



WisdomTree Issuer X Limited

Registered No: 129881

**Unaudited Interim Financial Report for the
Six Months to 30 June 2023**

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 2023.

Directors

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

Hilary Jones
Peter Ziemba
Alan Baird
Bryan Governey (Appointed 24th May 2023)
Stuart Bell (Resigned 24th May 2023)

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.

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

As at 30 June 2023, the revalued amount of assets under management amounted to USD 250.7 million (31 December 2022: USD 134.3 million). The Company recognises its assets (Digital Assets) and financial liabilities (Digital Securities) at revalued 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. The fair value of digital assets under management as at 30 June 2023 (with comparatives as at 31 December 2022) amounted to:

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

Digital Assets	Holdings June 2023	USD June 2023	Holdings December 2022	USD December 2022
Bitcoin	6,654	202,071,253	6,432	106,736,744
Ethereum	24,002	45,256,162	21,732	26,122,960
Bitcoin Cash	1,245	388,366	779	76,127
Litecoin	3,205	345,632	1,943	136,386
Solana	49,495	928,038	36,563	369,655
Cardano	3,055,534	867,772	1,625,723	404,480
Polkadot	72,087	364,328	55,759	242,328
Avalanche	12,201	156,177	7,875	86,307
Polygon Matic	412,264	262,241	193,659	148,072
Cosmos	11,960	110,188	-	-
		<u>250,750,157</u>		<u>134,323,057</u>

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).

In terms of IFRS 13, paragraph 17, the market in which the entity would normally enter into a transaction to sell the asset or to transfer the liability is presumed to be the principal market. During the period the company concluded all trades in relation to portfolio rebalancing through Coinbase and it is therefore regarded as its principal market.

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, Inc. ("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 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 4,554,501 (30 June 2022: Gain for the period USD 108,007,596), and Other Comprehensive Income for the period of USD 6,848,302 (30 June 2022: Other Comprehensive Loss for the period USD 114,664,224)

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 13 to these financial statements.

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

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 current and prior period, the Company did not incur any order fees and generated income from Management Fees as follows:

	Period Ended 30 June 2023 USD	Period Ended 30 June 2022 USD
Management Fees	1,079,304	1,154,384
Total Fee Income	<u>1,079,304</u>	<u>1,154,384</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 profit before fair value movements for the period of USD Nil (30 June 2022: 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 13 of the financial statements.

Prior Period Restatement

Subsequent to the release of the 30 June 2022 Interim financial statements, it was determined that an error occurred on the financial statements as a result of an overstatement of realised gains and losses. This resulted in a corresponding misallocation between net fair value movements in Digital Assets through Profit and Loss and net fair value movements in Digital Assets through Other Comprehensive Income, in accordance with International Accounting Standard 38 – Intangible Assets (“IAS 38”). Corrections to the prior period have been restated within these financial statements in accordance with International Accounting Standard 8 — Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”). The restatement did not result in a change in the Digital Assets and Digital Securities as reported in the Statement of Financial Position in the prior period. Refer to note 11 for further details on the correction.

Russian Invasion of Ukraine and Russian Sanctions

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine (the “Crisis”). The Crisis has resulted in the implementation of sanctions and further actions by governments which, as well as the Crisis itself, have impacted financial and commodities markets. As the Crisis continues, the Board also continues to closely monitor and assess the impact on the Company’s portfolio operations and valuation and will take any further actions needed or as required under the terms of the Prospectus, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions. Whilst it is not currently possible to predict future market conditions and therefore determine if any further action may be required on any other classes of Digital Securities, the action that may be required includes, but is not limited to, temporarily not accepting applications for Digital Securities, temporarily suspending Digital Securities from trading on Stock Exchanges or a compulsory redemption of Digital Securities. The Company has not initiated any of these further actions to date. Any such action will be undertaken in accordance with the constitutive documents of the Digital Securities.

