

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC)

2022 Grantor Trust Tax Information

EIN: 82-6239281

The following information is being provided to assist Shareholders of the Grayscale Ethereum Classic Trust (ETC) (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 Ethereum Classic ("ETC") 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 ETC tokens 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 Ethereum Classic Trust (ETC) - (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 ETC), amount of ETC paid to cover trust expenses (in ETC), and per share proceeds from ETC 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 ETHEREUM CLASSIC TRUST (ETC) 2022 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETC Per Share
January	0.06084534	0.00221058
February	0.05766308	0.00199182
March	0.10383455	0.00219988
April	0.04991428	0.00177001
May	0.04292854	0.00182519
June	0.02555813	0.00176263
July	0.07134013	0.00181758
August	0.05963536	0.00181373
September	0.04839553	0.00175156
October	0.04349246	0.00180617
November	0.03500718	0.00174425
December	0.02845440	0.00179863
Total for year	0.62706898	0.02249203

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 Ethereum Classic Trust (ETC) 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 \$0.05766308 (See Summary Table above – February Factor) x (13/28) = \$0.02677214 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 \$0.04839553 (See Summary Table above – September Factor) x (15/30) = \$0.02419777. The total expenses for Shareholder are therefore \$0.40418090 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$8,083.62.

Total Expenses per Share	\$ 0.40418090
Number of Shares Held	20,000.00
Total Expense	\$ 8,083.62

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
1/1/2022	0.86859144		
1/2/2022	0.86852005		
1/3/2022	0.86844866		
1/4/2022	0.86837728		
1/5/2022	0.86830591	0.00028555	0.00927189
1/6/2022	0.86823454		
1/7/2022	0.86816318		
1/8/2022	0.86809182		
1/9/2022	0.86802047		
1/10/2022	0.86794913		
1/11/2022	0.86787779		
1/12/2022	0.86780646		
1/13/2022	0.86773513	0.00049949	0.01517954
1/14/2022	0.86766381		
1/15/2022	0.86759250		
1/16/2022	0.86752119		
1/17/2022	0.86744989		
1/18/2022	0.86737859		
1/19/2022	0.86730730		
1/20/2022	0.86723601		
1/21/2022	0.86716473		
1/22/2022	0.86709346		
1/23/2022	0.86702219		
1/24/2022	0.86695093		
1/25/2022	0.86687967		
1/26/2022	0.86680842		
1/27/2022	0.86673718		
1/28/2022	0.86666594		
1/29/2022	0.86659471		
1/30/2022	0.86652348		
1/31/2022	0.86645226	0.00142554	0.03639391

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
2/1/2022	0.86638104		
2/2/2022	0.86630983		
2/3/2022	0.86623863		
2/4/2022	0.86616743		
2/5/2022	0.86609624		
2/6/2022	0.86602505		
2/7/2022	0.86595387		
2/8/2022	0.86588270		
2/9/2022	0.86581153		
2/10/2022	0.86574037		
2/11/2022	0.86566921		
2/12/2022	0.86559806		
2/13/2022	0.86552692		
2/14/2022	0.86545578		
2/15/2022	0.86538464		
2/16/2022	0.86531352		
2/17/2022	0.86524239		
2/18/2022	0.86517128		
2/19/2022	0.86510017		
2/20/2022	0.86502906		
2/21/2022	0.86495797		
2/22/2022	0.86488687		
2/23/2022	0.86481579		
2/24/2022	0.86474471		
2/25/2022	0.86467363		
2/26/2022	0.86460256		
2/27/2022	0.86453150		
2/28/2022	0.86446044	0.00199182	0.05766308

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
3/1/2022	0.86438939		
3/2/2022	0.86431834		
3/3/2022	0.86424730		
3/4/2022	0.86417627		
3/5/2022	0.86410524		
3/6/2022	0.86403422		
3/7/2022	0.86396320		
3/8/2022	0.86389219		
3/9/2022	0.86382119		
3/10/2022	0.86375019		
3/11/2022	0.86367919		
3/12/2022	0.86360821		
3/13/2022	0.86353723		
3/14/2022	0.86346625		
3/15/2022	0.86339528		
3/16/2022	0.86332432		
3/17/2022	0.86325336		
3/18/2022	0.86318241		
3/19/2022	0.86311146		
3/20/2022	0.86304052		
3/21/2022	0.86296958		
3/22/2022	0.86289866		
3/23/2022	0.86282773		
3/24/2022	0.86275681		
3/25/2022	0.86268590		
3/26/2022	0.86261500		
3/27/2022	0.86254410		
3/28/2022	0.86247320		
3/29/2022	0.86240232		
3/30/2022	0.86233143		
3/31/2022	0.86226056	0.00219988	0.10383455

