WisdomTree Issuer X Limited

Registered No: 129881

Audited Annual Financial Report for the Period from Inception to 31 December 2020

Contents

Management and Administration

Directors
Stuart Bell
Hilary Jones
Patrick Nyahwo
Peter Ziemba

Administrator
JTC Fund Solutions (Jersey) Limited
28 Esplanade
St Helier
Jersey, JE4 2QP

Registered Office
28 Esplanade
St Helier
Jersey, JE4 2QP

Registrar
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey, JE1 1ES

Manager
WisdomTree Management Jersey Limited
Ordnance House
31 Pier Road
St Helier
Jersey, JE4 8PW

Trustee
The Law Debenture Trust Corporation plc
8th Floor
100 Bishopsgate
London, EC2N 4AG
United Kingdom

Custodian
Swissquote Bank Ltd
Chemin de la Crétaux 33
CH-1196 Gland
Switzerland

Company Secretary
JTC Fund Solutions (Jersey) Limited
28 Esplanade
St Helier
Jersey, JE4 2QP

Auditor
Ernst & Young LLP
Liberation House
Castle Street
St Helier
Jersey, JE1 1EY

Jersey Legal Advisers
Mourant Ozannes
22 Grenville Street
St Helier
Jersey, JE4 8PX

The directors of WisdomTree Issuer X Limited ("Issuer X" or the "Company"), submit herewith the financial report and annual financial statements of the Company for the period from incorporation on 17 September 2019 to 31 December 2020.

Directors

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

Stuart Bell	(Appointed 17 September 2019)
Hilary Jones	(Appointed 17 September 2019)
Patrick Nyahwo	(Appointed 18 September 2020)
Steven Ross	(Appointed 17 September 2019, Resigned 18 September 2020)
Peter Ziemba	(Appointed 17 September 2019)

Directors' Interests

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

Principal Activities

The Company's principal activity is the issue and listing of securities that track the performance of digital currencies ("Digital Securities"). Currently, the Company is offering securities that provide exposure to Bitcoin and the Prospectus also includes securities providing exposure to Ethereum which may be launched at a later date. The Company is established as an umbrella entity whereby exposure to other digital currencies can be added to the programme in the future.

Digital Securities allow investors to gain exposure to digital currencies without needing to take delivery of those digital currencies. It also allows investors to buy and sell that interest through the trading of a security on the Swiss Stock Exchange and any other exchange to which that security may be admitted to trading from time to time. A Digital Security is an undated secured limited recourse debt obligation of the Company, constituted by a trust instrument. Under the terms of this trust instrument the Digital Securities are secured on an amount of digital currencies equivalent to the entitlement to that digital currency (the "Digital Asset") in respect of each Digital Security (referred to as the "Entitlement"), which is calculated in accordance with an agreed formula published in the Prospectus. The Digital Assets are held in custody by designated custodians or their sub-custodians and the subject of fixed and floating charges in favour of the Trustee. A holder of a Digital Security is entitled to require the redemption of that Digital Security and receive an amount of Digital Assets equal to the Entitlement on the date of redemption (and subject to applicable order fees).

The Company earns a management fee by reducing the Entitlement of each class of Digital Security on a daily basis by an agreed amount (the "Management Fee"). The Management Fee is calculated with reference to, and settled in the form of Bitcoin.

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 is transferred by the Trustee from the Company's Custodian accounts directly to ManJer. In addition, the monetary amounts in respect of the order fees are transferred directly to ManJer and there are no cash flows through the Company.

Review of Operations

The most recent Prospectus was issued on 18 March 2021. The Digital Securities were admitted for listing on the SIX Swiss Exchange on 29 November 2019.

As at 31 December 2020, the revaluated amount of assets under management amounted to 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.

Review of Operations (continued)

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 (and subsequently to the date of this report) 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 87,841,664, and Other Comprehensive Income for the period of USD 90,980,448.

As a result of the difference in valuation between Digital Assets and Digital Securities 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 7 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 31 December 2020 USD
Order Fees	-
Management Fees	283,678
Total Fee Income	283,678

Review of Operations (continued)

Non-GAAP Performance Measures

Under the terms of the service agreement with ManJer, 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.

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 8), 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 15 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.

Change in Administrator

On 18 September 2020 the Company transitioned Administrator and Company Secretary from R&H Fund Services (Jersey) Limited to JTC Fund Solutions (Jersey) Limited. As a result of this transition, the Company's registered office also changed from Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW to 28 Esplanade, St Helier, Jersey JE4 2QP on the same date.

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, 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.

Directors' fees are paid by ManJer on behalf of the Company, however there were no directors fees incurred for the period.

Auditor

The Independent Auditor, Ernst & Young LLP were appointed during the period.

Risk Management

Each Digital Security is a debt instrument whose redemption price is linked to the value of the relevant underlying digital asset. Each class of Digital Security are 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. 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). As a result, gains or losses on the liability represented by the Digital Securities are offset by corresponding losses or gains attributable to the Digital Assets (see detail on page 3 regarding the accounting mis-match), the Company does not retain any net gains or losses or net risk exposures. However, the difference in valuation between 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's exposure to risks, including further details surrounding the value of Digital Securities and the Digital Assets (held to support the Digital Securities), are disclosed in note 12 and note 15 to the financial statements.

Movements in the value of the Digital Assets (held to support the Digital Securities), and thus the value of the Digital Securities, may vary widely which could have an impact on the demand for the Digital Securities issued by the Company. These movements are shown in notes 7 and 8.

Additional information on other financial and operational risks and uncertainties faced by the Company are disclosed in note 12 of these financial statements.

Corporate Governance

There is no standard code of corporate governance in Jersey. The operations, as previously described in the directors' report, are such that the directors have determined that the Company is not required to apply, and has elected not to voluntarily apply, the UK Corporate Governance Code.

As the Board is small, there is no nomination committee and appointments of new directors are considered by the Board as a whole. The Board does not consider it appropriate that directors should be appointed for a specific term. Furthermore, the structure of the Board is such that it is considered unnecessary to identify a senior non-executive director.