FTX Collapse

FTX, one of the world's largest crypto exchanges, collapsed in early November 2022. The collapse was triggered by reports which highlighted potential leverage and solvency concerns involving FTX and FTX-affiliated trading firm Alameda Research and the subsequent decision by Binance, another leading crypto exchange, to sell all its holdings in FTT, the token issued by FTX. The Company has no affiliation or exposure to either organisation or FTT, the token issued by FTX. Similarly, The Company has no affiliation to Binance Global or Binance US, and the company's Digital Assets have no exposure to BNB, the token issued by Binance.

Coinbase - Case with the Securities and Exchange Commission ("SEC")

Coinbase Custody Trust Company LLC ("Coinbase LLC") acts as custodian for the Company.

We note that on 6 June 2023, the Securities and Exchange Commission ("SEC") charged Coinbase, Inc. ("Coinbase") with operating its crypto asset trading platform as an unregistered national securities exchange, broker, and clearing agency and for failing to register the offer and sale of its crypto asset staking as a service program (the "2023 SEC Complaint"). Coinbase LLC, the custodial entity for the Company, is not named in the 2023 SEC Complaint.

The Company has and will continue to monitor the 2023 SEC Complaint and the impact, if any, such complaint has on the custody services provided by Coinbase LLC to the Company.

Going Concern

The nature of the Company's business dictates that the outstanding Digital Securities may be redeemed at any time by the holder through an Authorised Participant and in certain circumstances may be compulsorily redeemed by the Company or in the event where there is no Authorised Participant in the market, directly by the holder of the Digital Security. As the redemption of Digital Securities will 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 Digital Securities are admitted for listing on the SIX Swiss Exchange, Euronext Paris and Amsterdam Exchange and Xetra Exchange (refer to page 2) and the directors are actively seeking to list the Digital Securities on other exchanges in the European Union.

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

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 2023.

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.

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 2023.

WisdomTree Issuer X Limited

Directors Report (continued)



Directors Statement

With regard to the Netherlands Directive 2004/109/EC, amended by Directive 2013/50/EU (collectively the Transparency Directive), the directors confirm to the best of their knowledge that:

- the interim financial statements for the period ended 30 June 2023 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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Director

Jersey

13 September 2023

WisdomTree Issuer X Limited

Statement of Comprehensive Income



		Period Ended 30 June 2023 Unaudited USD	Restated Period Ended 30 June 2022 Unaudited USD
	Notes		
Profit or Loss			
Income	2	1,079,304	1,154,384
Expenses	2	(1,079,304)	(1,154,384)
Result Before Fair Value Movements	2	-	-
Net (Loss)/Gain Arising on Fair Value of Digital Securities	6	(103,276,786)	236,938,832
Net Loss Arising on Fair Value of Management Fee Payable		(50,978)	-
Net Gain/(Loss) Arising on Fair Value of Digital Assets	5	98,773,263	(128,931,236)
(Loss)/Gain for the Period		(4,554,501)	108,007,596
Other Comprehensive Income			
Items that may not be Reclassified Subsequently to Profit or Loss:			
Net Gain/(Loss) Arising on Fair Value of Digital Assets	5	6,797,297	(114,664,224)
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees		51,005	-
Other Comprehensive Income/(Loss) for the Period		6,848,302	(114,664,224)
Total Comprehensive Income/(Loss) for the Period¹		2,293,801	(6,656,628)

The directors consider the Company's activities as continuing.

The notes on pages 12 to 24 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 13.

WisdomTree Issuer X Limited

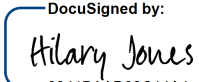
Statement of Financial Position



		As at 30 June 2023 Unaudited USD	As at 31 December 2022 Audited USD	Restated As at 30 June 2022 Unaudited USD
	Notes			
Assets				
Digital Assets	5	250,750,157	134,323,057	152,923,757
Digital Assets awaiting settlement		5,979,030	-	148,716
Net Loss Arising on Fair Value of management fee payable	3	200,678	113,847	-
Trade and Other Receivables	4	2	2	2
Total Assets		256,929,867	134,436,906	153,072,475
Liabilities				
Digital Securities	6	247,582,993	133,449,694	152,661,404
Digital Securities awaiting settlement		5,979,030	-	-
Trade and Other Payables	7	200,678	113,847	148,716
Total Liabilities		253,762,701	133,563,541	152,810,120
Equity				
Stated Capital	8	2	2	2
Retained Earnings		(3,398,482)	873,363	262,353
Revaluation Reserve		6,565,646	-	-
Total Equity		3,167,166	873,365	262,355
Total Equity and Liabilities		256,929,867	134,436,906	153,072,475

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 8 to 24 were approved and authorised for issue by the board of directors and signed on its behalf on 13 September 2023.

