

GRAYSCALE BITCOIN TRUST (BTC)

2022 Grantor Trust Tax Information

EIN: 46-7019388

The following information is being provided to assist Shareholders of the Grayscale Bitcoin Trust (BTC) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2022 through December 31, 2022

TAXATION OF THE TRUST

The Trust is a grantor trust for U.S. federal income tax purposes. As a result, the Trust itself is not subject to U.S. federal income tax. Instead, the Trust's income and expenses "flow through" to the Shareholders.

TAXATION OF US INDIVIDUAL SHAREHOLDERS

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro rata shares of the Trust's income and proceeds, and directly incurred their pro rata share of the Trust's expenses. Most state and local tax authorities follow U.S. income tax rules in this regard. However, Shareholders should contact their own tax advisors as to the state and local tax consequences of ownership of the Trust.

The Trust holds only Bitcoin ("BTC") tokens and, accordingly, received no income during the year.

The Trust paid expenses periodically, as shown in the attached 2022 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2022 Expense File. An example illustrating the computation of a Shareholder's share of expenses is provided.

Because the Trust paid out only a de minimis amount of BTC for payment of Trust expenses during the year and made no distributions of sale proceeds to its Shareholders, under Treas. Reg. Sec. 1.671- 5(c)(2)(iv)(B) neither the Trust nor brokers are required to report the gross proceeds of Trust sales to Shareholders on Form 1099B. In lieu of Form 1099B, this information is contained in the attached 2022 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

GLOSSARY OF TERMS

Grayscale Bitcoin Trust (BTC) - (the "Trust")

Expense File – Summary of allocated monthly Trust expenses per share in USD (page 2)

Gross Proceeds File – Summary of daily value per share (in BTC), amount of BTC paid to cover trust expenses (in BTC), and per share proceeds from BTC paid to cover trust expenses (in USD) - (pages 3 -14)

Pro-Rated Shares – All income and expenses are distributed pro rata based on the actual number of days in the calendar month (see example on page 2)

GRAYSCALE BITCOIN TRUST (BTC) 2022 EXPENSE FILE

Summary of Expenses by Month (Details on pages 3-14)

Date	Expenses Per Share (USD)	Amount of BTC Per Share
January	0.06432454	0.00000158
February	0.05976356	0.00000143
March	0.07183792	0.00000158
April	0.05856347	0.00000152
May	0.04961707	0.00000157
June	0.02866556	0.00000152
July	0.03732968	0.00000157
August	0.03160644	0.00000156
September	0.02940521	0.00000151
October	0.03171603	0.00000156
November	0.02572543	0.00000150
December	0.02569508	0.00000155
Total for year	0.51424999	0.00001845

How to Calculate the Shareholder's Investment Expenses

Identify in the table above the months (full and partial) in which the Shareholder held shares in the Trust. The amount in the column labeled "Expenses Per Share," represents the amount of investment expense paid per share for a full month. For any month in which the shares were not held on each day in such month, the expenses should be pro-rated based on the number of days held (see attached details for each month pages 3-14).

Example illustrating calculation of a Shareholder's 2022 Grayscale Bitcoin Trust (BTC) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2022 and sold them on September 15, 2022. For the month of February, Shareholder's expenses are \$0.05976356 (See Summary Table above – February Factor) x (13/28) = \$0.02774737 per share. For the months of March through August, the expenses per share are as shown in the summary table above. For the month of September, Shareholder's expenses are \$0.02940521 (See Summary Table above – September Factor) x (15/30) = \$0.01470261. The total expenses for Shareholder are therefore \$0.32007011 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$6,401.40.