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Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
4/1/2022	0.86220150		
4/2/2022	0.86214244		
4/3/2022	0.86208339		
4/4/2022	0.86202434		
4/5/2022	0.86196530		
4/6/2022	0.86190626		
4/7/2022	0.86184723		
4/8/2022	0.86178820		
4/9/2022	0.86172917		
4/10/2022	0.86167015		
4/11/2022	0.86161113		
4/12/2022	0.86155212		
4/13/2022	0.86149311		
4/14/2022	0.86143410		
4/15/2022	0.86137510		
4/16/2022	0.86131610		
4/17/2022	0.86125710		
4/18/2022	0.86119811		
4/19/2022	0.86113913		
4/20/2022	0.86108015		
4/21/2022	0.86102117		
4/22/2022	0.86096219		
4/23/2022	0.86090322		
4/24/2022	0.86084426		
4/25/2022	0.86078530		
4/26/2022	0.86072634		
4/27/2022	0.86066738		
4/28/2022	0.86060843		
4/29/2022	0.86054949		
4/30/2022	0.86049055	0.00177001	0.04991428

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Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
5/1/2022	0.86043161		
5/2/2022	0.86037268		
5/3/2022	0.86031375		
5/4/2022	0.86025482		
5/5/2022	0.86019590		
5/6/2022	0.86013698		
5/7/2022	0.86007807		
5/8/2022	0.86001916		
5/9/2022	0.85996025		
5/10/2022	0.85990135		
5/11/2022	0.85984245		
5/12/2022	0.85978356		
5/13/2022	0.85972467		
5/14/2022	0.85966579		
5/15/2022	0.85960690		
5/16/2022	0.85954803		
5/17/2022	0.85948915		
5/18/2022	0.85943029		
5/19/2022	0.85937142		
5/20/2022	0.85931256		
5/21/2022	0.85925370		
5/22/2022	0.85919485		
5/23/2022	0.85913600		
5/24/2022	0.85907716		
5/25/2022	0.85901831		
5/26/2022	0.85895948		
5/27/2022	0.85890064		
5/28/2022	0.85884182		
5/29/2022	0.85878299		
5/30/2022	0.85872417		
5/31/2022	0.85866535	0.00182519	0.04292854

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Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
6/1/2022	0.85860654		
6/2/2022	0.85854773		
6/3/2022	0.85848893		
6/4/2022	0.85843013		
6/5/2022	0.85837133		
6/6/2022	0.85831254		
6/7/2022	0.85825375		
6/8/2022	0.85819496		
6/9/2022	0.85813618		
6/10/2022	0.85807741		
6/11/2022	0.85801864		
6/12/2022	0.85795987		
6/13/2022	0.85790110		
6/14/2022	0.85784234		
6/15/2022	0.85778359		
6/16/2022	0.85772483		
6/17/2022	0.85766609		
6/18/2022	0.85760734		
6/19/2022	0.85754860		
6/20/2022	0.85748986		
6/21/2022	0.85743113		
6/22/2022	0.85737240		
6/23/2022	0.85731368		
6/24/2022	0.85725496		
6/25/2022	0.85719624		
6/26/2022	0.85713753		
6/27/2022	0.85707882		
6/28/2022	0.85702012		
6/29/2022	0.85696142		
6/30/2022	0.85690272	0.00176263	0.02555813

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
7/1/2022	0.85684403		
7/2/2022	0.85678534		
7/3/2022	0.85672666		
7/4/2022	0.85666798		
7/5/2022	0.85660930		
7/6/2022	0.85655063		
7/7/2022	0.85649196		
7/8/2022	0.85643330		
7/9/2022	0.85637464		
7/10/2022	0.85631599		
7/11/2022	0.85625733		
7/12/2022	0.85619869		
7/13/2022	0.85614004		
7/14/2022	0.85608140		
7/15/2022	0.85602277		
7/16/2022	0.85596413		
7/17/2022	0.85590551		
7/18/2022	0.85584688		
7/19/2022	0.85578826		
7/20/2022	0.85572965		
7/21/2022	0.85567104		
7/22/2022	0.85561243		
7/23/2022	0.85555383		
7/24/2022	0.85549523		
7/25/2022	0.85543663		
7/26/2022	0.85537804		
7/27/2022	0.85531945		
7/28/2022	0.85526087		
7/29/2022	0.85520229		
7/30/2022	0.85514371		
7/31/2022	0.85508514	0.00181758	0.07134013

