



WisdomTree Issuer X Limited

Registered No: 129881

**Unaudited Interim Financial Report for the
Six Months to 30 June 2021**

WisdomTree Issuer X Limited



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WisdomTree Issuer X Limited

Directors' Report



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 2021.

Directors

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

Stuart Bell
Hilary Jones
Patrick Nyahwo
Peter Ziemba

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 March 2021. The Digital Securities are listed on the SIX Swiss Exchange, the Deutsche Börse, the Euronext Amsterdam and the NYSE Euronext Paris.

As at 30 June 2021, the revaluated amount of assets under management amounted to USD 225.4 million (31 December 2020: USD 167.6 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).

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, the exchange considered by the directors to meet these requirements is Coinbase. 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 active trading. The gain or loss on Digital Securities is recognised through Profit or Loss in line with the Company's accounting policy.

The revaluated amounts resulted in a Loss for the period of USD 20,023,924 (30 June 2020: Loss for the period USD 1,346,061), and Other Comprehensive Income for the period of USD 16,885,140 (30 June 2020: USD 1,355,618).

WisdomTree Issuer X Limited**Directors' Report (Continued)****Review of Operations (continued)**

As a result of the difference in valuation between Digital Assets and Digital Securities in the prior period, there is a mis-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 generated income from order fees and Management Fees as follows:

	Period Ended 30 June 2021 USD	Period Ended 30 June 2020 USD
Management Fees	1,265,922	32,985
Total Fee Income	<u>1,265,922</u>	<u>32,985</u>

Non-GAAP Performance Measures

Under the terms of the service agreement with WisdomTree Management (Jersey) Limited ("ManJer" or the "Manager"), the Company accrued expenses equal to the Management Fee and order fees, which, after taking into account other operating income and expenses, resulted in a result before fair value movements for the period of USD Nil (0 June 2020: USD Nil).

As the difference in the valuation of Digital Assets (held to support the Digital Securities) and Digital Securities would be reversed on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Asset (as described further in note 6), 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.

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. National governments and supranational organisations in multiple states continue taking steps designed to protect their populations from COVID-19, including requiring or encouraging home working, the cancellation of sporting, cultural and other events and restricting or discouraging gatherings of people. COVID-19 has created market turmoil and increased market volatility generally. Mutations in the virus, a setback in vaccine distribution and negative global economic consequences arising from the pandemic, amongst other factors, could have a future adverse impact on the global financial markets. The steps outlined above, and public sentiment, may affect both the volatility and prices of Digital Assets and hence the prices of the Digital Securities, and such effects may be significant and may be long-term in nature.

The directors are closely monitoring the advice and developments relating to the spread of COVID-19, which is fluid and rapidly changing. 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.



Review of Operations (continued)**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 (in value) 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 or the redemption of Digital Securities, no net liquidity risk is considered to arise. All other expenses are met by ManJer. The directors are closely monitoring the advice and developments relating to the spread of COVID-19, particularly with its impact on 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 Company to be a going concern.

Future Developments

The Digital Securities are admitted for listing on the SIX Swiss Exchange, the Deutsche Börse, the Euronext Amsterdam and the NYSE Euronext Paris, and the directors are actively seeking to list the Digital Securities on other exchanges in the European Union. Such additional listings require the Company to meet the disclosure requirements set out in the Prospectus Regulation (Regulation (EU) 2017/1129 of the European Union and Item 11.1 of Annex 6 of Commission Delegated Regulation (EU) 2019/980). The Company met these obligations within the most recent prospectus issued on 18 March 2021.

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 financial statements.

Dividends

There were no dividends declared or paid in the period. It is the Company's policy that dividends will only be declared when the directors are of the opinion that there are sufficient distributable reserves.

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 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.