Total Expenses per Share	\$0.32007011
Number of Shares Held	20,000
Total Expense	\$ 6,401.40

(Please consult your tax advisor as to reporting)

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
1/1/2022	0.00093126		
1/2/2022	0.00093121		
1/3/2022	0.00093116		
1/4/2022	0.00093110	0.00000020	0.00944114
1/5/2022	0.00093105		
1/6/2022	0.00093100		
1/7/2022	0.00093095		
1/8/2022	0.00093090		
1/9/2022	0.00093085		
1/10/2022	0.00093080		
1/11/2022	0.00093075		
1/12/2022	0.00093070	0.00000036	0.01565435
1/13/2022	0.00093065		
1/14/2022	0.00093059		
1/15/2022	0.00093054		
1/16/2022	0.00093049		
1/17/2022	0.00093044		
1/18/2022	0.00093039		
1/19/2022	0.00093034		
1/20/2022	0.00093029		
1/21/2022	0.00093024		
1/22/2022	0.00093019		
1/23/2022	0.00093014		
1/24/2022	0.00093008		
1/25/2022	0.00093003		
1/26/2022	0.00092998		
1/27/2022	0.00092993		
1/28/2022	0.00092988		
1/29/2022	0.00092983		
1/30/2022	0.00092978		
1/31/2022	0.00092973	0.00000102	0.03922905

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
2/1/2022	0.00092968		
2/2/2022	0.00092963		
2/3/2022	0.00092957		
2/4/2022	0.00092952		
2/5/2022	0.00092947		
2/6/2022	0.00092942		
2/7/2022	0.00092937		
2/8/2022	0.00092932		
2/9/2022	0.00092927		
2/10/2022	0.00092922		
2/11/2022	0.00092917		
2/12/2022	0.00092912		
2/13/2022	0.00092907		
2/14/2022	0.00092901		
2/15/2022	0.00092896		
2/16/2022	0.00092891		
2/17/2022	0.00092886		
2/18/2022	0.00092881		
2/19/2022	0.00092876		
2/20/2022	0.00092871		
2/21/2022	0.00092866		
2/22/2022	0.00092861		
2/23/2022	0.00092856		
2/24/2022	0.00092851		
2/25/2022	0.00092845		
2/26/2022	0.00092840		
2/27/2022	0.00092835		
2/28/2022	0.00092830	0.00000143	0.05976356

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
3/1/2022	0.00092825		
3/2/2022	0.00092820		
3/3/2022	0.00092815		
3/4/2022	0.00092810		
3/5/2022	0.00092805		
3/6/2022	0.00092800		
3/7/2022	0.00092795		
3/8/2022	0.00092790		
3/9/2022	0.00092784		
3/10/2022	0.00092779		
3/11/2022	0.00092774		
3/12/2022	0.00092769		
3/13/2022	0.00092764		
3/14/2022	0.00092759		
3/15/2022	0.00092754		
3/16/2022	0.00092749		
3/17/2022	0.00092744		
3/18/2022	0.00092739		
3/19/2022	0.00092734		
3/20/2022	0.00092729		
3/21/2022	0.00092723		
3/22/2022	0.00092718		
3/23/2022	0.00092713		
3/24/2022	0.00092708		
3/25/2022	0.00092703		
3/26/2022	0.00092698		
3/27/2022	0.00092693		
3/28/2022	0.00092688		
3/29/2022	0.00092683		
3/30/2022	0.00092678		
3/31/2022	0.00092673	0.00000158	0.07183792

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
4/1/2022	0.00092668		
4/2/2022	0.00092663		
4/3/2022	0.00092657		
4/4/2022	0.00092652		
4/5/2022	0.00092647		
4/6/2022	0.00092642		
4/7/2022	0.00092637		
4/8/2022	0.00092632		
4/9/2022	0.00092627		
4/10/2022	0.00092622		
4/11/2022	0.00092617		
4/12/2022	0.00092612		
4/13/2022	0.00092607		
4/14/2022	0.00092602		
4/15/2022	0.00092597		
4/16/2022	0.00092591		
4/17/2022	0.00092586		
4/18/2022	0.00092581		
4/19/2022	0.00092576		
4/20/2022	0.00092571		
4/21/2022	0.00092566		
4/22/2022	0.00092561		
4/23/2022	0.00092556		
4/24/2022	0.00092551		
4/25/2022	0.00092546		
4/26/2022	0.00092541		
4/27/2022	0.00092536		
4/28/2022	0.00092531		
4/29/2022	0.00092526		
4/30/2022	0.00092520	0.00000152	0.05856347

