to issue and redeem Digital Securities in exchange for Digital Assets as determined by the Entitlement of each class of Digital Security on each trading day. As described in note 6, the Company's contractual liability in respect of Digital Securities is determined by applying the Quoted Price of the underlying Digital Asset to the Entitlement of the Digital Security and the total number of Digital Securities in issue.

The mismatched accounting values are as shown below:

	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
Net (Loss)/ Gain Arising on Fair Value of Digital Assets	(243,595,460)	110,583,522
Net Loss Arising on Fair Value of Digital Securities	(236,937,082)	(106,803,324)
	<b>(480,532,542)</b>	<b>3,780,198</b>

**12. Non-GAAP and Non-Statutory Information (continued)**

To reflect the commercial results, the Company has presented below a non-GAAP and non-Statutory Statement of Profit or Loss and Total Comprehensive Income and Statement of Changes in Equity for the period which reflect an Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets, together with those gains or losses being transferred to a separate reserve which is deemed non-distributable.

*(a) Non-GAAP and Non-Statutory Statement of Profit or Loss and Other Comprehensive Income*

	Period Ended 30 June 2022 Unaudited USD	Period Ended 30 June 2021 Audited USD
<b>Profit or Loss</b>		
Income	1,156,132	1,265,922
Expenses	(1,154,384)	(1,265,922)
<b>Result Before Fair Value Movements</b>	<b>1,748</b>	<b>-</b>
Net Gain/(Loss) Arising on Fair Value of Digital Securities	236,937,082	(1,960,433)
Net Loss Arising on Fair Value of Management Fee Payable	-	(63,491)
Net Loss Arising on Fair Value of Digital Assets	(254,689,620)	-
<b>Loss for the Period</b>	<b>(17,750,790)</b>	<b>(20,023,924)</b>
<b>Other Comprehensive Income</b>		
<b>Items that may not be Reclassified Subsequently to Profit or Loss:</b>		
Net Gain Arising on Fair Value of Digital Assets	11,094,160	16,821,649
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees	-	63,491
<b>Other Comprehensive Income for the Period</b>	<b>11,094,160</b>	<b>16,885,139</b>
<b>Total Comprehensive Loss for the Period</b>	<b>(6,656,630)</b>	<b>(3,138,784)</b>
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets	6,658,378	3,138,784
<b>Adjusted Total Comprehensive Income for the Period</b>	<b>1,748</b>	<b>-</b>

## WisdomTree Issuer X Limited

### Notes to the Interim Financial Statements (continued)



#### 12. Non-GAAP and Non-Statutory Information (continued)

##### (b) Non-GAAP and Non-Statutory Statement of Changes in Equity

	Stated Capital	Retained Earnings	Revaluation Reserve	Non- distributable Reserve <sup>3</sup>	Total Equity
	USD	USD	USD	USD	USD
<b>Opening Balance at 01 January 2022</b>	<b>2</b>	<b>(718,984)</b>	<b>718,984</b>	<b>-</b>	<b>2</b>
<i>Loss for the Period</i>	-	(17,750,790)	-	-	(17,750,790)
<i>Other Comprehensive Income for the Period</i>	-	-	11,094,160	-	11,094,160
<b>Total Comprehensive Income for the Period</b>	<b>2</b>	<b>(18,469,774)</b>	<b>11,813,144</b>	<b>-</b>	<b>(6,656,628)</b>
Issue of Shares	-	-	-	-	-
<b>Unaudited Balance at 30 June 2022</b>	<b>2</b>	<b>(18,469,774)</b>	<b>11,813,146</b>	<b>-</b>	<b>(6,656,628)</b>
<b>Non-statutory and non-GAAP Adjustments</b>					
Movement on Fair Value of Digital Assets transferred to Non-distributable Reserve	-	-	243,595,461	(243,595,461)	-
Movement on Fair Value of Digital Securities transferred to Non-distributable Reserve	-	236,937,082	-	(236,937,082)	-
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets <sup>2</sup>	-	-	-	6,658,378	6,658,378
<b>Unaudited Balance at 30 June 2022<sup>3</sup></b>	<b>2</b>	<b>218,467,308</b>	<b>255,408,607</b>	<b>(473,874,165)</b>	<b>1,750</b>

<sup>2</sup> This represents the difference between the Value of Digital Assets (held to support the Digital Securities) and the price of Digital Securities.

<sup>3</sup> The residual balances in Retained Earnings and the Revaluation Reserve represent the movement on the fair value of the Digital Assets Receivable and Payable.

## WisdomTree Issuer X Limited

## Notes to the Interim Financial Statements (continued)



## 12. Non-GAAP and Non-Statutory Information (continued)

	Stated Capital	Retained Earnings	Revaluation Reserve	Non- distributable Reserve <sup>4</sup>	Total Equity
	USD	USD	USD	USD	USD
<b>Opening Balance at 17 January 2021</b>	<b>2</b>	<b>(146,761)</b>	<b>146,761</b>	<b>-</b>	<b>2</b>
<i>Loss for the Period</i>	-	(20,023,924)	-	-	(20,023,924)
<i>Other Comprehensive Income for the Period</i>	-	-	16,885,140	-	16,885,140
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>(20,170,685)</b>	<b>17,031,901</b>	<b>-</b>	<b>(3,138,784)</b>
Issue of Shares	2	-	-	-	-
<b>Audited Balance at 31 December 2020</b>	<b>2</b>	<b>(20,170,685)</b>	<b>17,031,901</b>	<b>-</b>	<b>(3,138,786)</b>
<b><i>Non-statutory and non-GAAP Adjustments</i></b>					
Movement on Fair Value of Digital Assets transferred to Non-distributable Reserve	-	-	(16,821,649)	16,821,649	-
Movement on Fair Value of Digital Securities transferred to Non-distributable Reserve	-	19,960,433	-	(19,960,433)	-
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets <sup>4</sup>	-	-	-	3,138,784	3,138,784
<b>Adjusted Balance at 30 June 2021<sup>5</sup></b>	<b>2</b>	<b>(210,252)</b>	<b>210,252</b>	<b>-</b>	<b>2</b>

<sup>4</sup> This represents the difference between the Value of Digital Assets (held to support the Digital Securities) and the price of Digital Securities.

<sup>5</sup> The residual balances in Retained Earnings and the Revaluation Reserve represent the movement on the fair value of the Digital Assets Receivable and Payable.