WisdomTree Issuer X Limited

Directors' Report (Continued)



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 2021 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

DocuSigned by:

Hilary Jones

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Hilary Jones

Director

Jersey

25 August 2021

WisdomTree Issuer X Limited

Statement of Profit or Loss and Other Comprehensive Income



	Notes	Period Ended 30 June 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Profit or Loss			
Income	2	1,265,922	32,985
Expenses	2	(1,265,922)	(32,985)
Result Before Fair Value Movements	2	-	-
Net Loss Arising on Fair Value of Digital Securities	6	(19,960,433)	(1,343,644)
Net Loss Arising on Fair Value of Management Fee Payable		(63,491)	(2,417)
Loss for the Period		(20,023,924)	(1,346,061)
Other Comprehensive Income			
Items that may not be Reclassified Subsequently to Profit or Loss:			
Net Gain Arising on Fair Value of Digital Assets	5	16,821,649	1,353,201
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees		63,491	2,417
Other Comprehensive Income for the Period		16,885,140	1,355,618
Total Comprehensive (Loss)/ Income for the Period¹		(3,138,784)	9,557

The directors consider the Company's activities as continuing.

The notes on pages 10 to 19 form part of these financial statements

¹ 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 2021 Unaudited USD	As at 31 December 2020 Audited USD
Assets			
Digital Assets	5	225,409,189	167,563,231
Digital Assets Held in Respect of Management Fees	3	168,090	134,199
Trade and Other Receivables	4	2	2
Total Assets		225,577,281	167,697,432
Liabilities			
Digital Securities	6	225,409,189	164,424,447
Trade and Other Payables	7	168,090	134,199
Total Liabilities		225,577,279	164,558,646
Equity			
Stated Capital	8	2	2
Retained Earnings		(47,384,792)	(87,841,664)
Revaluation Reserve		47,384,792	90,980,448
Total Equity		2	3,138,786
Total Equity and Liabilities		225,577,281	167,697,432

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 19 were approved and authorised for issue by the board of directors and signed on its behalf on 25 August 2021.

DocuSigned by:

Hilary Jones

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Hilary Jones

Director

The notes on pages 10 to 19 form part of these financial statements

WisdomTree Issuer X Limited**Statement of Cash Flows**

	Period Ended 30 June 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Loss for the Period	(20,023,924)	(1,346,061)
Non-cash Reconciling Items		
Net Loss Arising on Fair Value of Digital Securities	19,960,433	1,343,644
Net Loss Arising on Fair Value of Management Fee Payable	63,491	2,417
Increase in Digital Assets Held in Respect of Management Fees	(33,891)	-
Increase in Trade and Other Payables	33,891	-
	20,023,924	1,346,061
Cash Generated from Operating Activities		-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the Beginning of the Period	-	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the End of the Period	-	-

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. 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.

Whilst the Company Issued 2 Shares during the period, those Shares remained unpaid at the period end therefore there are no associated cash flows presented.

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 19 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
Opening Balance at 17 September 2019	-	-	-	-
<i>Loss for the Period</i>	-	(1,346,061)	-	(1,346,061)
<i>Other Comprehensive Income for the Period</i>	-	-	1,355,618	1,355,618
Total Comprehensive Income for the Period	-	(1,346,061)	1,355,618	9,557
Issue of Shares	2	-	-	2
Audited Balance at 30 June 2020	2	(1,346,061)	1,355,618	9,559
	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Opening Balance at 1 January 2021	2	(85,166,290)	88,305,074	3,138,786
Loss for the Period	-	(20,023,924)	-	(20,023,924)
Other Comprehensive Income for the Period	-	-	16,885,140	16,885,140
Total Comprehensive Income for the Period	-	(105,190,214)	105,190,214	2
Transfer on sale of Digital Assets and Digital Assets held in respect of Management Fees	-	57,805,422	(57,805,422)	-
Unaudited Balance at 30 June 2021²	2	(47,384,792)	47,384,792	2

The notes on pages 10 to 19 form part of these financial statements

²A non-statutory and non-GAAP Statement of Changes in Equity reflecting adjustments representing 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.