The constitution of the Board is disclosed on page 2. The Board meets regularly as required by the operations of the Company, but at least quarterly to review the overall business of the Company and to consider matters specifically reserved for its review.

Internal Control

During the period the Company did not have any employees or subsidiaries, and there is no intention that this will change. The Company, being a special purpose company established for the purpose of issuing Digital Securities, has not undertaken any business, save for issuing and redeeming Digital Securities, entering into the required documents and performing the obligations and exercising its rights in relation thereto, since its incorporation. The Company does not intend to undertake any business other than issuing and redeeming Digital Securities and performing the obligations and exercising its rights in relation thereto.

The Company is dependent upon ManJer to provide management and administration services to it. ManJer is licensed under the Financial Services (Jersey) Law 1998 to conduct classes U and Z of Fund Services Business. ManJer outsources certain services to R&H. In addition ManJer outsources the administration services in respect of the Company to the Administrator (as amended from time to time). Documented contractual arrangements are in place with the Administrator which define the areas where the authority is delegated to them. The performance of the Manager and Administrator are reviewed on an ongoing basis by the Board through their review of periodic reports.

ManJer provides management and other services to both the Company and other companies issuing commodity and index tracking securities.

The Board having reviewed the effectiveness of the internal control systems of the Manager and Administrator, does not consider that there is a need for the Company to establish its own internal audit function.

Audit Committee

The Board has not established a separate audit committee; instead the Board meets to consider the financial reporting by the Company, the internal controls, and relations with the external auditors. In addition the Board reviews the independence and objectivity of the auditor.

Hilary Jones
Director
Jersey
7 April 2021

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Hilary Jones
Director
Jersey
7 April 2021

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE ISSUER X LIMITED

Opinion

We have audited the financial statements of WisdomTree Issuer X Limited (the 'company') for the period from 17 September 2019 to 31 December 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE ISSUER X LIMITED (continued)

Overview of our audit approach

Key audit matters	►	**Valuation of Digital Assets**
	►	**Valuation of Digital Securities Issued**
	►	**Existence of Digital Assets**
Materiality	►	Overall materiality of US$1,650,000 which represents 1% of total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of Digital Assets (US$167,563,231) *Refer to the Accounting policies (page 21); and Note 7 of the Financial Statements (page 25)* Risk that Digital Asset values are misstated or that valuations are incorrectly calculated. Misstatements that occur in relation to this valuation risk would affect the Digital Asset (Bitcoin) account on the balance sheet and the net gain or loss on Digital Assets in comprehensive income. The risk comprises the risk of errors in both the valuation methodology applied; and in the source and timing of valuation inputs utilised.	We walked through the Company's systems and controls implemented in respect of Digital Asset valuation. In executing our strategy, we adopted a substantive audit approach; we • Understood the process applied by management in the computation of Digital Asset valuation, including the valuation methodology used and nature and source of key input data • Understood any restrictions on withdrawals from the digital wallet and their impact on valuation • Identified and validated key inputs and assumptions used to derive the value of the Digital Assets held • Recalculated the fair value of the Digital Assets held through agreement of prices to an external source (Coinbase) and determined that the valuation	In concluding on the valuation methodology applied, we challenged management regarding whether the pricing source referenced in the prospectus, being the Chicago Mercantile Exchange CF Bitcoin Reference Rate ("CME Price") constituted an appropriate market price for the valuation of the Digital Assets held by the company in compliance with relevant provisions of IFRS 13 "Fair Value Measurement" ("IFRS 13"). Specifically, whether the company had the ability to transact at the CME Price. Management ultimately concluded that the CME Price, whilst being an indicative price included in the prospectus, it did not meet the definition of fair value in IFRS 13 and therefore determined that the use of a price quoted by Coinbase, as the company's principal market, would be appropriate.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE ISSUER X LIMITED (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	methodology applied is consistent with the valuation requirements of IFRS	We concurred with management's conclusion in respect of the above having considered the nature and activity of the pricing source and the fact that there are no explicit restrictions that would prevent the Company from transacting using Coinbase as an exchange. Based on our testing we are satisfied that the valuation of Digital Assets is not materially misstated
Valuation of Digital Securities Issued (US$ 164,424,447) *Refer to the Accounting policies (pages 21-22); and Note 8 of the Financial Statements (pages 25 - 26)* Risk that values of Digital Securities in issue are misstated or that valuations are incorrectly captured, either as a result of an inappropriate pricing source being used or incorrect timing of price capture. Misstatements that occur in relation to this valuation risk would affect the Digital Securities liability account on the balance sheet and the net gain or loss on Digital Securities in the income statement The risk comprises the risk of errors in both the valuation methodology applied; and in the source and timing of valuation inputs utilised.	We walked through the Company's systems and controls implemented in respect of the valuation of Digital Securities. In executing our strategy, we adopted a substantive audit approach; we: ► Understood the process applied by management in the determination of securities valuation, including the valuation methodology used and nature, source and timing of key input data ► Identified and validated key inputs used to derive the value of the securities, agreeing published prices to relevant pricing sources ► Obtained details of the level of trading activity in Digital Securities near the year end as part of our assessment of fair value and resulting fair value level disclosures	We concluded that there were no matters identified during our audit work on valuation of Digital Securities issued that we wanted to bring to the attention of the Board of Directors of the company. Based on our testing we are satisfied that the valuation of Digital Securities is not materially misstated.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE ISSUER X LIMITED (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Existence of Digital Assets (US$167,563,231) *Refer to the Accounting policies (page 21); and Note 7 of the Financial Statements (page 25)* Digital Assets are digital currencies, currently Bitcoin held by the company. Due to the significance of the carrying value of these investments there is a risk of potential misappropriation of Digital Assets, which may result if the private key is compromised, or through potential loss or destruction of the private key resulting in an inability to access the investments. Misstatements that occur in relation to this existence risk would affect the Digital Assets on the balance sheet and the net gain or loss on Digital Assets in comprehensive income.	We walked through the Company's systems and controls implemented in respect of existence of Digital Assets and the private key. In executing our strategy, we adopted a substantive audit approach; we: • Observed management perform a withdrawal after the period end to confirm continued access to the private key • Obtained confirmation of holdings as at the balance sheet date from the independent custodian • We used blockchain analyser tool and a public data node to corroborate recorded transactions on the blockchain and the period end balance of Digital Assets.	We concluded that there were no matters identified during our audit work on the existence of Digital Assets that we wanted to bring to the attention of the Board of Directors of the company. Based on our testing we are satisfied that the Digital Assets reported in the financial statements are not materially misstated