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Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
5/1/2022	0.00092515		
5/2/2022	0.00092510		
5/3/2022	0.00092505		
5/4/2022	0.00092500		
5/5/2022	0.00092495		
5/6/2022	0.00092490		
5/7/2022	0.00092485		
5/8/2022	0.00092480		
5/9/2022	0.00092475		
5/10/2022	0.00092470		
5/11/2022	0.00092465		
5/12/2022	0.00092460		
5/13/2022	0.00092455		
5/14/2022	0.00092449		
5/15/2022	0.00092444		
5/16/2022	0.00092439		
5/17/2022	0.00092434		
5/18/2022	0.00092429		
5/19/2022	0.00092424		
5/20/2022	0.00092419		
5/21/2022	0.00092414		
5/22/2022	0.00092409		
5/23/2022	0.00092404		
5/24/2022	0.00092399		
5/25/2022	0.00092394		
5/26/2022	0.00092389		
5/27/2022	0.00092384		
5/28/2022	0.00092379		
5/29/2022	0.00092374		
5/30/2022	0.00092368		
5/31/2022	0.00092363	0.00000157	0.04961707

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Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
6/1/2022	0.00092358		
6/2/2022	0.00092353		
6/3/2022	0.00092348		
6/4/2022	0.00092343		
6/5/2022	0.00092338		
6/6/2022	0.00092333		
6/7/2022	0.00092328		
6/8/2022	0.00092323		
6/9/2022	0.00092318		
6/10/2022	0.00092313		
6/11/2022	0.00092308		
6/12/2022	0.00092303		
6/13/2022	0.00092298		
6/14/2022	0.00092293		
6/15/2022	0.00092288		
6/16/2022	0.00092282		
6/17/2022	0.00092277		
6/18/2022	0.00092272		
6/19/2022	0.00092267		
6/20/2022	0.00092262		
6/21/2022	0.00092257		
6/22/2022	0.00092252		
6/23/2022	0.00092247		
6/24/2022	0.00092242		
6/25/2022	0.00092237		
6/26/2022	0.00092232		
6/27/2022	0.00092227		
6/28/2022	0.00092222		
6/29/2022	0.00092217		
6/30/2022	0.00092212	0.00000152	0.02866556

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Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
7/1/2022	0.00092207		
7/2/2022	0.00092202		
7/3/2022	0.00092197		
7/4/2022	0.00092191		
7/5/2022	0.00092186		
7/6/2022	0.00092181		
7/7/2022	0.00092176		
7/8/2022	0.00092171		
7/9/2022	0.00092166		
7/10/2022	0.00092161		
7/11/2022	0.00092156		
7/12/2022	0.00092151		
7/13/2022	0.00092146		
7/14/2022	0.00092141		
7/15/2022	0.00092136		
7/16/2022	0.00092131		
7/17/2022	0.00092126		
7/18/2022	0.00092121		
7/19/2022	0.00092116		
7/20/2022	0.00092111		
7/21/2022	0.00092106		
7/22/2022	0.00092101		
7/23/2022	0.00092096		
7/24/2022	0.00092091		
7/25/2022	0.00092085		
7/26/2022	0.00092080		
7/27/2022	0.00092075		
7/28/2022	0.00092070		
7/29/2022	0.00092065		
7/30/2022	0.00092060		
7/31/2022	0.00092055	0.00000157	0.03732968