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 2021 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 the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

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 2020. 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 2020. 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 2021 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 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Management Fees	1,265,922	32,985
Total Income	1,265,922	32,985
ManJer Fees	(1,265,922)	(32,985)
Total Operating Expenses	(1,265,922)	(32,985)
Result Before Fair Value Movements	-	-

WisdomTree Issuer X Limited**Notes to the Interim Financial Statements (continued)****3. Digital Assets Held in Respect of Management Fees**

	As at 30 June 2021 Unaudited USD	As at 31 December 2020 Audited USD
Digital Assets Held in Respect of Management Fees	168,090	134,199

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

4. Trade and Other Receivables

	As at 30 June 2021 Unaudited USD	As at 31 December 2020 Audited USD
Receivable from Related Party	2	2
	2	2

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 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Net Gain Arising on Fair Value of Digital Assets	16,821,649	1,353,201

As at 30 June 2021, 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.

All Digital Assets have been valued using the Quoted Price on 30 June 2021 resulting in a fair value of USD 225,409,189 (31 December 2020: USD 167,563,231). The cost of the Digital Assets held as at 30 June 2021 was USD 178,024,399 (31 December 2020: USD 79,289,395). As at 30 June 2021 the Bitcoin Wallet balance was 6,032.50 (31 December 2020: 5,843.70) and the Ethereum Wallet balance was 8,736.95 (31 December 2020: Nil).

5. Digital Assets (continued)

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

	Period Ended 30 June 2021 Unaudited USD	Period Ended 31 December 2020 Audited USD
Opening Digital Assets	167,563,231	-
Additions	161,518,609	82,316,390
Disposals	(62,149,366)	(5,303,168)
Transfer to Digital Assets Held in Respect of Management Fees	(634,240)	(283,678)
Change in Fair Value	(40,889,045)	90,833,687
Closing Digital Assets	225,409,189	167,563,231

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 mis-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 or other markets where the Digital Securities are listed or traded. 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 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Net Loss Arising on Fair Value of Digital Securities	19,960,433	1,343,644

The fair value of the Digital Securities as at 30 June 2021 was USD 225,409,189 (31 December 2020: USD 164,424,447).

6. Digital Securities (continued)

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

	Period Ended 30 June 2021 Unaudited USD	Period Ended 31 December 2020 Audited USD
Change in Contractual Redemption Value for the Period	(46,686,029)	90,833,687
Digital Securities at Contractual Redemption Value	225,409,189	167,563,231

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 2021, 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 2021 Unaudited USD	Period Ended 31 December 2020 Audited USD
Opening Digital Securities	164,424,447	-
Additions	161,518,609	82,316,390
Disposals	(61,705,003)	(5,303,168)
Management Fee	(634,240)	(283,678)
Change in Fair Value	(38,194,624)	87,694,903
Closing Digital Securities at Fair Value	225,409,189	164,424,447

7. Trade and Other Payables

	As at 30 June 2021 Unaudited USD	As at 31 December 2020 Audited USD
ManJer Fees Payable	168,090	134,199

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.

WisdomTree Issuer X Limited**Notes to the Interim Financial Statements (continued)****8. Stated Capital**

	As at 30 June 2021 Unaudited USD	As at 31 December 2020 Audited USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	2	2

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

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 has in Issue 2 fully paid up Shares

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 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
ManJer Fees	1,265,922	32,985

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

	As at 30 June 2021 Unaudited USD	As at 31 December 2020 Audited USD
ManJer Fees Payable	168,090	134,199

At 31 December 2020, USD 2 is receivable from HoldCo.

As disclosed in the Directors' Report, there were no Directors' Fees in respect of the Company.

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.

9. 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.

