

GRAYSCALE HORIZEN TRUST (ZEN)

2022 Grantor Trust Tax Information

EIN: 83-6217411

The following information is being provided to assist Shareholders of the Grayscale Horizen Trust (ZEN) (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 Horizen ("ZEN") 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 ZEN 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 Horizen Trust (ZEN) - (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 ZEN), amount of ZEN paid to cover trust expenses (in ZEN), and per share proceeds from ZEN 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 HORIZEN TRUST (ZEN) 2022 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ZEN Per Share
January	0.00799650	0.00019480
February	0.00656540	0.00017559
March	0.00939025	0.00019401
April	0.00578390	0.00018736
May	0.00423118	0.00019320
June	0.00236399	0.00018658
July	0.00371330	0.00019240
August	0.00302578	0.00019199
September	0.00261428	0.00018541
October	0.00255621	0.00019119
November	0.00184267	0.00018464
December	0.00175352	0.00019039
Total for year	0.05183698	0.00226756

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 Horizen Trust (ZEN) 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 \$0.00656540 (See Summary Table above – February Factor) x (13/28) = \$0.00304822 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 \$0.00261428 (See Summary Table above – September Factor) x (15/30) = \$0.00130714. The total expenses for Shareholder are therefore \$0.03286376 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$657.28.

Total Expenses per Share	\$ 0.03286376
Number of Shares Held	20,000
Total Expense	\$ 657.28

(Please consult your tax advisor as to reporting)

GRAYSCALE HORIZEN TRUST (ZEN) 2022 GROSS PROCEEDS FILE

Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
1/1/2022	0.09183209		
1/2/2022	0.09182580		
1/3/2022	0.09181951		
1/4/2022	0.09181322		
1/5/2022	0.09180693		
1/6/2022	0.09180064		
1/7/2022	0.09179436		
1/8/2022	0.09178807		
1/9/2022	0.09178178		
1/10/2022	0.09177550		
1/11/2022	0.09176921		
1/12/2022	0.09176292		
1/13/2022	0.09175664		
1/14/2022	0.09175035		
1/15/2022	0.09174407		
1/16/2022	0.09173779		
1/17/2022	0.09173150		
1/18/2022	0.09172522		
1/19/2022	0.09171894		
1/20/2022	0.09171265		
1/21/2022	0.09170637		
1/22/2022	0.09170009		
1/23/2022	0.09169381		
1/24/2022	0.09168753		
1/25/2022	0.09168125		
1/26/2022	0.09167497		
1/27/2022	0.09166869		
1/28/2022	0.09166241		
1/29/2022	0.09165614		
1/30/2022	0.09164986		
1/31/2022	0.09164358	0.00019480	0.00799650

GRAYSCALE HORIZEN TRUST (ZEN) 2022 GROSS PROCEEDS FILE

Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
2/1/2022	0.09163730		
2/2/2022	0.09163103		
2/3/2022	0.09162475		
2/4/2022	0.09161847		
2/5/2022	0.09161220		
2/6/2022	0.09160592		
2/7/2022	0.09159965		
2/8/2022	0.09159338		
2/9/2022	0.09158710		
2/10/2022	0.09158083		
2/11/2022	0.09157456		
2/12/2022	0.09156828		
2/13/2022	0.09156201		
2/14/2022	0.09155574		
2/15/2022	0.09154947		
2/16/2022	0.09154320		
2/17/2022	0.09153693		
2/18/2022	0.09153066		
2/19/2022	0.09152439		
2/20/2022	0.09151812		
2/21/2022	0.09151185		
2/22/2022	0.09150559		
2/23/2022	0.09149932		
2/24/2022	0.09149305		
2/25/2022	0.09148679		
2/26/2022	0.09148052		
2/27/2022	0.09147425		
2/28/2022	0.09146799	0.00017559	0.00656540

