

GRAYSCALE BITCOIN MINI TRUST ETF

2024 Grantor Trust Tax Information

EIN: 99-6383052

CUSIP: 389930207

Ticker: BTC

The following information is being provided to assist Shareholders of the Grayscale Bitcoin Mini Trust ETF (the "Trust") with reporting of their taxable income and expenses for the period July 31, 2024 through December 31, 2024.

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 2024 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2024 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 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 2024 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

GLOSSARY OF TERMS

Grayscale Bitcoin Mini Trust ETF - (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)

Initial Distribution - On July 31, 2024, the Trust received 10% of its Bitcoin from Grayscale Bitcoin Trust ETF as consideration for newly created shares of Grayscale Bitcoin Mini Trust in a 1:1 distribution.

Stock Split - On November 20, 2024, the Trust underwent a 1:5 reverse stock split, replacing five existing shares with one combined share. All expenses presented in this statement reflect the expense per share on the post-split number of shares.

GRAYSCALE BITCOIN MINI TRUST ETF 2024 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of BTC Per Share
August	0.00328295	0.00000006
September	0.00338844	0.00000005
October	0.00383743	0.00000005
November	0.00512722	0.00000005
December	0.00534378	0.00000006
Total for year	0.02097982	0.00000027

The Trust underwent a 1:5 reverse stock split on November 20, 2024. For purposes of this letter, Shareholders should utilize their post-split number of shares when factoring expense and Bitcoin sold per share

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 2024 Grayscale Bitcoin Mini Trust ETF Expenses

Assume that a Shareholder purchased 20,000 shares on August 15, 2024 and sold them on September 15, 2024. For the month of August, Shareholder's expenses are \$0.00328295 (See Summary Table above – August Factor) x (16/31) = \$0.00169443 per share. For the month of September, Shareholder's expenses are \$0.00338844 (See Summary Table above – September Factor) x (15/30) = \$0.00169422. The total expenses for the Shareholder are therefore \$0.00338865 per share (sum of all factors from August 15th through September 15th) multiplied by the number of shares held. As noted in the glossary of terms, the expenses per share reflect the post-split number of shares. To calculate the expense per share, Shareholders should divide their shares by five (assuming those shares were acquired prior to November 20, 2024) to arrive at their expenses. As such, the 20,000 shares purchased in August are divided by five and total 4,000 shares post-split, and the Shareholder's total expense is \$13.55.

Total Expenses per Share	\$	0.00338865
Number of Shares Held		4,000
Total Expense	\$	13.55

(Please consult your tax advisor as to reporting)

GRAYSCALE BITCOIN MINI TRUST ETF 2024 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)
7/31/2024	0.00044347		

GRAYSCALE BITCOIN MINI TRUST ETF 2024 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)
8/1/2024	0.00044347		
8/2/2024	0.00044347		
8/3/2024	0.00044347		
8/4/2024	0.00044347		
8/5/2024	0.00044346		
8/6/2024	0.00044346		
8/7/2024	0.00044346		
8/8/2024	0.00044346		
8/9/2024	0.00044346		
8/10/2024	0.00044346		
8/11/2024	0.00044345		
8/12/2024	0.00044345		
8/13/2024	0.00044345		
8/14/2024	0.00044345		
8/15/2024	0.00044345		
8/16/2024	0.00044344		
8/17/2024	0.00044344		
8/18/2024	0.00044344		
8/19/2024	0.00044344		
8/20/2024	0.00044344		
8/21/2024	0.00044344		
8/22/2024	0.00044343		
8/23/2024	0.00044343		
8/24/2024	0.00044343		
8/25/2024	0.00044343		
8/26/2024	0.00044343		
8/27/2024	0.00044342		
8/28/2024	0.00044342		
8/29/2024	0.00044342		
8/30/2024	0.00044342		
8/31/2024	0.00044342	0.00000006	0.00328295