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Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
8/1/2022	0.00092050		
8/2/2022	0.00092045		
8/3/2022	0.00092040		
8/4/2022	0.00092035		
8/5/2022	0.00092030		
8/6/2022	0.00092025		
8/7/2022	0.00092020		
8/8/2022	0.00092015		
8/9/2022	0.00092010		
8/10/2022	0.00092005		
8/11/2022	0.00092000		
8/12/2022	0.00091995		
8/13/2022	0.00091990		
8/14/2022	0.00091985		
8/15/2022	0.00091980		
8/16/2022	0.00091975		
8/17/2022	0.00091969		
8/18/2022	0.00091964		
8/19/2022	0.00091959		
8/20/2022	0.00091954		
8/21/2022	0.00091949		
8/22/2022	0.00091944		
8/23/2022	0.00091939		
8/24/2022	0.00091934		
8/25/2022	0.00091929		
8/26/2022	0.00091924		
8/27/2022	0.00091919		
8/28/2022	0.00091914		
8/29/2022	0.00091909		
8/30/2022	0.00091904		
8/31/2022	0.00091899	0.00000156	0.03160644

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Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
9/1/2022	0.00091894		
9/2/2022	0.00091889		
9/3/2022	0.00091884		
9/4/2022	0.00091879		
9/5/2022	0.00091874		
9/6/2022	0.00091869		
9/7/2022	0.00091864		
9/8/2022	0.00091859		
9/9/2022	0.00091854		
9/10/2022	0.00091849		
9/11/2022	0.00091844		
9/12/2022	0.00091839		
9/13/2022	0.00091834		
9/14/2022	0.00091828		
9/15/2022	0.00091823		
9/16/2022	0.00091818		
9/17/2022	0.00091813		
9/18/2022	0.00091808		
9/19/2022	0.00091803		
9/20/2022	0.00091798		
9/21/2022	0.00091793		
9/22/2022	0.00091788		
9/23/2022	0.00091783		
9/24/2022	0.00091778		
9/25/2022	0.00091773		
9/26/2022	0.00091768		
9/27/2022	0.00091763		
9/28/2022	0.00091758		
9/29/2022	0.00091753		
9/30/2022	0.00091748	0.00000151	0.02940521

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
10/1/2022	0.00091743		
10/2/2022	0.00091738		
10/3/2022	0.00091733		
10/4/2022	0.00091728		
10/5/2022	0.00091723		
10/6/2022	0.00091718		
10/7/2022	0.00091713		
10/8/2022	0.00091708		
10/9/2022	0.00091703		
10/10/2022	0.00091698		
10/11/2022	0.00091693		
10/12/2022	0.00091688		
10/13/2022	0.00091683		
10/14/2022	0.00091678		
10/15/2022	0.00091673		
10/16/2022	0.00091668		
10/17/2022	0.00091663		
10/18/2022	0.00091658		
10/19/2022	0.00091653		
10/20/2022	0.00091648		
10/21/2022	0.00091643		
10/22/2022	0.00091637		
10/23/2022	0.00091632		
10/24/2022	0.00091627		
10/25/2022	0.00091622		
10/26/2022	0.00091617		
10/27/2022	0.00091612		
10/28/2022	0.00091607		
10/29/2022	0.00091602		
10/30/2022	0.00091597		
10/31/2022	0.00091592	0.00000156	0.03171603

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
11/1/2022	0.00091587		
11/2/2022	0.00091582		
11/3/2022	0.00091577		
11/4/2022	0.00091572		
11/5/2022	0.00091567		
11/6/2022	0.00091562		
11/7/2022	0.00091557		
11/8/2022	0.00091552		
11/9/2022	0.00091547		
11/10/2022	0.00091542		
11/11/2022	0.00091537		
11/12/2022	0.00091532		
11/13/2022	0.00091527		
11/14/2022	0.00091522		
11/15/2022	0.00091517		
11/16/2022	0.00091512		
11/17/2022	0.00091507		
11/18/2022	0.00091502		
11/19/2022	0.00091497		
11/20/2022	0.00091492		
11/21/2022	0.00091487		
11/22/2022	0.00091482		
11/23/2022	0.00091477		
11/24/2022	0.00091472		
11/25/2022	0.00091467		
11/26/2022	0.00091462		
11/27/2022	0.00091457		
11/28/2022	0.00091452		
11/29/2022	0.00091447		
11/30/2022	0.00091442	0.00000150	0.02572543