As this is the first period subject to audit, the key audit matters above reflect our initial assessment of key audit matters.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE ISSUER X LIMITED (continued)

We determined materiality for the company to be US$1,650,000, which is 1% of total assets. We believe that Total Assets provides us with an appropriate basis for audit materiality as Total Asset value reflects the relevant exposure of holders of issued securities to the underlying Digital Asset base.

During the course of our audit, we reassessed initial materiality and noted no factors leading us to amend materiality levels from those originally determined at the audit planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely US$825,000. We have set performance materiality at this percentage due to this being the initial reporting period since establishment of the company and therefore the first period subject to audit.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of US$82,500, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 7, including the Directors' Report set out on pages 2 to 6 and the Statement of Directors' Responsibilities set out on page 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WISDOMTREE ISSUER X LIMITED (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Jonathan Dann, FCA
for and on behalf of Ernst & Young LLP
Jersey, Channel Islands
Date: 7 April 2021

Notes:

1. The maintenance and integrity of the WisdomTree Issuer X Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

	Notes	Period Ended 31 December 2020 Audited USD
Profit or Loss		
Income	3	283,678
Expenses	3	(283,678)
Result Before Fair Value Movements	3	**-**
Net Loss Arising on Fair Value of Digital Securities	8	(87,694,903)
Net Loss Arising on Fair Value of Management Fee Payable		(146,761)
Loss for the Period		**(87,841,664)**
Other Comprehensive Income		
Items that may not be Reclassified Subsequently to Profit or Loss:	2	
Net Gain Arising on Fair Value of Digital Assets	7	90,833,687
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees		146,761
Other Comprehensive Income for the Period		**90,980,448**
Total Comprehensive Income for the Period[1]		**3,138,784**

The directors consider the Company's activities as continuing.

The notes on pages 18 to 36 form part of these annual 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 15.

	Notes	As at 31 December 2020 Audited USD
Assets		
Digital Assets	7	167,563,231
Digital Assets Held in Respect of Management Fees	5	134,199
Trade and Other Receivables	6	2
Total Assets		**167,697,432**
Liabilities		
Digital Securities	8	164,424,447
Trade and Other Payables	9	134,199
Total Liabilities		**164,558,646**
Equity		
Stated Capital	10	2
Retained Earnings		(87,841,664)
Revaluation Reserve		90,980,448
Total Equity		**3,138,786**
Total Equity and Liabilities		**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 15 to 35 were approved and authorised for issue by the board of directors and signed on its behalf on 7 April 2021.

Hilary Jones
Director

	Period Ended 31 December 2020 Audited USD
Loss for the Period	**(87,841,664)**
Non-cash Reconciling Items	
Net Loss Arising on Fair Value of Digital Securities	87,694,903
Net Loss Arising on Fair Value of Management Fee Payable	146,761
Increase in Digital Assets Held in Respect of Management Fees	(134,199)
Increase in Trade and Other Payables	134,199
	87,841,664
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 7 and 8 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 18 to 36 form part of these annual financial statements

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Total Equity USD
Opening Balance at 17 September 2019	**-**	**-**	**-**	**-**
Loss for the Period	-	(87,841,664)	-	(87,841,664)
Other Comprehensive Income for the Period	-	-	90,980,448	90,980,448
Total Comprehensive Income for the Period	**-**	**(87,841,664)**	**90,980,448**	**3,138,784**
Issue of Shares	2	-	-	2
Transfer on sale of Digital Assets and Digital Assets held in respect of Management Fees	-	2,675,374	(2,675,374)	-
Audited Balance at 31 December 2020[2]	**2**	**(85,166,290)**	**88,305,074**	**3,138,786**

The notes on pages 18 to 36 form part of these annual financial statements

[2] A 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 15.

1. General Information

WisdomTree Issuer X Limited (the “Company”) is a company incorporated and domiciled in Jersey. The address of the registered office is 28 Esplanade, St. Helier, Jersey, JE4 2QP.

The purpose of the Company is to provide a vehicle that facilitates the issuance and subsequent listing and trading of securities that track the performance of digital currencies (“Digital Securities”). The most recent Prospectus was issued on 18 March 2021. The Digital Securities were admitted for listing on the SIX Swiss Exchange on 29 November 2019. Currently the Company is offering securities that provide exposure to Bitcoin (through holdings of Bitcoin), however the Prospectus also includes securities providing exposure to Ethereum which may be launched at a later date.

Each class of Digital Security is issued under limited recourse arrangements whereby the holders have recourse only to the relevant digital currencies (held to support the Digital Securities) and not to the digital currencies of any other class of Digital Security or to the Company. The Digital Securities are secured on an amount of digital currencies equivalent to the entitlement to that digital asset (the “Digital Asset”) in respect of each Digital Security (referred to as the “Entitlement”), which is calculated in accordance with an agreed formula published in the Prospectus. The Company holds Digital Assets to support the Digital Securities as determined by the Entitlement. The Company does not make gains from trading in the Digital Assets (held to support the Digital Securities). As a result (and with the exception of the impact of Management Fees), from a commercial perspective 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 Digital Assets (held to support the Digital Securities) and Digital Securities creates a mis-match between the values reported within these financial statements. This difference in valuation would be reversed on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Asset. Further details are disclosed within the Accounting Policies and in note 15, with additional information regarding the risks of the Company disclosed in note 12. Furthermore, 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 15 of the financial statements.