DocuSigned by:

 Hilary Jones
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 Director

The notes on pages 12 to 24 form part of these financial statements

WisdomTree Issuer X Limited

Statement of Cash Flows



	Period Ended 30 June 2023 Unaudited USD	Restated Period Ended 30 June 2022 Unaudited USD
(Loss)/Income for the Period	(4,554,501)	108,007,596
Non-cash Reconciling Items		
Net Gain/(Loss) Arising on Fair Value of Digital Securities	103,276,786	(236,938,832)
Net Gain Arising on Fair Value of Management Fee Payable	50,978	-
Net (Gain)/Loss Arising on Fair Value of Digital Assets (Decrease)/Increase in Digital Assets Held in Respect of Management Fees	(98,773,263)	128,931,236
Increase/(Decrease) in Trade and Other Payables	(86,831)	157,176
Increase/(Decrease) in Digital Assets Awaiting Settlement at the beginning of the period	86,831	(157,176)
(Increase)/Decrease in Digital Securities Awaiting Settlement at the beginning of the Period	5,979,030	(3,384,284)
	(5,979,030)	3,384,284
	4,554,501	(108,007,596)
Cash Generated from Operating Activities	-	-
Investing Activities		
Cash Received from Rebalancing Transactions	554,064	-
Cash Paid from Rebalancing Transactions	(554,064)	-
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 with the Authorised Participants. The creations and redemptions of Digital Securities and additions and disposals of Digital Assets (other than the rebalancing transactions included in investing activities), 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.

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 12 to 24 form part of these financial statements

WisdomTree Issuer X Limited

Statement of Changes in Equity



	Stated Capital USD	Restated Retained Earnings USD	Restated Revaluation Reserve USD	Restated Total Equity USD
Opening Balance at 1 January 2022	2	(111,806,784)	118,725,766	6,918,984
Income for the Period	-	108,007,596	-	108,007,596
Other Comprehensive Loss for the Period	-	-	(114,664,225)	(114,664,225)
Total Comprehensive Income for the Period	2	(3,799,188)	4,061,541	262,355
Issue of Shares	-	-	-	-
Transfer on Sale of Digital Assets and Digital Assets held in respect of Management fees	-	4,061,541	(4,061,541)	-
Restated Unaudited Balance at 30 June 2022	2	262,353	-	262,355
	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Opening Balance at 1 January 2023	2	873,363	-	873,365
Loss for the Period	-	(4,554,501)	-	(4,554,501)
Other Comprehensive Income for the Period	-	-	6,848,302	6,848,302
Total Comprehensive Income for the Period	2	(3,681,138)	6,848,302	3,167,166
Transfer on sale of Digital Assets and Digital Assets held in respect of Management Fees	-	282,656	(282,656)	-
Unaudited Balance at 30 June 2023	2	(3,398,482)	6,565,646	3,167,166

The notes on pages 12 to 24 form part of these financial statement

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 2023 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 2022. 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 2022. The changes in accounting policies are also expected to be reflected in the financial statements for the year ended 31 December 2022.

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 13.