GRAYSCALE BITCOIN MINI TRUST ETF 2024 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)
9/1/2024	0.00044342		
9/2/2024	0.00044341		
9/3/2024	0.00044341		
9/4/2024	0.00044341		
9/5/2024	0.00044341		
9/6/2024	0.00044341		
9/7/2024	0.00044340		
9/8/2024	0.00044340		
9/9/2024	0.00044340		
9/10/2024	0.00044340		
9/11/2024	0.00044340		
9/12/2024	0.00044340		
9/13/2024	0.00044339		
9/14/2024	0.00044339		
9/15/2024	0.00044339		
9/16/2024	0.00044339		
9/17/2024	0.00044339		
9/18/2024	0.00044338		
9/19/2024	0.00044338		
9/20/2024	0.00044338		
9/21/2024	0.00044338		
9/22/2024	0.00044338		
9/23/2024	0.00044338		
9/24/2024	0.00044337		
9/25/2024	0.00044337		
9/26/2024	0.00044337		
9/27/2024	0.00044337		
9/28/2024	0.00044337		
9/29/2024	0.00044337		
9/30/2024	0.00044336	0.00000005	0.00338844

GRAYSCALE BITCOIN MINI TRUST ETF 2024 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)
10/1/2024	0.00044336		
10/2/2024	0.00044336		
10/3/2024	0.00044336		
10/4/2024	0.00044336		
10/5/2024	0.00044335		
10/6/2024	0.00044335		
10/7/2024	0.00044335		
10/8/2024	0.00044335		
10/9/2024	0.00044335		
10/10/2024	0.00044335		
10/11/2024	0.00044334		
10/12/2024	0.00044334		
10/13/2024	0.00044334		
10/14/2024	0.00044334		
10/15/2024	0.00044334		
10/16/2024	0.00044333		
10/17/2024	0.00044333		
10/18/2024	0.00044333		
10/19/2024	0.00044333		
10/20/2024	0.00044333		
10/21/2024	0.00044333		
10/22/2024	0.00044332		
10/23/2024	0.00044332		
10/24/2024	0.00044332		
10/25/2024	0.00044332		
10/26/2024	0.00044332		
10/27/2024	0.00044331		
10/28/2024	0.00044331		
10/29/2024	0.00044331		
10/30/2024	0.00044331		
10/31/2024	0.00044331	0.00000005	0.00383743

GRAYSCALE BITCOIN MINI TRUST ETF 2024 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)
11/1/2024	0.00044331		
11/2/2024	0.00044330		
11/3/2024	0.00044330		
11/4/2024	0.00044330		
11/5/2024	0.00044330		
11/6/2024	0.00044330		
11/7/2024	0.00044329		
11/8/2024	0.00044329		
11/9/2024	0.00044329		
11/10/2024	0.00044329		
11/11/2024	0.00044329		
11/12/2024	0.00044329		
11/13/2024	0.00044328		
11/14/2024	0.00044328		
11/15/2024	0.00044328		
11/16/2024	0.00044328		
11/17/2024	0.00044328		
11/18/2024	0.00044327		
11/19/2024	0.00044327		
11/20/2024	0.00044327		
11/21/2024	0.00044327		
11/22/2024	0.00044327		
11/23/2024	0.00044327		
11/24/2024	0.00044326		
11/25/2024	0.00044326		
11/26/2024	0.00044326		
11/27/2024	0.00044326		
11/28/2024	0.00044326		
11/29/2024	0.00044325		
11/30/2024	0.00044325	0.00000005	0.00512722

GRAYSCALE BITCOIN MINI TRUST ETF 2024 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)
12/1/2024	0.00044325		
12/2/2024	0.00044325		
12/3/2024	0.00044325		
12/4/2024	0.00044325		
12/5/2024	0.00044324		
12/6/2024	0.00044324		
12/7/2024	0.00044324		
12/8/2024	0.00044324		
12/9/2024	0.00044324		
12/10/2024	0.00044323		
12/11/2024	0.00044323		
12/12/2024	0.00044323		
12/13/2024	0.00044323		
12/14/2024	0.00044323		
12/15/2024	0.00044323		
12/16/2024	0.00044322		
12/17/2024	0.00044322		
12/18/2024	0.00044322		
12/19/2024	0.00044322		
12/20/2024	0.00044322		
12/21/2024	0.00044321		
12/22/2024	0.00044321		
12/23/2024	0.00044321		
12/24/2024	0.00044321		
12/25/2024	0.00044321		
12/26/2024	0.00044321		
12/27/2024	0.00044320		
12/28/2024	0.00044320		
12/29/2024	0.00044320		
12/30/2024	0.00044320		
12/31/2024	0.00044320	0.00000006	0.00534378
TOTAL		0.00000027	0.02097982