Exchange traded products are not typically actively managed, are significantly lower in cost when compared to actively managed mutual funds and are easily accessible to investors. No active trading or management of Digital Assets is required of the Company because the Company only receives or delivers Digital Assets on the issue and redemption of Digital Securities, and only holds Digital Assets as determined by the Entitlement of each class to support the Digital Securities.

The Company is entitled to:

(1) a management fee which is calculated by reducing the Entitlement of each class of Digital Security on a daily basis by an agreed amount (the “Management Fee”); and
(2) order fees on the issue and redemption of the Digital Securities.

No creation or redemption fees are payable to the Company when investors trade in the Digital Securities on a listed market such as the SIX Swiss Exchange. Order fees may also be waived with certain approved persons where applicable.

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 issuance of Digital Securities. In return for these services, the Company pays ManJer an amount equal to the Management Fee and the order fees earned (the “ManJer Fee”). As a result there are no result before fair value movements recognised through the Company.

2. Accounting Policies

The main accounting policies of the Company are described below.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The financial statements have been prepared under the historical cost convention, as modified by:

- the revaluation of financial liabilities held at fair value through profit or loss; and
- the revaluation of Digital Assets at fair value.

Critical Accounting Estimates and Judgements

The presentation of financial statements in conformity with 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 judgements required to prepare these financial statements are:

1. The determination of the functional currency.

   The principle activity of the Company is to hold Digital Assets to support the Digital Securities issued, and the Company has entered into contractual obligations to issue Digital Securities through a direct transfer of Digital Assets from the Authorised Participant to the Custodian or redeemed by the direct transfer of Digital Assets by the Custodian to the Authorised Participant. Furthermore, the majority of the Company's income and expenses are transacted through the transfer of Digital Assets.

   Given that the activities described above the Company also considered other factors in determining the functional currency, specifically:

   - the base currency denomination of the Digital Securities issued;
   - the denomination of the order fees; and
   - the level of trading of Digital Assets (specifically Bitcoin) on a variety of exchanges, against fiat currencies.

   As a result of the assessment, the Company concluded that United States Dollars is the functional currency of the Company and the presentational currency of the financial statements.

2. The determination of the valuation methodology applied to Digital Assets.

   The Prospectus includes a description of a methodology for investors to calculate an indicative net asset value ("NAV") of the securities using the relevant Reference Rate published by the Chicago Mercantile Exchange Group ("CME"), being either the CME CF Bitcoin Reference Rate or the CME CF Ethereum Reference Rate (collectively the "CME Price").

   The application of the IAS 38 revaluation model requires an active market for the transfer and sale of the Digital Assets that the Company holds, and that the fair value shall be calculated by reference to the market price. The CME Price is designed to represent the daily price by applying transparent indicators with independent governance and oversight. It is calculated based on the transactions of all constituent exchanges (i.e. being observed on-market prices) included in the index (the "CME Relevant Transactions").

   As a result, the CME Price is not considered to meet the definition of a level 1 fair value price under IFRS 13 (as required by the application of revaluation model under IAS 38), which requires the Company to identify the principal market and to utilise the available prices within that principal market, and is therefore not suitable to be applied for the recording of balances within these financial statements. Consequently, a difference arises between the indicative NAV of the Digital Securities applying the CME Price (as set out in the Prospectus) and the value of the Digital Assets presented in these financial statements.

2. Accounting Policies (continued)

Critical Accounting Estimates and Judgements (continued)

There are various exchanges that each have their own independent cryptocurrency prices each day, and the Company could access any one of these exchanges to be able to transact. As a result there is judgement required in determining the principal market and therefore the appropriate market price to be applied, in accordance with the provisions of IFRS 13.

The directors shall select the principal market based on the following criteria:
- 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 greatest trading volumes particularly in exchanging the underlying Digital Assets for functional currency).

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”). In addition, the directors shall re-assess the principal market at the start of each financial, or interim financial period, as well as at any time it is determined the current principal market is no longer appropriate. During the period (and subsequently to the date of this report) the exchange considered by the directors to meet these requirements is Coinbase.

Furthermore. cryptocurrency trading exchanges are generally open to trade 24 hours a day and the directors have been required to apply further judgment in selecting the time at which the Quoted Price is taken as the markets do not have a ‘close’. The directors have determined that the Quoted Price of the Digital Assets shall be taken at 4:30pm (GMT) as this mirrors the time that the market of the Digital Securities closes for trading, and it is considered that this would minimise the potential mismatch between the assets and liabilities.

The directors do not consider that any significant estimates have been applied in the preparation of these financial statements.

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 of the Company 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 in place. The directors consider the Company to be a going concern for the foreseeable future and have prepared the financial statements on this basis.

Accounting Standards

New and revised IFRSs in issue but not yet effective:

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the accounting issues that arise when financial instruments are modified from referencing an Interbank Offered Rate (or IBOR)
- Annual Improvements to IFRS (impacting IFRS 3, IFRS 7, IFRS 8, IAS 1 and IAS 8)

The directors do not expect the adoption of the above standards, amendments and interpretations that are in issue but not yet effective will have a material impact on the financial statements of the Company in future periods. The directors have considered other standards and interpretations in issue but not effective and concluded that they would not have a material impact on the future financial periods when they become available.

2. Accounting Policies (continued)

Digital Assets

The Company holds Digital Assets equal to the amount due to holders of Digital Securities solely for the purposes of meeting its obligations under the Digital Securities.

Whilst the IFRS Interpretation Committee issued an agenda decision on the accounting for cryptocurrencies in June 2019, there is no one standard under IFRS which details how digital currencies are to be accounted for. Following a review of the facts and circumstances, the directors have determined that the Digital Assets fall within the scope of IAS 38 Intangible Assets. Furthermore the directors have determined to account for Digital Assets under the IAS 38 revaluation model being it's fair value on the basis there is an active market for the transfer and sale of the Digital Assets that the Company holds. The Digital Assets are held to provide the security holders with the exposure to changes in the fair value of Digital Assets and therefore the Directors consider that carrying the Digital Assets at fair value reflects the objectives and the purpose of holding the asset.