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

Changes in Accounting Standards

On 1 January 2023 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 2023 Unaudited USD	Restated Period Ended 30 June 2022 Unaudited USD
Management Fees	1,079,304	1,154,384
Total Income	1,079,304	1,154,384
ManJer Fees	(1,079,304)	(1,154,384)
Total Operating Expenses	(1,079,304)	(1,154,384)
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 2023 Unaudited USD	As at 31 December 2022 Audited USD
Digital Assets Held in Respect of Management Fees	200,678	113,847

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

4. Trade and Other Receivables

	As at 30 June 2023 Unaudited USD	As at 31 December 2022 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 2023 Unaudited USD	Year Ended 31 December 2022 Audited USD
Net Gain/(Loss) Arising on Fair Value of Digital Assets	105,570,560	(257,875,495)
Net Gain/(Loss) Arising on Fair Value of Digital Assets through Profit and Loss	98,773,263	(143,214,067)
- Realised Loss on Digital Assets	(6,917,709)	(24,365,469)
- Unrealised Gain/(Loss) on Digital Assets	105,690,972	(118,848,598)
Net Gain/(Loss) Arising on Fair Value of Digital Assets through Other Comprehensive Income	6,797,297	(114,661,428)
- Realised Gain on Digital Assets	231,651	4,064,338
- Unrealised Gain/(Loss) on Digital Assets	6,565,646	(118,725,766)
Digital Assets at Fair Value	250,750,157	134,323,057

5. Digital Assets (Continued)

As at 30 June 2023, Digital Assets amounting to USD 5,979,030 (31 December 2022: USD Nil) were awaiting 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 2023. The below table is a reconciliation of changes in Digital Assets:

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

	Period Ended 30 June 2023 Unaudited USD	Year Ended 31 December 2022 Audited USD
Opening Digital Assets	134,323,057	357,841,785
Additions	41,974,885	100,791,519
Disposals	(30,039,041)	(64,291,713)
Transfer to Digital Assets Held in Respect of Management		
Fees	(1,079,304)	(2,143,039)
Change in Fair Value	105,570,560	(257,875,495)
Closing Digital Assets	250,750,157	134,323,057

Portfolio Composition	Holdings	Period Ended 30 June 2023 Cost USD	Period Ended 30 June 2023 Market Value USD
		Portfolio:	
Bitcoin	6,654	195,639,395	202,071,253
Ethereum	24,002	57,253,964	45,256,162
Bitcoin Cash	1,245	257,174	388,366
Litecoin	3,205	342,164	345,632
Solana	49,495	1,455,888	928,038
Cardano	3,055,534	1,491,564	867,772
Polkadot	72,087	628,563	364,328
Avalanche	12,201	210,330	156,177
Polygon Matic	412,264	362,189	262,241
Cosmos	11,960	153,791	110,188
Total Portfolio		257,795,022	250,750,157

Portfolio Composition	Holdings	Year Ended 31 December 2022 Cost USD	Year Ended 31 December 2022 Market Value USD
		Portfolio:	
Bitcoin	6,432	195,343,520	106,736,744
Ethereum	21,732	54,526,639	26,122,960
Bitcoin Cash	779	208,975	76,127
Litecoin	1,943	237,253	136,386
Solana	36,563	1,461,340	369,655
Cardano	1,625,723	1,015,403	404,480
Polkadot	55,759	534,561	242,328
Avalanche	7,875	142,906	86,307
Polygon Matic	193,659	153,892	148,072
Total Portfolio		253,624,489	134,323,057

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.

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 2023 Unaudited USD	Period Ended 31 December 2022 Audited USD
Net (Loss)/Gain Arising on Fair Value of Digital Securities	(103,276,785)	251,829,875
- Realised Gain of Digital Securities	5,934,577	15,589,987
- Unrealised (Loss)/Gain on Digital Securities	(109,211,362)	236,239,888
Digital Securities at Fair Value	247,582,993	133,449,694

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

	Period Ended 30 June 2023 Unaudited USD	Year Ended 31 December 2022 Audited USD
Change in Contractual Redemption Value for the Period	17,112,312	126,323,673
Digital Securities at Contractual Redemption Value	250,750,157	134,323,057

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 13 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 30 June 2023, Digital Securities amounting to USD 5,979,030 (31 December 2022: USD Nil) were awaiting settlement in respect of creations or redemptions with transaction dates before the period end and settlement dates in the following period.