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
8/1/2022	0.85502657		
8/2/2022	0.85496801		
8/3/2022	0.85490945		
8/4/2022	0.85485090		
8/5/2022	0.85479234		
8/6/2022	0.85473380		
8/7/2022	0.85467525		
8/8/2022	0.85461671		
8/9/2022	0.85455818		
8/10/2022	0.85449965		
8/11/2022	0.85444112		
8/12/2022	0.85438260		
8/13/2022	0.85432408		
8/14/2022	0.85426556		
8/15/2022	0.85420705		
8/16/2022	0.85414854		
8/17/2022	0.85409004		
8/18/2022	0.85403154		
8/19/2022	0.85397304		
8/20/2022	0.85391455		
8/21/2022	0.85385607		
8/22/2022	0.85379758		
8/23/2022	0.85373910		
8/24/2022	0.85368063		
8/25/2022	0.85362216		
8/26/2022	0.85356369		
8/27/2022	0.85350523		
8/28/2022	0.85344677		
8/29/2022	0.85338831		
8/30/2022	0.85332986		
8/31/2022	0.85327141	0.00181373	0.05963536

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
9/1/2022	0.85321297		
9/2/2022	0.85315453		
9/3/2022	0.85309610		
9/4/2022	0.85303766		
9/5/2022	0.85297924		
9/6/2022	0.85292081		
9/7/2022	0.85286239		
9/8/2022	0.85280398		
9/9/2022	0.85274557		
9/10/2022	0.85268716		
9/11/2022	0.85262876		
9/12/2022	0.85257036		
9/13/2022	0.85251196		
9/14/2022	0.85245357		
9/15/2022	0.85239518		
9/16/2022	0.85233680		
9/17/2022	0.85227842		
9/18/2022	0.85222005		
9/19/2022	0.85216168		
9/20/2022	0.85210331		
9/21/2022	0.85204495		
9/22/2022	0.85198659		
9/23/2022	0.85192823		
9/24/2022	0.85186988		
9/25/2022	0.85181153		
9/26/2022	0.85175319		
9/27/2022	0.85169485		
9/28/2022	0.85163651		
9/29/2022	0.85157818		
9/30/2022	0.85151986	0.00175156	0.04839553

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
10/1/2022	0.85146153		
10/2/2022	0.85140321		
10/3/2022	0.85134490		
10/4/2022	0.85128659		
10/5/2022	0.85122828		
10/6/2022	0.85116998		
10/7/2022	0.85111168		
10/8/2022	0.85105338		
10/9/2022	0.85099509		
10/10/2022	0.85093680		
10/11/2022	0.85087852		
10/12/2022	0.85082024		
10/13/2022	0.85076196		
10/14/2022	0.85070369		
10/15/2022	0.85064543		
10/16/2022	0.85058716		
10/17/2022	0.85052890		
10/18/2022	0.85047065		
10/19/2022	0.85041240		
10/20/2022	0.85035415		
10/21/2022	0.85029591		
10/22/2022	0.85023767		
10/23/2022	0.85017943		
10/24/2022	0.85012120		
10/25/2022	0.85006297		
10/26/2022	0.85000475		
10/27/2022	0.84994653		
10/28/2022	0.84988831		
10/29/2022	0.84983010		
10/30/2022	0.84977189		
10/31/2022	0.84971369	0.00180617	0.04349246

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
11/1/2022	0.84965549		
11/2/2022	0.84959730		
11/3/2022	0.84953910		
11/4/2022	0.84948092		
11/5/2022	0.84942273		
11/6/2022	0.84936455		
11/7/2022	0.84930638		
11/8/2022	0.84924821		
11/9/2022	0.84919004		
11/10/2022	0.84913187		
11/11/2022	0.84907371		
11/12/2022	0.84901556		
11/13/2022	0.84895741		
11/14/2022	0.84889926		
11/15/2022	0.84884112		
11/16/2022	0.84878298		
11/17/2022	0.84872484		
11/18/2022	0.84866671		
11/19/2022	0.84860858		
11/20/2022	0.84855046		
11/21/2022	0.84849234		
11/22/2022	0.84843422		
11/23/2022	0.84837611		
11/24/2022	0.84831800		
11/25/2022	0.84825990		
11/26/2022	0.84820180		
11/27/2022	0.84814370		
11/28/2022	0.84808561		
11/29/2022	0.84802752		
11/30/2022	0.84796944	0.00174425	0.03500718