Digital Assets are priced on a daily basis based on the amount of the Digital Assets held using the relevant Quoted Price, and is considered to be the fair value of the Digital Assets. Also on a daily basis an amount is reclassified to Digital Assets held in respect of the Management Fee.

i) Issue and Redemption
Upon initial recognition and the receipt of Digital Assets, they are recorded at fair value using the Quoted Price.

Upon redemption of Digital Securities and the transfer out of Digital Assets, the attributable cost shall be calculated in accordance with the average cost methodology, and the overall cost reduced accordingly to represent the de-recognition of the Digital Assets. Any previously recognised gains on the Digital Assets de-recognised as a result of the transfer are reclassified to retained earnings.

ii) Subsequent Measurement
An increase in fair value is recorded first through Profit or Loss in respect of any previous impairment recognised being reversed, with any further gains being recognised through Other Comprehensive Income.

A decrease in fair value is recorded first through Other Comprehensive Income in respect of any previous gains recognised being reversed, with any further impairment being recognised through Profit or Loss.

Digital Securities

i) Issue and Redemption
Each time a Digital Security is issued or redeemed by the Company a corresponding amount of the corresponding Digital Asset is transferred into or from the relevant secured account held by the Custodian. Upon initial recognition, the fair value is recorded using the Quoted Price applied to the Digital Asset transferred.

Financial liabilities are recognised and de-recognised on the transaction (trade) date.

ii) Pricing
IFRS 13 requires the Company to identify the principal market and to utilise the available price within that principal market. The directors consider that 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 Digital Securities are priced using the closing mid-market price on the Statement of Financial Position date.

Consequently a difference arises between the value of Digital Assets (held to support the Digital Securities) and Digital Securities (at market value) presented in the Statement of Financial Position. This difference is reversed on a subsequent redemption of the Digital Securities and transfer of the corresponding Digital Asset.

2. Accounting Policies (continued)

Digital Securities (continued)

iii) *Classification at fair value through Profit or Loss*
Digital Securities comprise a financial instrument whose redemption price is linked to the value of the underlying Digital Asset. Digital Securities are classified as liabilities at fair value through profit or loss under IFRS 9 due to an embedded derivative. This also significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on different bases.

Digital Assets and Digital Securities Awaiting Settlement

The issue and redemption of Digital Securities, and the transfer in and out of Digital Assets, is accounted for on the transaction date. The transaction will not settle until two days after the transaction date. Where transactions are awaiting settlement at the period end, the value of the Digital Asset and the Digital Securities due to be settled is separately disclosed within the relevant assets and liabilities on the Statement of Financial Position. The fair value of these receivables and payables is considered equivalent to their carrying value.

Digital Assets Held in Respect of Management Fees and Digital Assets Payable

As described above, Management Fees are accrued by reducing the Entitlement of each class of Digital Security on a daily basis by an agreed amount. At the same time an equivalent amount is transferred from Digital Assets to Digital Assets Held in respect Management Fees.

As described above, under IFRS there is no standard treatment for the classification of digital currencies, and therefore applying the same judgement described under the Digital Assets Policy, the Digital Assets held or receivable in respect of Management Fees are carried at fair value.

The fair value of the Digital Assets transferred to Digital Assets Held in Respect of Management Fees at the Statement of Financial Position date is re-measured using the latest Quoted Price on that date. An increase in fair value is recorded first through Profit or Loss in respect of any previous impairment recognised being reversed, with any further gains being recognised through Other Comprehensive Income. A decrease in fair value of Digital Assets is recorded through Other Comprehensive Income in respect of any previous gains recognised being reversed, with any further impairment being recognised through Profit or Loss. Upon de-recognition of the Digital Assets recognised in respect of Management Fees (as a result of the transfer to settle the Management Fee payable), any previously recognised gains shall be transferred from the Revaluation Reserve to retained earnings.

Management Fees payable are also accrued based on the income recognised in accordance with the agreement with ManJer. These fees are paid by transfer of the relevant Digital Asset. Management Fees payable are classified as liabilities at fair value through profit or loss under IFRS 9 due to an embedded derivative.

Reserves

A revaluation reserve and a retained earnings reserve are maintained within equity. All profits or losses, including gains and losses on the movement in the fair value of Digital Securities are taken to the retained earnings reserve at the end of each accounting period. Gains and reversals of previously recognised gains arising on the movement in the fair value of Digital Assets, above cost, are taken to the revaluation reserve at the end of each accounting period. Losses and reversals of previously recognised losses on the movement in the fair value of Digital Assets, below cost, are taken to the retained earnings reserve at the end of each accounting period.

Other financial assets

Other financial assets including trade and other receivables with a fixed payment amount and are not quoted in an active market. After initial measurement the other financial assets are subsequently measured at amortised cost.

2. Accounting Policies (continued)

Income

The Company derives its income over time (in respect of Management Fees), and at a point in time (in respect of order fees) as follows:

i) Management Fees
Management Fees are calculated by applying a fixed percentage to reduce the Entitlement of each class of Digital Security on a daily basis in accordance with the terms of the securities issued. The change in Entitlement reduces the value of the Digital Security. This reduction equates to the Management Fee amount in the relevant Digital Asset that is recognised for that day per each Digital Security in issue on that day. The Management Fees are accrued and recognised on a daily basis, until invoiced and settled by transfer of the relevant Digital Asset. The amount of the Management is recognised by converting the Digital Assets into the functional currency by application of the Quoted Price.

ii) Order Fees
Fees for the issue and redemption of Digital Securities are recognised at the fair value of the consideration expected to be received, on the date on which the transaction becomes legally binding. Accrued order fees are invoiced and settled on a quarterly basis.