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Notes to the Interim Financial Statements (continued)

**6. Digital Securities (continued)**

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

	Period Ended 30 June 2023 Unaudited USD	Year Ended 31 December 2022 Audited USD
Opening Digital Securities	133,449,694	350,922,802
Additions	41,386,614	100,027,644
Disposals	(29,450,797)	(63,527,838)
Management Fee	(1,079,304)	(2,143,039)
Change in Fair Value	103,276,786	(251,829,875)
Closing Digital Securities at Fair Value	247,582,993	133,449,694

Digital Security	In Issue	Period Ended 30 June 2023 Cost USD	Period Ended 30 June 2023 Market Value USD
WisdomTree Physical Bitcoin	27,148,998	195,424,271	197,128,874
WisdomTree Physical Ethereum	2,336,328	55,210,837	42,239,642
WisdomTree Physical Cardano	103,000	509,499	351,385
WisdomTree Physical Polkadot	67,270	298,385	190,670
WisdomTree Physical Solana	204,000	614,217	462,366
WisdomTree Physical Mega Cap Equal Weight*	440,000	2,864,200	2,074,468
WisdomTree Physical Crypto Markets*	1,129,272	5,356,292	3,745,005
WisdomTree Physical Crypto Altcoins *	1,184,281	4,417,602	1,390,583
Total Digital Security		264,695,303	247,582,993

Digital Security	In Issue	Year Ended 31 December 2022 Cost USD	Year Ended 31 December 2022 Market Value USD
WisdomTree Bitcoin	26,143,998	194,767,839	104,696,254
WisdomTree Ethereum	2,113,928	52,558,021	24,813,287
WisdomTree Cardano	41,000	246,489	123,205
WisdomTree Polkodot	67,270	298,385	154,048
WisdomTree Solana	64,000	263,047	72,179
WisdomTree Crypto Market*	345,000	2,501,189	972,555
WisdomTree Crypto Altcoins*	994,272	4,966,201	1,989,240
WisdomTree Mega Cap Equal Weight*	752,753	4,172,198	628,926
Total Digital Security		259,803,369	133,449,694

*Baskets

WisdomTree Issuer X Limited

Notes to the Interim Financial Statements (continued)

**7. Trade and Other Payables**

	As at 30 June 2023 Unaudited USD	As at 31 December 2022 Audited USD
ManJer Fees Payable	<u>200,678</u>	<u>113,847</u>

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 30 June 2023 Unaudited USD	As at 31 December 2023 Audited USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	<u>2</u>	<u>2</u>

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 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 2023 Unaudited USD	Period Ended 30 June 2022 Audited USD
ManJer Fees	<u>1,079,304</u>	<u>1,154,384</u>

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

	As at 30 June 2023 Unaudited USD	As at 31 December 2022 Audited USD
ManJer Fees Payable	<u>200,678</u>	<u>113,847</u>

At 30 June 2023, USD 2 is receivable from HoldCo.

9. Related Party Disclosures (continued)

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, 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.

JTC (Jersey) Limited is the parent company of JTC Fund Solutions (Jersey) Limited. Alan Baird is an employee of JTC (Jersey) Limited; Director of JTC Fund Solutions (Jersey) Limited and Director of the Company, and Hilary Jones is an employee of JTC (Jersey) Limited and Director of the Company.

Stuart Bell, an executive officer of WisdomTree, Inc. resigned as director of the Company on the 24 May 2023.

Peter Ziembra is an executive officer of WisdomTree, Inc. and Bryan Governey is an employee of WisdomTree Ireland Limited, a wholly owned subsidiary of WisdomTree, 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 actively traded quoted prices.

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 2023 Unaudited USD	Fair Value as at 31 December 2022 Audited USD
Level 1 – Liabilities, Digital Securities	247,582,993	133,449,694
Level 2 – Liabilities, Management Fees Payable	200,678	113,847
	247,783,671	133,563,541

10. Fair Value Hierarchy (continued)**Level 1 – Assets**

Digital Assets	250,750,157	134,323,057
Digital Assets Held in Respect of Management Fees	200,678	113,847
	250,950,835	134,436,904

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. Prior Period Restatement

The following error relating to the prior period was identified and corrected subsequent to publication of the Interim financial statements of 30 June 2022. During the Interim period ended 30 June 2022, realised gains and losses was overstated and resulted in an error in the allocation between net fair value movements in Digital Assets through Profit and Loss and net fair value movements in Digital Assets through Other Comprehensive Income, in accordance with IAS 38. This adjustment was corrected subsequently and the corrections are carried retrospectively in these financial statements in accordance with IAS 8.