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
3/1/2022	0.09146172		
3/2/2022	0.09145546		
3/3/2022	0.09144919		
3/4/2022	0.09144293		
3/5/2022	0.09143667		
3/6/2022	0.09143040		
3/7/2022	0.09142414		
3/8/2022	0.09141788		
3/9/2022	0.09141162		
3/10/2022	0.09140536		
3/11/2022	0.09139910		
3/12/2022	0.09139284		
3/13/2022	0.09138658		
3/14/2022	0.09138032		
3/15/2022	0.09137406		
3/16/2022	0.09136780		
3/17/2022	0.09136154		
3/18/2022	0.09135528		
3/19/2022	0.09134903		
3/20/2022	0.09134277		
3/21/2022	0.09133651		
3/22/2022	0.09133026		
3/23/2022	0.09132400		
3/24/2022	0.09131775		
3/25/2022	0.09131149		
3/26/2022	0.09130524		
3/27/2022	0.09129899		
3/28/2022	0.09129273		
3/29/2022	0.09128648		
3/30/2022	0.09128023		
3/31/2022	0.09127397	0.00019401	0.00939025

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
4/1/2022	0.09126772		
4/2/2022	0.09126147		
4/3/2022	0.09125522		
4/4/2022	0.09124897		
4/5/2022	0.09124272		
4/6/2022	0.09123647		
4/7/2022	0.09123022		
4/8/2022	0.09122397		
4/9/2022	0.09121772		
4/10/2022	0.09121148		
4/11/2022	0.09120523		
4/12/2022	0.09119898		
4/13/2022	0.09119274		
4/14/2022	0.09118649		
4/15/2022	0.09118024		
4/16/2022	0.09117400		
4/17/2022	0.09116775		
4/18/2022	0.09116151		
4/19/2022	0.09115527		
4/20/2022	0.09114902		
4/21/2022	0.09114278		
4/22/2022	0.09113654		
4/23/2022	0.09113029		
4/24/2022	0.09112405		
4/25/2022	0.09111781		
4/26/2022	0.09111157		
4/27/2022	0.09110533		
4/28/2022	0.09109909		
4/29/2022	0.09109285		
4/30/2022	0.09108661	0.00018736	0.00578390

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
5/1/2022	0.09108037		
5/2/2022	0.09107413		
5/3/2022	0.09106790		
5/4/2022	0.09106166		
5/5/2022	0.09105542		
5/6/2022	0.09104918		
5/7/2022	0.09104295		
5/8/2022	0.09103671		
5/9/2022	0.09103048		
5/10/2022	0.09102424		
5/11/2022	0.09101801		
5/12/2022	0.09101177		
5/13/2022	0.09100554		
5/14/2022	0.09099931		
5/15/2022	0.09099307		
5/16/2022	0.09098684		
5/17/2022	0.09098061		
5/18/2022	0.09097438		
5/19/2022	0.09096815		
5/20/2022	0.09096192		
5/21/2022	0.09095569		
5/22/2022	0.09094946		
5/23/2022	0.09094323		
5/24/2022	0.09093700		
5/25/2022	0.09093077		
5/26/2022	0.09092454		
5/27/2022	0.09091831		
5/28/2022	0.09091209		
5/29/2022	0.09090586		
5/30/2022	0.09089963		
5/31/2022	0.09089341	0.00019320	0.00423118

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
6/1/2022	0.09088718		
6/2/2022	0.09088096		
6/3/2022	0.09087473		
6/4/2022	0.09086851		
6/5/2022	0.09086228		
6/6/2022	0.09085606		
6/7/2022	0.09084984		
6/8/2022	0.09084361		
6/9/2022	0.09083739		
6/10/2022	0.09083117		
6/11/2022	0.09082495		
6/12/2022	0.09081873		
6/13/2022	0.09081251		
6/14/2022	0.09080629		
6/15/2022	0.09080007		
6/16/2022	0.09079385		
6/17/2022	0.09078763		
6/18/2022	0.09078141		
6/19/2022	0.09077519		
6/20/2022	0.09076898		
6/21/2022	0.09076276		
6/22/2022	0.09075654		
6/23/2022	0.09075033		
6/24/2022	0.09074411		
6/25/2022	0.09073790		
6/26/2022	0.09073168		
6/27/2022	0.09072547		
6/28/2022	0.09071925		
6/29/2022	0.09071304		
6/30/2022	0.09070682	0.00018658	0.00236399