10. Fair Value Hierarchy (continued)

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

	Fair Value as at 30 June 2021 Unaudited USD	Fair Value as at 31 December 2020 Audited USD
Level 1 – Liabilities, Digital Securities	225,409,189	164,424,447
Level 2 – Liabilities, Management Fees Payable	168,090	134,199
Level 1 – Assets		
Digital Assets	225,409,189	167,563,231
Digital Assets Held in Respect of Management Fees	168,090	134,199
	225,577,279	167,697,430

The Digital Securities are recognised at fair value upon initial recognition and revalued to 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. There are no assets in level 2 or 3 or liabilities classified in level 3. 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 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Net Gain Arising on Fair Value of Digital Assets	16,821,649	1,353,201
Net Loss Arising on Fair Value of Digital Securities	(19,960,433)	(1,343,644)
	(3,138,784)	9,557

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 2021 Unaudited USD	Period Ended 30 June 2020 Audited USD
Profit or Loss		
Income	1,265,922	32,985
Expenses	(1,265,922)	(32,985)
Result Before Fair Value Movements	-	-
Net Loss Arising on Fair Value of Digital Securities	(19,960,433)	(1,343,644)
Net Loss Arising on Fair Value of Management Fee Payable	(63,491)	(2,417)
Loss for the Period	(20,023,924)	(1,346,061)
Other Comprehensive Income		
Items that may not be Reclassified Subsequently to Profit or Loss:		
Net Gain Arising on Fair Value of Digital Assets	16,821,649	1,353,201
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees	63,491	2,417
Other Comprehensive Income for the Period	16,885,140	1,355,618
Total Comprehensive Income for the Period	(3,138,784)	9,557
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets	3,138,784	(9,557)
Adjusted Total Comprehensive Income for the Period	-	-

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 ⁴	Total Equity
	USD	USD	USD	USD	USD
Opening Balance at 01 January 2021	2	(146,761)	146,761	-	2
<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
Total Comprehensive Income for the Period	2	(20,170,685)	17,031,901	-	(3,138,784)
Issue of Shares	-	-	-	-	-
Unaudited Balance at 30 June 2021	2	(20,170,685)	17,031,901	-	3,138,786
Non-statutory and non-GAAP Adjustments					
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 ³	-	-	-	3,138,784	3,138,784
Unaudited Balance at 30 June 2021⁴	2	(210,252)	210,252	-	2

³ This represents the difference between the Value of Digital Assets (held to support the Digital Securities) and the price of Digital Securities.

⁴ The residual balances in Retained Earnings and the Revaluation Reserve represent the movement on the fair value of the Digital Assets Receivable and Payable.

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Notes to the Interim Financial Statements (continued)



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

	Stated Capital	Retained Earnings	Revaluation Reserve	Non- distributable Reserve ⁴	Total Equity
	USD	USD	USD	USD	USD
Opening Balance at 17 September 2019	-	-	-	-	-
<i>Loss for the Period</i>	-	(1,346,061)	-	-	(1,346,061)
<i>Other Comprehensive Income for the Period</i>	-	-	1,355,618	-	1,355,618
Total Comprehensive Income for the Period	-	(1,346,061)	1,355,618	-	9,557
Issue of Shares	2	-	-	-	2
Audited Balance at 30 June 2020	2	(1,346,061)	1,355,618	-	9,559
<i>Non-statutory and non-GAAP Adjustments</i>					
Movement on Fair Value of Digital Assets transferred to Non-distributable Reserve	-	-	(1,353,201)	1,353,201	-
Movement on Fair Value of Digital Securities transferred to Non-distributable Reserve	-	1,343,644	-	(1,343,644)	-
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets ⁵	-	-	-	(9,557)	(9,557)
Adjusted Balance at 30 June 2020⁶	2	(2,417)	2,417	-	2

⁵ This represents the difference between the Value of Digital Assets (held to support the Digital Securities) and the price of Digital Securities.

⁶ The residual balances in Retained Earnings and the Revaluation Reserve represent the movement on the fair value of the Digital Assets Receivable and Payable.