The impact of the correction on the Statement of Comprehensive Income

	As Reported 30 June 2022	Correction	Restated 30 June 2022
Profit or Loss			
Income	1,156,132	(1,748)	1,154,384
Results Before Fair Value Movements	1,748	(1,748)	-
Net Gain Arising on Fair Value of Digital Securities	236,937,082	1,748	236,938,830
Net Loss Arising on Fair Value of Digital Assets	(254,689,620)	125,758,384	(128,931,236)
(Loss)/ Gain for the Period	(17,750,790)	125,758,384	108,007,594
Other Comprehensive Income			
Net Gain/(Loss) Arising on Fair Value of Digital Assets	11,094,160	(125,758,384)	(114,664,224)
Other Comprehensive Income/(Loss) for the Period	11,094,160	(125,758,384)	(114,664,224)
Total Comprehensive Loss for the Period	(6,656,630)	-	(6,656,630)

11. Prior Period Restatement (continued)

The impact of the correction on the Statement of Changes in Equity

	Reported Retained Earnings	Reported Revaluation Reserve	Restated Retained Earning	Restated Revaluation Reserve
Opening Balance at 1 January 2022	(111,806,784)	118,725,766	(111,806,784)	118,725,766
(Loss)/Income for the period	(17,750,790)	-	108,007,596	-
Other Comprehensive Income/(Loss)	-	11,094,161	-	(114,664,225)
Total Comprehensive Income for the Period	(129,557,574)	129,819,927	(3,799,188)	4,061,541
Transfers on the sale of Digital Assets and Digital Assets Held in Respect of Management Fees	132,327,263	(132,327,263)	4,061,541	(4,061,541)
Balance as at 30 June 2022	2,769,689	(2,507,336)	262,353	-

12. Events Occurring After the Reporting Period

From 20 August 2023 the Company will be earning rewards on staking Ethereum, of which 75% will be attributable to the holders of WisdomTree Ethereum with the remaining 25% being paid to ManJer.

As at the 10 July 2023, The Company has implemented Security name changes as stipulated in the table below:

Current Security Name	Security name as at 10 July 2023
WisdomTree Bitcoin	WisdomTree Physical Bitcoin
WisdomTree Ethereum	WisdomTree Physical Ethereum
WisdomTree Cardano	WisdomTree Physical Cardano
WisdomTree Solana	WisdomTree Physical Solana
WisdomTree Polkadot	WisdomTree Physical Polkadot
WisdomTree Mega Cap Equal Weight	WisdomTree Physical Mega Cap Equal Weight
WisdomTree Crypto Market	WisdomTree Physical Crypto Market
WisdomTree Crypto Altcoins	WisdomTree Physical Crypto Altcoins

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

13. 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.

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

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 2023 Unaudited USD	Restated Period Ended 30 June 2022 Unaudited USD
Net Gain/(Loss) Arising on Fair Value of Digital Assets through Other Comprehensive Income	6,797,297	(114,664,224)
Net Gain/(Loss) Arising on Fair Value of Digital Assets through Profit or Loss	98,773,263	(128,931,236)
Net Loss/(Gain) Arising on Fair Value of Digital Securities through Profit or Loss	(103,276,786)	236,938,832
	2,293,774	(6,656,628)

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.