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
7/1/2022	0.09070061		
7/2/2022	0.09069440		
7/3/2022	0.09068819		
7/4/2022	0.09068198		
7/5/2022	0.09067576		
7/6/2022	0.09066955		
7/7/2022	0.09066334		
7/8/2022	0.09065713		
7/9/2022	0.09065092		
7/10/2022	0.09064472		
7/11/2022	0.09063851		
7/12/2022	0.09063230		
7/13/2022	0.09062609		
7/14/2022	0.09061988		
7/15/2022	0.09061368		
7/16/2022	0.09060747		
7/17/2022	0.09060126		
7/18/2022	0.09059506		
7/19/2022	0.09058885		
7/20/2022	0.09058265		
7/21/2022	0.09057645		
7/22/2022	0.09057024		
7/23/2022	0.09056404		
7/24/2022	0.09055783		
7/25/2022	0.09055163		
7/26/2022	0.09054543		
7/27/2022	0.09053923		
7/28/2022	0.09053303		
7/29/2022	0.09052683		
7/30/2022	0.09052063		
7/31/2022	0.09051443	0.00019240	0.00371330

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
8/1/2022	0.09050823		
8/2/2022	0.09050203		
8/3/2022	0.09049583		
8/4/2022	0.09048963		
8/5/2022	0.09048343		
8/6/2022	0.09047723		
8/7/2022	0.09047104		
8/8/2022	0.09046484		
8/9/2022	0.09045864		
8/10/2022	0.09045245		
8/11/2022	0.09044625		
8/12/2022	0.09044006		
8/13/2022	0.09043386		
8/14/2022	0.09042767		
8/15/2022	0.09042148		
8/16/2022	0.09041528		
8/17/2022	0.09040909		
8/18/2022	0.09040290		
8/19/2022	0.09039671		
8/20/2022	0.09039051		
8/21/2022	0.09038432		
8/22/2022	0.09037813		
8/23/2022	0.09037194		
8/24/2022	0.09036575		
8/25/2022	0.09035956		
8/26/2022	0.09035337		
8/27/2022	0.09034718		
8/28/2022	0.09034100		
8/29/2022	0.09033481		
8/30/2022	0.09032862		
8/31/2022	0.09032243	0.00019199	0.00302578

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
9/1/2022	0.09031625		
9/2/2022	0.09031006		
9/3/2022	0.09030388		
9/4/2022	0.09029769		
9/5/2022	0.09029151		
9/6/2022	0.09028532		
9/7/2022	0.09027914		
9/8/2022	0.09027295		
9/9/2022	0.09026677		
9/10/2022	0.09026059		
9/11/2022	0.09025441		
9/12/2022	0.09024823		
9/13/2022	0.09024204		
9/14/2022	0.09023586		
9/15/2022	0.09022968		
9/16/2022	0.09022350		
9/17/2022	0.09021732		
9/18/2022	0.09021114		
9/19/2022	0.09020496		
9/20/2022	0.09019879		
9/21/2022	0.09019261		
9/22/2022	0.09018643		
9/23/2022	0.09018025		
9/24/2022	0.09017408		
9/25/2022	0.09016790		
9/26/2022	0.09016172		
9/27/2022	0.09015555		
9/28/2022	0.09014937		
9/29/2022	0.09014320		
9/30/2022	0.09013703	0.00018541	0.00261428

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
10/1/2022	0.09013085		
10/2/2022	0.09012468		
10/3/2022	0.09011851		
10/4/2022	0.09011233		
10/5/2022	0.09010616		
10/6/2022	0.09009999		
10/7/2022	0.09009382		
10/8/2022	0.09008765		
10/9/2022	0.09008148		
10/10/2022	0.09007531		
10/11/2022	0.09006914		
10/12/2022	0.09006297		
10/13/2022	0.09005680		
10/14/2022	0.09005063		
10/15/2022	0.09004446		
10/16/2022	0.09003830		
10/17/2022	0.09003213		
10/18/2022	0.09002596		
10/19/2022	0.09001980		
10/20/2022	0.09001363		
10/21/2022	0.09000746		
10/22/2022	0.09000130		
10/23/2022	0.08999514		
10/24/2022	0.08998897		
10/25/2022	0.08998281		
10/26/2022	0.08997664		
10/27/2022	0.08997048		
10/28/2022	0.08996432		
10/29/2022	0.08995816		
10/30/2022	0.08995200		
10/31/2022	0.08994583	0.00019119	0.00255621