Foreign Currency Translation

The financial statements of the Company are presented in the currency in which the majority of the Digital Securities issued by the Company are denominated (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in United States Dollars, which is the functional currency of the Company and the presentational currency of the financial statements.

Transactions in foreign currencies are initially recorded at the spot rate at the date the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end date are translated at rates ruling at that date. The resulting differences are accounted for through profit or loss.

Segmental Reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segments and to assess their performance. The CODM has been determined as the board of directors. A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company has not provided segmental information as the Company has only one business or product group, Digital Assets, and one geographical segment which is Europe. In addition the Company has no single major customer from which greater than 10% of income is generated. All information relevant to the understanding of the Company's activities is included in these financial statements.

3. Result Before Fair Value Movements

Result before fair value movements for the period comprised:

	Period Ended 31 December 2020 Audited USD
Order Fees	-
Management Fees	283,678
Total Income	**283,678**
ManJer Fees	(283,678)
Total Operating Expenses	**(283,678)**
Result Before Fair Value Movements	**-**

4. Taxation

The Company is subject to Jersey Income Tax. During the period the Jersey Income Tax rate applicable to the Company is zero percent.

5. Digital Assets Held in Respect of Management Fees

	As At 31 December 2020 Audited USD
Digital Assets Held in Respect of Management Fees	**134,199**

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

6. Trade and Other Receivables

	As at 31 December 2020 Audited USD
Order Fees	-
Receivable from Related Party	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.

7. Digital Assets

	31 December 2020 Audited USD
Net Gain Arising on Fair Value of Digital Assets	**90,833,687**
- Realised gain on Digital Assets	2,559,851
- Unrealised gain on Digital Assets	88,273,836
Digital Assets at Fair Value	**167,563,231**

As at 31 December 2020, 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 31 December 2020. The cost of the Digital Assets as at 31 December 2020 was USD79,289,395 and the Bitcoin Wallet balance as at this same date was 5,843.70.

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

	Period Ended 31 December 2020 Audited USD
Opening Digital Assets	**-**
Additions	82,316,390
Disposals	(5,303,168)
Transfer to Digital Assets Held in Respect of Management Fees	(283,678)
Change in Fair Value	90,833,687
Closing Digital Assets	**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.

8. 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.

8. 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:

	31 December 2020 Audited USD
Net Loss Arising on Fair Value of Digital Securities	**87,694,903**
- Realised loss on Digital Securities	**2,814,250**
- Unrealised loss on Digital Securities	**84,880,653**
Digital Securities at Fair Value	**164,424,447**

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

	31 December 2020 Audited USD
Change in Contractual Redemption Value for the Period	**90,833,687**
Digital Securities at Contractual Redemption Value	**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 15 for the non-statutory and non-GAAP adjustments which reflect the results of this reversal.

As at 31 December 2020, 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 31 December 2020 Audited USD
Opening Digital Securities	**-**
Additions	82,316,390
Disposals	(5,303,168)
Management Fee	(283,678)
Change in Fair Value	87,694,903
Closing Digital Securities at Fair Value	**164,424,447**

9. Trade and Other Payables

	As At 31 December 2020 Audited USD
ManJer Fees Payable	**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.

10. Stated Capital

	As At 31 December 2020 Audited USD
2 Shares of Nil Par Value, Issued at GBP 1 Each	**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 Issued 2 Shares during the period, and the balance due on those Shares was fully paid subsequent to the period end.

11. 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 31 December 2020 Audited USD
ManJer Fees	**283,678**

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

	As At 31 December 2020 Audited USD
ManJer Fees Payable	**134,199**

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

11. Related Party Disclosures (continued)

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

Steven Ross is, and Hilary Jones was until her resignation on 30 September 2019, a director of R&H Fund Services (Jersey) Limited ("R&H") and Steven Ross is a partner of Rawlinson & Hunter, Jersey Partnership which wholly owns R&H. During the period, all administration fees due to R&H in respect were paid as part of the overarching relationship between R&H and ManJer and not separately quantified.

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

12. Financial Risk Management

The Company is exposed to a number of risks arising from its activities, including credit risk, risk factors relating to the Digital Assets, liquidity risk, settlement risk and market risk. The Board is responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board meets frequently to consider the risk exposures of the Company and to determine appropriate management policies. The risk management policies employed by the Company to manage these are discussed below.

The Digital Securities are subject to normal market fluctuations and other risks inherent in investing in securities and other financial instruments. There can be no assurance that any appreciation in the value of securities will occur, and the capital value of an investor's original investment is not guaranteed. The value of investments may go down as well as up, and an investor may not get back the original amount invested.

The information provided below is not intended to be a comprehensive summary of all the risks associated with the Digital Securities and investors should refer to the most recent Prospectus for a detailed summary of the risks inherent in investing in the Digital Securities. Any data provided should not be used or interpreted as a basis for future forecast or investment performance.

(a) Credit Risk

Credit risk primarily refers to the risk that Authorised Participants or the Custodian will default on its contractual obligations resulting in financial loss. At the reporting date the Company did not have any Digital Securities awaiting the transfer of Digital Assets therefore there was no residual credit risk exposure.

Credit risk is managed by the Company by only dealing with Authorised Participants who are believed to be creditworthy. In the event the Authorised Participants fail to complete their obligation, no Digital Securities will be created therefore the Company does not have the risk of loss of the amount expected to be received. 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, therefore limiting the credit risk of the Company in connection with the Digital Assets (held in support of the Digital Securities).

Further detail in respect of custodial risk is presented below under Risk Factors Relating to Digital Assets.

The Board monitors credit risk exposure to ensure the Company's exposure is managed, and has continued to do so more closely with a focus on any the potential impact of, or developments relating to the spread of COVID-19, which is fluid and rapidly changing.