Grayscale Bitcoin Mini Trust ETF 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 8/10/2024 at a price of \$5.41 per share for a total purchase price of \$108,200. Shareholder XYZ had no other purchases or sales of Trust shares during 2024 and held the shares for the remainder of 2024. Note: The Trust effected a 1 to 5 reverse stock split on November 20, 2024. All expenses and proceeds per share reflect the post-split shares. As such, to determine the Shareholder's actual cost basis and gain or loss for the year, the Shareholder who, in this example, purchased 20,000 shares in August, will divide the shares by 5 for a total of 4,000 post-split shares. The example below will use this post-split adjusted share value as the total number of shares owned by the Shareholder.

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

Locate the Bitcoin Per Share amount on Shareholder XYZ's purchase date of 8/10/2024 in the gross proceeds file. In this example the number is 0.00044346. This represents the number of BTC tokens per share on that date.

For Shareholder XYZ, the total amount of BTC tokens owned for its 8/10/2024 purchase is 1.77384000 (0.00044346 per share multiplied by 4,000 shares purchased on 8/10/2024). 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 2024 to pay expenses

The BTC tokens paid out per share during 2024 includes the cumulative amounts of all BTC token payouts for the period which includes the day after the purchase date of 8/10/2024 through the day before payout date.

During 2024, the total amount of BTC tokens paid out after the 8/10/2024 purchase date is 0.00000025 per share. This is determined by taking the total amount of BTC tokens per share paid out in 2024 (0.00000027) and subtracting the amount of BTC tokens paid out prior to the purchase date (0.00000002 (10/31 multiplied by 0.00000006 from August)). Then multiply this number (0.00000025) by the number of shares owned (4,000) for a total of 0.00100258 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>)	0.00100258		
	-----	x	\$108,200
BTC tokens acquired (<i>Step 1</i>)	1.77384000		
Cost basis of BTC token payout	\$61.16		

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 8/10/2024 purchase date. During 2024, periodic payouts for the period 8/11/2024 through 12/31/2024 generated proceeds per share of \$0.01992080 (total proceeds of payout of BTC tokens for the year, \$0.02097982, less \$0.00105902, which is the proceeds of payouts made prior to purchase from the first ten days in August). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.01992080 per share X 4,000 shares	\$	79.68
Less: Total cost basis of BTC token payout (<i>Step 3</i>)		<u>61.16</u>
Total Reportable Gain/(Loss)	\$	<u>18.52</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 8/10/2024 purchase date. During 2024, the expenses were paid periodically and for the period of 8/11/2024 through 12/31/2024 amounted to \$0.01992080 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (<i>Step 4</i>)	\$	0.01992080
Total Shares		<u>4,000</u>
Total Expense	\$	<u>79.68</u>

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

BTC tokens Purchased on 8/10/2024 (<i>Step 1</i>)	1.77384000
Less: BTC token payout during 2024 (<i>Step 2</i>)	<u>0.00100258</u>
Adjusted Shareholder's BTC tokens at 12/31/2024	<u>1.77283742</u>
Original Purchase Cost on 8/10/2024	\$ 108,200.00
Less: Cost of BTC token payout during 2024 (<i>Step 3</i>)	<u>61.16</u>
Adjusted Shareholder's basis at 12/31/2024	<u>\$ 108,138.84</u>

Shareholder's adjusted BTC tokens and adjusted cost calculated in Step 6 are his/her adjusted BTC tokens and adjusted basis for the 8/10/2024 purchase at the end of 12/31/2024.

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 with an additional purchase in 2024 will have two cost lots to account for in 2024. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.

Items of Consideration

Shareholders should note that on July 31, 2024, the Grayscale Bitcoin Trust ETF effected an Initial Distribution, contributing 10% of its Bitcoin to the Grayscale Bitcoin Mini Trust ETF as consideration for newly created shares of the Grayscale Bitcoin Mini Trust ETF on the inception date. Shareholders who received shares of the Grayscale Bitcoin Mini Trust ETF as a part of the Initial Distribution should refer to the attached rider with regard to the calculation of the cost basis of those shares.

Grayscale Bitcoin Trust ETF Initial Distribution
of Grayscale Bitcoin Mini Trust ETF Shares to Shareholders of Record of Grayscale Bitcoin
Trust ETF as of July 30, 2024

GLOSSARY OF TERMS

Distribution Date – July 31, 2024, the date on which shares of BTC are distributed to Shareholders of Record.