GRAYSCALE BITCOIN TRUST (BTC) 2022 GROSS PROCEEDS FILE

Date	BTC Per Share	Number of BTC Used to Cover Trust Expenses Per Share (in BTC)	Proceeds from Payout of BTC to Cover Trust Expenses Per Share (in USD)
12/1/2022	0.00091437		
12/2/2022	0.00091432		
12/3/2022	0.00091427		
12/4/2022	0.00091422		
12/5/2022	0.00091417		
12/6/2022	0.00091412		
12/7/2022	0.00091407		
12/8/2022	0.00091402		
12/9/2022	0.00091397		
12/10/2022	0.00091392		
12/11/2022	0.00091387		
12/12/2022	0.00091382		
12/13/2022	0.00091377		
12/14/2022	0.00091372		
12/15/2022	0.00091367		
12/16/2022	0.00091362		
12/17/2022	0.00091357		
12/18/2022	0.00091352		
12/19/2022	0.00091347		
12/20/2022	0.00091342		
12/21/2022	0.00091337		
12/22/2022	0.00091332		
12/23/2022	0.00091327		
12/24/2022	0.00091322		
12/25/2022	0.00091317		
12/26/2022	0.00091312		
12/27/2022	0.00091307		
12/28/2022	0.00091302		
12/29/2022	0.00091297		
12/30/2022	0.00091292		
12/31/2022	0.00091287	0.00000155	0.02569508
TOTAL		0.00001845	0.51424999

Grayscale Bitcoin Trust (BTC) Gross Proceeds and Expense Files show BTC tokens per share owned in the Trust, as well as BTC tokens paid out, proceeds, and expenses per share in the Trust. You can use this information to calculate your share of Trust expenses, and your gain or loss on sale of BTC tokens to pay such expenses.

The Trust holds no assets other than BTC tokens. Accordingly, when expenses are incurred, Trust assets (i.e., BTC tokens) are sold to cover the expenses. The following example illustrates the tax consequences to the Shareholder. In Step 1, we discuss how a Shareholder would determine his or her stake in the Trust (i.e., how many BTC tokens they own). In Step 2, we discuss how much of his or her stake is sold throughout the year to cover expenses (and how many BTC tokens they still own). In Step 3, we determine the Shareholder's basis in the BTC tokens sold by the Trust. Gain or loss from this sale is determined in relation to the basis of the assets sold. In Step 4, we determine the gain or loss from the sale of the assets and where the gain or loss is reported on the Shareholder's tax return. In Step 5, we calculate the Shareholder's portion of the Trust's expenses. In Step 6, we determine the Shareholder's new balance of BTC tokens at the end of the year and his or her new cost basis in the BTC tokens.

The following example is for illustrative purposes only and is not intended to be construed as tax advice. Shareholders should consult a tax professional in the use of their information on their respective tax returns.

Example: Shareholder XYZ purchases 20,000 Trust shares on 2/10/2022 at a price of \$41.00 per share for a total purchase price of \$820,000. Shareholder XYZ had no other purchases or sales of Trust shares during 2022 and held the shares for the remainder of 2022.

Step 1: Identify the shareholder's pro rata ownership of Bitcoin.

Locate the Bitcoin Per Share amount on Shareholder XYZ's purchase date of 2/10/2022 in the gross proceeds file. In this example the number is 0.00092922. This represents the number of BTC tokens per share on that date.