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2022 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
12/1/2022	0.84791136		
12/2/2022	0.84785328		
12/3/2022	0.84779521		
12/4/2022	0.84773714		
12/5/2022	0.84767908		
12/6/2022	0.84762102		
12/7/2022	0.84756296		
12/8/2022	0.84750491		
12/9/2022	0.84744686		
12/10/2022	0.84738881		
12/11/2022	0.84733077		
12/12/2022	0.84727274		
12/13/2022	0.84721471		
12/14/2022	0.84715668		
12/15/2022	0.84709865		
12/16/2022	0.84704063		
12/17/2022	0.84698262		
12/18/2022	0.84692460		
12/19/2022	0.84686659		
12/20/2022	0.84680859		
12/21/2022	0.84675059		
12/22/2022	0.84669259		
12/23/2022	0.84663460		
12/24/2022	0.84657661		
12/25/2022	0.84651863		
12/26/2022	0.84646065		
12/27/2022	0.84640267		
12/28/2022	0.84634470		
12/29/2022	0.84628673		
12/30/2022	0.84622876		
12/31/2022	0.84617080	0.00179863	0.02845440
TOTAL		0.02249203	0.62706898

Grayscale Ethereum Classic Trust (ETC) Gross Proceeds and Expense Files show ETC tokens per share owned in the Trust, as well as ETC 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 ETC tokens to pay such expenses.

The Trust holds no assets other than ETC tokens. Accordingly, when expenses are incurred, Trust assets (i.e., ETC 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 ETC 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 ETC tokens they still own). In Step 3, we determine the Shareholder's basis in the ETC 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 ETC tokens at the end of the year and his or her new cost basis in the ETC 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 \$30.16 per share for a total purchase price of \$603,200. 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 Ethereum Classic.

Locate the Ethereum Classic Per Share amount on Shareholder XYZ's purchase date of 2/10/2022 in the gross proceeds file. In this example the number is 0.86574037. This represents the number of ETC tokens per share on that date.

For Shareholder XYZ, the total amount of ETC tokens owned for its 2/10/2022 purchase is 17,314.80740000 (0.86574037 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 Ethereum Classic paid out from Shareholder XYZ's account during 2022 to pay expenses

The ETC tokens paid out per share during 2022 includes the cumulative amounts of all ETC 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 ETC tokens paid out after the 2/10/2022 purchase date is 0.01957009 per share. This is determined by taking the total amount of ETC tokens per share paid out in 2022 (0.02249203) and subtracting the amount of ETC tokens paid out prior to the purchase (0.00221058 from January plus 0.00071136 (10/28 multiplied by 0.00199182 from February)). Then multiply this number (0.01957009) by the number of shares owned (20,000) for a total of 391.40171429 ETC tokens paid to cover trust expenses.

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

Total ETC token payout (<i>Step 2</i>)	391.40171429		
	-----	x	\$603,200
ETC tokens acquired (<i>Step 1</i>)	17,314.80740000		
Cost basis of ETC token payout	\$13,635.35		

Step 4: Calculate Shareholder's gain or loss on Ethereum Classic 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 \$0.54562968 (total proceeds of payout of ETC tokens for the year, \$0.62706898, less \$0.08143930, which is the proceeds of payouts made prior to purchase [\$0.06084534 from January] plus \$0.02059396 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.54562968 per share X 20,000 shares	\$	10,912.59
Less: Total cost basis of ETC token payout (<i>Step 3</i>)		<u>13,635.35</u>
Total Reportable Gain/(Loss)	\$	<u>(2,722.76)</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 \$0.54562968 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (<i>Step 4</i>)	\$	0.54562968
Total Shares		<u>20,000</u>
Total Expense	\$	<u>10,912.59</u>

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

ETC tokens Purchased on 2/10/2022 (<i>Step 1</i>)		17,314.80740000
Less: ETC token payout during 2022 (<i>Step 2</i>)		<u>391.40171429</u>
Adjusted Shareholder's ETC tokens at 12/31/2022		<u>16,923.40568571</u>
Original Purchase Cost on 2/10/2022	\$	603,200.00
Less: Cost of ETC token payout during 2022 (<i>Step 3</i>)		<u>13,635.35</u>
Adjusted Shareholder's basis at 12/31/2022	\$	<u>589,564.65</u>

Shareholder's adjusted ETC tokens and adjusted cost calculated in Step 6 are his/her adjusted ETC 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.