BTC Portion – 10% of the Bitcoin held by GBTC, determined as of immediately after the close of business on the day prior to the Record Date and taking into account creation and/or redemption orders that settle prior to the close of the Record Date.

GBTC Portion – 90% of the Bitcoin held by GBTC, determined as of immediately after the close of business on the day prior to the Record Date and taking into account creation and/or redemption orders that settle prior to the close of the Record Date.

GBTC – Grayscale Bitcoin Trust ETF

BTC – Grayscale Bitcoin Mini Trust ETF

Initial Distribution - GBTC's pro rata distribution, to Shareholders of Record, of shares of BTC issued to GBTC in exchange for the contribution by GBTC of the BTC Portion.

Shareholders of Record - Shareholders of GBTC as of the close of business (i.e., 4:00 pm New York Time) on the Record Date.

Record Date - July 30, 2024

Grayscale Bitcoin Trust ETF Initial Distribution

Shareholders should note that on the Distribution Date, to effectuate the Initial Distribution, Grayscale Bitcoin Trust ETF ("GBTC") contributed 10% of its Bitcoin, determined as of immediately after the close of business on the day prior to the Record Date and taking into account creation and/or redemption orders that settled prior to the close of the Record Date (the "BTC Portion"), to Grayscale Bitcoin Mini Trust ETF ("BTC") as consideration for newly created shares of the BTC Trust. The newly created shares of BTC were then distributed to shareholders of GBTC as of the close of business on the Record Date ("Shareholders of Record"), pro rata based on a 1:1 ratio, such that for each one (1) share of GBTC held by each GBTC Shareholder of Record, such GBTC Shareholder of Record was entitled to receive one (1) share of BTC on the Distribution Date.

GBTC shares had a Bitcoin-per-share ratio of 0.00088695 per share immediately after the close of business on the day prior to the Record Date.

GBTC shares trading on the Record Date initially had a Bitcoin-per-share ratio that was 90% of the Bitcoin-per-share ratio at the close of business on the day prior to the Record Date. From and after the Record Date, GBTC shares had a Bitcoin-per-share ratio that was reduced by the amount of Bitcoin per-share accrued as Sponsor's Fee with respect to 90% of the Bitcoin held by GBTC, determined as of immediately after the close of business on the day prior to the Record Date and taking into account creation and/or redemption orders that settled prior to the close of the Record Date (the "GBTC Portion"), from and after the Record Date.

BTC shares had an initial Bitcoin-per-share ratio on the Distribution Date that was 10% of GBTC's Bitcoin-per-share ratio at the close of business on the day prior to the Record Date.

There were no additional expenses or further payments incurred in connection with the Initial Distribution.

Importance of obtaining professional tax advice

This communication is not intended as, and does not constitute, tax advice. The U.S. federal income tax consequences of the Initial Distribution are complex, subject to uncertainty in certain respects and may be affected by circumstances specific to a beneficial owner of GBTC shares. Any beneficial owner of GBTC shares who receives BTC shares in the Initial Distribution, and any intermediary holding shares of GBTC or BTC, should consult their own tax adviser regarding the U.S. federal income tax consequences of the Initial Distribution, including the proper allocation of existing cost basis between shares of GBTC and shares of BTC.

Expected basis consequences of the Initial Distribution

It is expected that neither GBTC nor any beneficial owner of GBTC shares will recognize any gain or loss for U.S. federal income tax purposes as a result of the Initial Distribution. Accordingly, it is expected that neither GBTC's contribution of Bitcoin to the BTC Trust nor GBTC's distribution of shares in the BTC Trust to Shareholders of Record will be reported to any beneficial owner of GBTC shares (or to any intermediary holding GBTC shares) as giving rise to income, gain, loss, deduction, credit or proceeds.

It is expected that each beneficial owner of GBTC shares who receives (or is treated for U.S. federal income tax purposes as having received) shares of the BTC Trust in the Initial Distribution will be required to allocate its cost basis in its pro rata share of the Bitcoin held by GBTC between (x) its pro rata share of the GBTC Portion and (y) its pro rata share of the BTC Portion. Any transaction the trade date for which occurs on or after the Record Date in shares of GBTC or the Trust that are affected by such basis allocation should take such basis allocation into account.