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

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

	Period Ended 30 June 2023 Unaudited USD	Restated Period Ended 30 June 2022 Unaudited USD
Profit or Loss		
Income	1,079,304	1,154,384
Expenses	(1,079,304)	(1,154,384)
Result Before Fair Value Movements	-	-
Net (Loss)/Gain Arising on Fair Value of Digital Securities	(103,276,786)	236,938,832
Net Loss Arising on Fair Value of Management Fee Payable	(50,978)	-
Net Gain/(Loss) Arising on Fair Value of Digital Assets	98,773,263	(128,931,236)
(Loss)/Gain for the Period	(4,554,501)	108,007,596
Other Comprehensive Income		
Items that may not be Reclassified Subsequently to Profit or Loss:		
Net Gain/(Loss) Arising on Fair Value of Digital Assets	6,797,297	(114,664,224)
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees	51,005	-
Other Comprehensive Income/(Loss) for the Period	6,848,302	(114,664,224)
Total Comprehensive Gain/(Loss) for the Period	2,293,801	(6,656,628)
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets	(2,293,774)	6,656,628
Adjusted Total Comprehensive Income for the Period	27	-

WisdomTree Issuer X Limited

Notes to the Interim Financial Statements (continued)



13. 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	Total Equity
	USD	USD	USD	USD	USD
Opening Balance at 01 January 2023	2	(402,453)	402,453	-	2
<i>Loss for the Period</i>	-	(4,554,501)	-	-	(4,554,501)
<i>Other Comprehensive Income for the Period</i>	-	-	6,848,302	-	6,848,302
Total Comprehensive Income for the Period	2	(4,956,954)	7,250,755	-	2,293,803
Issue of Shares	-	-	-	-	-
Unaudited Balance at 30 June 2023	2	(4,956,954)	7,250,755	-	2,293,803
Non-statutory and non-GAAP Adjustments					
Movement on Fair Value of Digital Assets through profit and loss transferred to Non-distributable Reserve	-	(98,773,263)		98,773,263	-
Movement on Fair Value of Digital Assets through Other Comprehensive Income transferred to Non-distributable Reserve			(6,797,297)	6,797,297	-
Movement on Fair Value of Digital Securities transferred to Non-distributable Reserve	-	103,276,786	-	(103,276,786)	-
Adjustments for Digital Assets Held in respect of Coinbase Deposits		(27)		27	-
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets ²	-	-	-	(2,293,801)	(2,293,801)
Unaudited Balance at 30 June 2023³	2	(453,458)	453,458	-	2

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

³ The residual balances in Retained Earnings and the Revaluation Reserve represent the cumulative fair value movements of Digital Assets Held in Respect of Management Fees, compared to the cumulative fair value movements arising on Management Fee Payables.

WisdomTree Issuer X Limited

Notes to the Interim Financial Statements (continued)



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

	Stated Capital	Restated Retained Earnings	Restated Revaluation Reserve	Restated Non- distributable Reserve	Restated Total Equity
	USD	USD	USD	USD	USD
Opening Balance at 01 January 2022	2	(718,984)	718,984	-	2
<i>Income for the Period</i>	-	108,007,596	-	-	108,007,596
<i>Other Comprehensive Loss for the Period</i>	-	-	(114,664,224)	-	(114,664,224)
Total Comprehensive Loss for the Period	-	107,288,612	(113,945,240)	-	(6,656,626)
Issue of Shares	-	-	-	-	-
Restated unaudited Balance at 30 June 2022	2	107,288,612	(113,945,240)	-	(6,656,626)
<i>Non-statutory and non-GAAP Adjustments</i>					
Movement on Fair Value of Digital Assets through profit and Loss transferred to Non-distributable Reserve	-	128,931,236	-	(128,931,236)	-
Movement on Fair Value of Digital Assets through Other Comprehensive Income transferred to Non-distributable Reserve	-	-	114,664,224	(114,664,224)	-
Movement on Fair Value of Digital Securities transferred to Non-distributable Reserve	-	(236,938,832)	-	236,938,832	-
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets ⁴	-	-	-	(6,656,628)	6,656,628
Reallocation of a prior period misallocation between retained Earnings and revaluation Reserves	-	453,706	(453,706)	-	-
Restated Adjusted Balance at 30 June 2022⁵	2	(265,278)	265,278	-	2

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

⁵ The residual balances in Retained Earnings and the Revaluation Reserve represent the cumulative fair value movements of Digital Assets Held in Respect of Management Fees, compared to the cumulative fair value movements arising on Management Fee Payables.