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
11/1/2022	0.08993967		
11/2/2022	0.08993351		
11/3/2022	0.08992735		
11/4/2022	0.08992119		
11/5/2022	0.08991504		
11/6/2022	0.08990888		
11/7/2022	0.08990272		
11/8/2022	0.08989656		
11/9/2022	0.08989040		
11/10/2022	0.08988425		
11/11/2022	0.08987809		
11/12/2022	0.08987193		
11/13/2022	0.08986578		
11/14/2022	0.08985962		
11/15/2022	0.08985347		
11/16/2022	0.08984731		
11/17/2022	0.08984116		
11/18/2022	0.08983501		
11/19/2022	0.08982885		
11/20/2022	0.08982270		
11/21/2022	0.08981655		
11/22/2022	0.08981040		
11/23/2022	0.08980425		
11/24/2022	0.08979809		
11/25/2022	0.08979194		
11/26/2022	0.08978579		
11/27/2022	0.08977964		
11/28/2022	0.08977350		
11/29/2022	0.08976735		
11/30/2022	0.08976120	0.00018464	0.00184267

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Date	ZEN Per Share	Number of ZEN Used to Cover Trust Expenses Per Share (in ZEN)	Proceeds from Payout of ZEN to Cover Trust Expenses Per Share (in USD)
12/1/2022	0.08975505		
12/2/2022	0.08974890		
12/3/2022	0.08974276		
12/4/2022	0.08973661		
12/5/2022	0.08973046		
12/6/2022	0.08972432		
12/7/2022	0.08971817		
12/8/2022	0.08971203		
12/9/2022	0.08970588		
12/10/2022	0.08969974		
12/11/2022	0.08969359		
12/12/2022	0.08968745		
12/13/2022	0.08968131		
12/14/2022	0.08967516		
12/15/2022	0.08966902		
12/16/2022	0.08966288		
12/17/2022	0.08965674		
12/18/2022	0.08965060		
12/19/2022	0.08964446		
12/20/2022	0.08963832		
12/21/2022	0.08963218		
12/22/2022	0.08962604		
12/23/2022	0.08961990		
12/24/2022	0.08961376		
12/25/2022	0.08960762		
12/26/2022	0.08960149		
12/27/2022	0.08959535		
12/28/2022	0.08958921		
12/29/2022	0.08958308		
12/30/2022	0.08957694		
12/31/2022	0.08957080	0.00019039	0.00175352
TOTAL		0.00226756	0.05183698

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

The Trust holds no assets other than ZEN tokens. Accordingly, when expenses are incurred, Trust assets (i.e., ZEN 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 ZEN 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 ZEN tokens they still own). In Step 3, we determine the Shareholder's basis in the ZEN 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 ZEN tokens at the end of the year and his or her new cost basis in the ZEN 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 \$4.37 per share for a total purchase price of \$87,400. 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 Horizen.

Locate the Horizen Per Share amount on Shareholder XYZ's purchase date of 2/10/2022 in the gross proceeds file. In this example the number is 0.09158083. This represents the number of ZEN tokens per share on that date.

For Shareholder XYZ, the total amount of ZEN tokens owned for its 2/10/2022 purchase is 1,831.61660000 (0.09158083 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 Horizen paid out from Shareholder XYZ's account during 2022 to pay expenses

The ZEN tokens paid out per share during 2022 includes the cumulative amounts of all ZEN 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 ZEN tokens paid out after the 2/10/2022 purchase date is 0.00201005 per share. This is determined by taking the total amount of ZEN tokens per share paid out in 2022 (0.00226756) and subtracting the amount of ZEN tokens paid out prior to the purchase (0.00019480 from January plus 0.00006271 (10/28 multiplied by 0.00017559 from February)). Then multiply this number (0.00201005) by the number of shares owned (20,000) for a total of 40.20098571 ZEN tokens paid to cover trust expenses.

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