Under this framework, 90% of a beneficial owner's cost basis in the GBTC shares as of the Record Date would be retained in the GBTC shares (subject to adjustment for Sponsor's Fee accrued with respect to the GBTC portion) and 10% of that beneficial owner's cost basis in the GBTC shares as of the Record Date would be reallocated to the BTC Trust shares.

(See below for more information on allocating the GBTC cost basis to the BTC cost basis).

How to allocate cost basis between existing GBTC shares and newly created BTC shares

As stated above, the BTC shares were distributed in kind to Shareholders of Record of GBTC on the Distribution Date. To determine the cost basis allocation of their GBTC and BTC shares, a shareholder of record must multiply their existing (pre-distribution) cost basis of GBTC by 10% to allocate to their BTC shares and multiply their existing (pre-distribution) cost basis of GBTC by 90% to allocate to their GBTC shares.

Example:

Assume on the Record Date, Shareholder XYZ holds 20,000 GBTC shares immediately after the close of business on the day prior to the Record Date (i.e., after taking into account any adjustments arising prior to the Record Date, including any adjustments arising from the accrual and payment of the Sponsor Fee's prior to the Record Date). Shareholder XYZ's cost basis in its GBTC shares is equal to \$10.00 per share for a total cost basis of \$200,000.

Step 1: Identify the shareholder's adjusted cost basis in its share of the BTC Portion as of the Record Date and the Distribution Date

The Bitcoin contributed by GBTC to BTC in connection with the Initial Distribution was 10% of the Bitcoin held by GBTC immediately after the close of business on the day prior to the Record Date (and taking into account creation and/or redemption orders that settled prior to the close of the Record Date). Provided that Shareholder XYZ had a total cost basis of \$200,000 in its pro rata share of Bitcoin held by GBTC, Shareholder XYZ's cost basis in 10% of its pro rata share of that Bitcoin was \$20,000. Further, because the Initial Distribution was made on a 1-for-1 basis, Shareholder XYZ received 20,000 shares of BTC in the Initial Distribution. Accordingly, Shareholder XYZ's initial cost basis per share of BTC received in the Initial Distribution is approximately \$1.00 (\$20,000 divided by 20,000 shares).

GBTC cost basis as of close of Record Date	\$ 200,000.00
Initial Distribution Rate	10%
Allocated cost basis in the pro forma BTC shares	\$ 20,000.00
Allocated cost basis in BTC	\$ 20,000.00
Total Shares	20,000
Shareholder's allocated cost basis per pro forma share in BTC	\$ 1.00

Step 2: Identify the shareholder's adjusted cost basis in the GBTC Portion as of the Record Date

The Bitcoin remaining in GBTC after the Initial Distribution constituted 90% of the Bitcoin held by GBTC immediately after the close of business on the day prior to the Record Date (and taking into account creation and/or redemption orders that settled prior to the close of the Record Date), decreased by the amount of any Sponsor's Fee accrued or paid for the period between the Record Date and the Distribution Date. Provided that Shareholder XYZ had a total cost basis (determined immediately after the close of business on the day prior to the Record Date) of \$200,000 in its pro rata share of Bitcoin held by GBTC, Shareholder XYZ's cost basis in 90% of its pro rata share of that Bitcoin was \$180,000. Given Shareholder XYZ retains 20,000 shares of GBTC after the Initial Distribution, Shareholder XYZ's cost basis per share of GBTC, excluding basis attributable to the BTC Portion, as of the opening of the Record Date is approximately \$9.00 (\$180,000 divided by 20,000 shares).

GBTC cost basis as of close of Record Date	\$ 200,000.00
1 - Initial Distribution Rate	90%
Allocated cost basis in the pro forma BTC shares	\$ 180,000.00
Allocated cost basis in GBTC on Record Date	\$ 180,000.00
Total Shares	20,000
Shareholder's allocated cost basis per pro forma share in GBTC	\$ 9.00

If Shareholder XYZ acquired shares on different dates or for different prices, Shareholder XYZ would repeat the calculations above separately for each purchased lot.

For additional details, please reference the Organizational Actions Affecting Basis details available at the link below on the Grayscale website.

[BTC Organizational Actions Affecting Basis](#)