12. Financial Risk Management (continued)

(b) Risk Factors Relating to Digital Assets

i) Custodial risk

Custodial risk is managed by the Company by subjecting each Custodian to a detailed due diligence review prior to their appointment, as well as undertaking regular due diligence updates and undertaking ongoing monitoring of their service. The Custodian is not required to take out insurance and neither is the Trustee. Accordingly, there is a risk that the secured Digital Assets could be stolen and the Company would not be able to satisfy its obligations in respect of the Digital Securities. Currently the Company has a sole Custodian, Swissquote Bank Ltd.

ii) Forking

A fork is a change of the blockchain caused by a change in the protocol which is distinct from the main one. It can cause several risks such as the trading may be temporarily or indefinitely suspended and the prices can be negatively impacted. A hard fork may result in the Digital Asset held as collateral with respect to Digital Securities becoming a new forked digital asset. If this were to happen then it could reduce the value of Digital Assets held as collateral with the Custodian, the Entitlement, and the value of the Digital Securities.

Holders of the Digital Securities may not receive the forked digital currency depending on the Custodian policy. There is no obligation for the Custodians to support the inclusion of any forked digital currencies. The reasons of the fork and the occurrence of this one for a specific digital asset can be different and unique so it can cause several risks in terms of trading, operation, settlement, security, pricing and so on.

Any forked digital currencies that are supported by the Custodians will be compulsorily redeemed by the Company and may not have any value. A holder of Digital Securities may not be able to participate in any upside of forked digital currencies as a result of this compulsory redemption.

iii) Airdrops

An airdrop occurs when the issuer of a new digital asset declares to the holder of another specific digital asset that they will be entitled to claim for free a quantity of the new digital asset because they are holding this specific other digital asset. If an airdrop occurs intended to benefit holders of a Digital Asset, then the ability of a holder of Digital Securities relating to such Digital Asset to participate in the airdrop will depend on the support of the Custodian. There is no obligation on the Custodian to support any airdrop or hold the airdropped digital asset and so there is no certainty that holders of Digital Securities will be able to obtain any airdropped digital currencies or realise any value from them.

The total carrying amounts of the Digital Assets best represent the maximum risk exposure at the Statement of Financial Position date.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities as they fall due. The Company's receivables and payables in respect of order fees are all payable on demand and generally settled on a short term basis. In addition, amounts in respect of the order fees are transferred from the relevant counterparties directly to ManJer and there are no cash flows through the Company. The Company's Digital Assets receivable and payable in respect of Management Fees are also payable on demand and generally settled on a short term basis.

The Digital Securities do not have a contractual maturity date and will only be redeemed at the request of the holder of the security, which may be requested at any time, with the transaction settling through the transfer of the required Digital Assets two days after the transaction date, or in the case of a compulsory redemption, by either transferring the required Digital Assets, or by realising those Digital Assets for cash (on an active market) and settling the cash proceeds to holders on a short term basis. Generally, only Security Holders who have entered into an authorised participant agreement with the Company can submit applications and redemptions directly with the Company.

12. Financial Risk Management (continued)

(c) Liquidity Risk (continued)

In certain circumstances, for example, in the event of volatility in the relevant markets, the Company and/or Authorised Participants may seek to limit or restrict the ability of Authorised Participants to apply for new, or to redeem Digital Securities. The Company will inform the holders of the relevant Digital Securities of any such actions by RIS announcement.

When Digital Securities are redeemed, the Company returns the corresponding amount of Digital Assets determined by the Entitlement of those Digital Securities, therefore the redemption of Digital Securities would not impact the liquidity of the Company.

Consequently, the Company has not presented any tabular information in respect of liquidity risk.

(d) Settlement Risk

Settlement risk primarily refers to the risk that an Authorised Participant will default on its contractual obligations resulting in financial loss.

The directors believe that settlement risk would only be caused by the risk of the Company's trading counterparty not delivering Digital Assets or Digital Securities on the settlement date. The Digital Securities settle through the CREST system. The directors feel that this risk is mitigated as Digital Securities are not issued until the required amount of Digital Asset has been received in the Custodian account, and Digital Assets are not transferred until the relevant Digital Securities have been delivered in CREST. As a result each transaction does not settle until both parties have fulfilled their contractual obligations.

Amounts outstanding in respect of positions yet to settle are disclosed in notes 7 and 8.

(e) Market Risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates, digital asset prices and equity prices) will affect the Company's income or the value of its financial instruments held or issued.

The value of the Company's liability in respect of the Digital Securities fluctuates according to the Digital Asset prices and the risk of such change in price is managed by the Company by holding Digital Assets in the same quantity as its liability. Therefore, the Company bears no residual risk from a change in the price of Digital Assets (held to support the Digital Securities). Refer to note 8 for the further details regarding fair values.

However, there is an inherent risk from the point of view of holders as the price of the Digital Assets and the value of the Digital Securities may vary widely due to, amongst other things, changing supply or demand for Digital Assets, government and monetary policy or intervention and global or regional political, economic or financial events.

The market price of Digital Securities is (and will remain) a function of supply and demand amongst investors wishing to buy and sell Digital Securities and the bid or offer spread that the market makers are willing to quote. This is highlighted in note 8, and below under the Fair Value Hierarchy.

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.

12. Financial Risk Management (continued)

(e) Market Risk (continued)

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 currencies, including the 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, 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 acknowledge that any impacts on the amounts reported by the Company, including subsequent movements in the fair value of assets or securities in issue, are non-adjusting from an IFRS perspective. The directors' consideration in respect of the going concern position of the Company is set out in note 2.

(f) Sensitivity Analysis

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed to at the reporting date, showing how profit or loss and equity would have been affected by a reasonably possible change to the relevant risk variable.

The Company's rights and liability in respect of Digital Securities 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. As a result the Company's contractual and economic liability in connection with the issue of Digital Securities is matched by movements in the value of the corresponding Digital Asset. Consequently, commercially the Company does not have any net exposure to market price risk.