For Shareholder XYZ, the total amount of BTC tokens owned for its 2/10/2022 purchase is 18.58440000 (0.00092922 per share multiplied by 20,000 shares purchased on 2/10/2022). Note: This step should be completed for each date on which Trust shares were purchased.

Step 2: Calculate the Bitcoin paid out from Shareholder XYZ's account during 2022 to pay expenses

The BTC tokens paid out per share during 2022 includes the cumulative amounts of all BTC token payouts for the period which includes the day after the purchase date of 2/10/2022 through the day before payout date.

During 2022, the total amount of BTC tokens paid out after the 2/10/2022 purchase date is 0.00001636 per share. This is determined by taking the total amount of BTC tokens per share paid out in 2022 (0.00001845) and subtracting the amount of BTC tokens paid out prior to the purchase (0.00000158 from January plus (10/28 multiplied 0.00000143 from February)). Then multiply this number (0.00001636) by the number of shares owned (20,000) for a total of 0.32718571 BTC tokens paid to cover trust expenses.

Step 3: Calculate Shareholder's cost basis in Bitcoin paid out from Shareholder's account

Total BTC token payout (<i>Step 2</i>)	0.32718571		
	-----	x	\$820,000
BTC tokens acquired (<i>Step 1</i>)	18.58440000		
Cost basis of BTC token payout	\$14,436.42		

Step 4: Calculate Shareholder's gain or loss on Bitcoin payout for each lot purchased

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2022 purchase date. During 2022, periodic payouts for the period 2/11/2022 through 12/31/2022 generated proceeds per share of \$0.42858132 (total proceeds of payout of BTC tokens for the year, 0.51424999, less 0.08566867, which is the proceeds of payouts made prior to purchase [0.06432454 from January] plus 0.02134413 from the first 10 days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.42858132 per share X 20,000 shares	\$ 8,571.63
Less: Total cost basis of BTC token payout (<i>Step 3</i>)	14,436.42
Total Reportable Gain/(Loss)	<u>\$ (5,864.79)</u>
(To be reported on Shareholder's Form 1040 Schedule D)	

Step 5: Calculate Shareholder's investment expenses

Identify all expenses per share paid by the Trust after Shareholder XYZ's 2/10/2022 purchase date. During 2022, the expenses were paid periodically and for the period of 2/11/2022 through 12/31/2022 amounted to \$0.42858132 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (<i>Step 4</i>)	\$ 0.42858132
Total Shares	20,000
Total Expense	<u>\$ 8,571.63</u>

Step 6: Calculate Shareholder's Adjusted Bitcoin Held and Cost Basis

BTC tokens Purchased on 2/10/2022 (<i>Step 1</i>)	18.58440000
Less: BTC token payout during 2022 (<i>Step 2</i>)	0.32718571
Adjusted Shareholder's BTC tokens at 12/31/2022	<u>18.25721429</u>
Original Purchase Cost on 2/10/2022	\$ 820,000.00
Less: Cost of BTC token payout during 2022 (<i>Step 3</i>)	14,436.42
Adjusted Shareholder's basis at 12/31/2022	<u>\$ 805,563.58</u>

Shareholder's adjusted BTC tokens and adjusted cost calculated in Step 6 are his/her adjusted BTC tokens and adjusted basis for the 2/10/2022 purchase at the end of 12/31/2022.

Shareholders with several purchases should calculate gain, loss and adjusted basis separately for each purchased lot and then sum up the results of each lot to arrive at the net reportable gain or loss and the total investment expenses. Shareholders, who purchased their shares prior to 2022, and made no other purchases, should calculate their adjusted cost basis using the gross proceeds information for the relevant years by following the same steps as in the example above. The adjusted cost basis at 12/31/2021 should be used as the beginning cost for 2022 instead of the original purchase cost. Shareholders with an additional purchase in 2022 will have two cost lots to account for in 2022. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.