However, the profit or loss, and other comprehensive income would be impacted by movements in the Quoted Price. During the period, the value of Bitcoin traded between USD 5,045 and USD 28,674, representing an average price fluctuation of approximately 63% against the Quoted Price as at 31 December 2020. This resulted in a 0% increase as the price as at 31 December was the highest price during the period. Therefore the directors considered that 5% represented a reasonable increase in the value of the Digital Assets, whilst 60% was more representative of a potential decrease in the value of the Digital Assets given the volatility observed during the period. The sensitivity is linear and the following table summarises the impact movements in the Quoted Price of the Digital Assets in relation to US Dollars and the Market Price of the Digital Securities as at 31 December 2020, with all other variables held constant, on the profit or loss and other comprehensive income for the period:

	Profit or (Loss) Audited USD	Other Comprehensive Income Audited USD
An increase of 5%:		
Digital Assets	-	8,378,162
Digital Assets Held in Respect of Management Fees	-	6,710
Digital Securities	(8,221,222)	-
Management Fees Payable	(6,710)	-
	(8,227,932)	**8,384,872**
A decrease of 60%:		
Digital Assets	(12,264,103)	(88,273,836)
Digital Assets Held in Respect of Management Fees	(49,281)	(31,238)
Digital Securities	98,654,668	-
Management Fees Payable	80,519	-
	86,421,803	**(88,305,074)**

12. Financial Risk Management (continued)

(g) Capital Management

The primary objective of the Company's capital management policy is to ensure that it maintains sufficient resources for operational purposes. The capital being managed is the Stated Capital as presented in the Statement of Changes in Equity. Retained Earnings and the Revaluation Reserve, as presented in the Statement of Changes in Equity, are not considered managed capital as (other than the impact of Management Fees) these balances relate to unrealised gains and losses on Digital Assets (held to support the Digital Securities) and Digital Securities, which are reversed on a subsequent redemption of the Digital Securities and the related transfer of Digital Assets and will therefore not be realised. The Company is not subject to any capital requirements imposed by a regulator and there were no changes in the Company's approach to capital management during the period.

The Company's principal activity is the issue and listing of Digital Securities. These securities are issued and redeemed as demand requires. The Company holds a corresponding amount of Digital Assets which matches the total liability of the Digital Securities issued. ManJer supplies or arranges the supply of all management and administration services to the Company and pays all management and administration costs of the Company, including Trustee and Custodian Fees. In return for these services the Company pays a Management Fee, which under the terms of the service agreement is equal to the aggregate of the Management Fee and order fees earned.

As all Digital Securities on issue are supported by an equivalent amount of Digital Assets held by the Custodian and the running costs of the Company were paid by ManJer, the directors of the Company consider the capital management and its current capital resources are adequate to maintain the ongoing listing and issue of Digital Securities.

(h) 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.

12. Financial Risk Management (continued)

(i) Fair Value Hierarchy (continued)

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

	Fair Value as at 31 December 2020 Audited USD
Level 1 – Liabilities, Digital Securities	**164,424,447**
Level 2 – Liabilities, Management Fees Payable	**134,199**
Level 1 – Assets	
Digital Assets	167,563,231
Digital Assets Held in Respect of Management Fees	134,199
	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.

13. Ultimate Controlling Party

In accordance with the disclosure requirements of IFRS the directors have determined that no entity meets the definition of immediate parent or ultimate controlling party. The holder of issued equity shares is HoldCo, a Jersey registered company. WisdomTree Investments, Inc is the ultimate controlling party of HoldCo.

14. Events Occurring After the Reporting Period

Subsequent to period end, the Company appointed Custody Trust Company, LLC ("Coinbase Custody") as a second custodian for the Company's Digital Assets. The appointment compliments the existing custody solution provided by Swissquote Bank Limited.

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

15. 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 7 and 8) 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 8, 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 31 December 2020 Audited USD
Net Gain Arising on Fair Value of Digital Assets	90,833,687
Net Loss Arising on Fair Value of Digital Securities	(87,694,903)
	3,138,784

15. 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 31 December 2020 Audited USD
Profit or Loss	
Income	283,678
Expenses	(283,678)
Result Before Fair Value Movements	**-**
Net Loss Arising on Fair Value of Digital Securities	(87,694,903)
Net Loss Arising on Fair Value of Management Fee Payable	(146,761)
Loss for the Period	**(87,841,664)**
Other Comprehensive Income	
Items that may not be Reclassified Subsequently to Profit or Loss:	
Net Gain Arising on Fair Value of Digital Assets	90,833,687
Net Gain Arising on Fair Value of Digital Assets Held in Respect of Management Fees	146,761
Other Comprehensive Income for the Period	**90,980,448**
Total Comprehensive Income for the Period	**3,138,784**
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets	(3,138,784)
Adjusted Total Comprehensive Income for the Period	**-**

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

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

	Stated Capital USD	Retained Earnings USD	Revaluation Reserve USD	Non-distributable Reserve[4] USD	Total Equity USD
Opening Balance at 17 September 2019	**-**	**-**	**-**	**-**	**-**
Loss for the Period	-	*(87,841,664)*	-	-	*(87,841,664)*
Other Comprehensive Income for the Period	-	-	*90,980,448*	-	*90,980,448*
Total Comprehensive Income for the Period	**-**	**(87,841,664)**	**90,980,448**	**-**	**3,138,784**
Issue of Shares	2	-	-	-	2
Audited Balance at 31 December 2020	**2**	**(87,841,664)**	**90,980,448**	**-**	**3,138,786**
Non-statutory and non-GAAP Adjustments					
Movement on Fair Value of Digital Assets transferred to Non-distributable Reserve	-	-	(90,833,687)	90,833,687	-
Movement on Fair Value of Digital Securities transferred to Non-distributable Reserve	-	87,694,903	-	(87,694,903)	-
Adjustment from Market Value of Digital Securities to Value represented by underlying Digital Assets[3]	-	-	-	(3,138,784)	(3,138,784)
Adjusted Balance at 31 December 2020[4]	**2**	**(146,761)**	**146,761**	**-**	**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.