

# GRAYSCALE ETHEREUM TRUST ETF

2024 Grantor Trust Tax Information

EIN: 82-6677805

CUSIP: 389638107

Ticker: ETHE

The following information is being provided to assist Shareholders of the Grayscale Ethereum Trust ETF (the "Trust") with reporting of their taxable income and expenses for the period January 1, 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 Ethereum ("ETH") 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 ETH 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 Ethereum 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 ETH), amount of ETH paid to cover trust expenses (in ETH), and per share proceeds from ETH 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 23, 2024, the Trust distributed 10% of its Ether to Grayscale Ethereum Mini Trust ETF as consideration for newly created shares of Grayscale Ethereum Mini Trust in a 1:1 distribution.

# GRAYSCALE ETHEREUM TRUST ETF 2024 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETH Per Share
January	0.04621258	0.00002021
February	0.06404966	0.00001886
March	0.07320591	0.00002012
April	0.05681857	0.00001943
May	0.07574988	0.00002004
June	0.06769426	0.00001935
July	0.06916377	0.00002075
August	0.04625127	0.00001832
September	0.04370859	0.00001760
October	0.04588767	0.00001799
November	0.05831698	0.00001740
December	0.06474507	0.00001795
Total for year	0.71180421	0.00022802

## 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 Ethereum Trust ETF Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2024 and sold them on September 15, 2024. For the month of February, Shareholder's expenses are \$0.06404966 (See Summary Table above – February Factor) x (14/29) = \$0.03092053 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 \$0.04370859 (See Summary Table above – September Factor) x (15/30) = \$0.02185430. The total expenses for the Shareholder are therefore \$0.44165848 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$8,833.17.

Total Expenses per Share	\$	0.44165848
Number of Shares Held		20,000
<b>Total Expense</b>	<b>\$</b>	<b>8,833.17</b>

(Please consult your tax advisor as to reporting)

## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

<b>Date</b>	<b>ETH Per Share</b>	<b>Number of ETH Used to Cover Trust Expenses Per Share (in ETH)</b>	<b>Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)</b>
1/1/2024	0.00955133		
1/2/2024	0.00955068		
1/3/2024	0.00955003		
1/4/2024	0.00954938		
1/5/2024	0.00954872		
1/6/2024	0.00954807		
1/7/2024	0.00954742		
1/8/2024	0.00954677		
1/9/2024	0.00954612		
1/10/2024	0.00954546		
1/11/2024	0.00954481		
1/12/2024	0.00954416		
1/13/2024	0.00954351		
1/14/2024	0.00954286		
1/15/2024	0.00954220		
1/16/2024	0.00954155		
1/17/2024	0.00954090		
1/18/2024	0.00954025		
1/19/2024	0.00953960		
1/20/2024	0.00953894		
1/21/2024	0.00953829		
1/22/2024	0.00953764		
1/23/2024	0.00953699		
1/24/2024	0.00953634		
1/25/2024	0.00953569		
1/26/2024	0.00953504		
1/27/2024	0.00953438		
1/28/2024	0.00953373		
1/29/2024	0.00953308		
1/30/2024	0.00953243		
<b>1/31/2024</b>	<b>0.00953178</b>	<b>0.00002021</b>	<b>0.04621258</b>

## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

<b>Date</b>	<b>ETH Per Share</b>	<b>Number of ETH Used to Cover Trust Expenses Per Share (in ETH)</b>	<b>Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)</b>
2/1/2024	0.00953113		
2/2/2024	0.00953048		
2/3/2024	0.00952983		
2/4/2024	0.00952918		
2/5/2024	0.00952853		
2/6/2024	0.00952787		
2/7/2024	0.00952722		
2/8/2024	0.00952657		
2/9/2024	0.00952592		
2/10/2024	0.00952527		
2/11/2024	0.00952462		
2/12/2024	0.00952397		
2/13/2024	0.00952332		
2/14/2024	0.00952267		
2/15/2024	0.00952202		
2/16/2024	0.00952137		
2/17/2024	0.00952072		
2/18/2024	0.00952007		
2/19/2024	0.00951942		
2/20/2024	0.00951877		
2/21/2024	0.00951812		
2/22/2024	0.00951747		
2/23/2024	0.00951682		
2/24/2024	0.00951617		
2/25/2024	0.00951552		
2/26/2024	0.00951487		
2/27/2024	0.00951422		
2/28/2024	0.00951357		
<b>2/29/2024</b>	<b>0.00951292</b>	<b>0.00001886</b>	<b>0.06404966</b>

## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

<b>Date</b>	<b>ETH Per Share</b>	<b>Number of ETH Used to Cover Trust Expenses Per Share (in ETH)</b>	<b>Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)</b>
3/1/2024	0.00951227		
3/2/2024	0.00951162		
3/3/2024	0.00951097		
3/4/2024	0.00951032		
3/5/2024	0.00950967		
3/6/2024	0.00950902		
3/7/2024	0.00950837		
3/8/2024	0.00950772		
3/9/2024	0.00950707		
3/10/2024	0.00950642		
3/11/2024	0.00950577		
3/12/2024	0.00950512		
3/13/2024	0.00950447		
3/14/2024	0.00950382		
3/15/2024	0.00950317		
3/16/2024	0.00950253		
3/17/2024	0.00950188		
3/18/2024	0.00950123		
3/19/2024	0.00950058		
3/20/2024	0.00949993		
3/21/2024	0.00949928		
3/22/2024	0.00949863		
3/23/2024	0.00949798		
3/24/2024	0.00949733		
3/25/2024	0.00949669		
3/26/2024	0.00949604		
3/27/2024	0.00949539		
3/28/2024	0.00949474		
3/29/2024	0.00949409		
3/30/2024	0.00949344		
<b>3/31/2024</b>	<b>0.00949279</b>	<b>0.00002012</b>	<b>0.07320591</b>

## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

<b>Date</b>	<b>ETH Per Share</b>	<b>Number of ETH Used to Cover Trust Expenses Per Share (in ETH)</b>	<b>Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)</b>
4/1/2024	0.00949215		
4/2/2024	0.00949150		
4/3/2024	0.00949085		
4/4/2024	0.00949020		
4/5/2024	0.00948955		
4/6/2024	0.00948890		
4/7/2024	0.00948826		
4/8/2024	0.00948761		
4/9/2024	0.00948696		
4/10/2024	0.00948631		
4/11/2024	0.00948566		
4/12/2024	0.00948502		
4/13/2024	0.00948437		
4/14/2024	0.00948372		
4/15/2024	0.00948307		
4/16/2024	0.00948242		
4/17/2024	0.00948178		
4/18/2024	0.00948113		
4/19/2024	0.00948048		
4/20/2024	0.00947983		
4/21/2024	0.00947919		
4/22/2024	0.00947854		
4/23/2024	0.00947789		
4/24/2024	0.00947724		
4/25/2024	0.00947660		
4/26/2024	0.00947595		
4/27/2024	0.00947530		
4/28/2024	0.00947466		
4/29/2024	0.00947401		
<b>4/30/2024</b>	<b>0.00947336</b>	<b>0.00001943</b>	<b>0.05681857</b>

## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

<b>Date</b>	<b>ETH Per Share</b>	<b>Number of ETH Used to Cover Trust Expenses Per Share (in ETH)</b>	<b>Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)</b>
5/1/2024	0.00947271		
5/2/2024	0.00947207		
5/3/2024	0.00947142		
5/4/2024	0.00947077		
5/5/2024	0.00947013		
5/6/2024	0.00946948		
5/7/2024	0.00946883		
5/8/2024	0.00946819		
5/9/2024	0.00946754		
5/10/2024	0.00946689		
5/11/2024	0.00946625		
5/12/2024	0.00946560		
5/13/2024	0.00946495		
5/14/2024	0.00946431		
5/15/2024	0.00946366		
5/16/2024	0.00946301		
5/17/2024	0.00946237		
5/18/2024	0.00946172		
5/19/2024	0.00946107		
5/20/2024	0.00946043		
5/21/2024	0.00945978		
5/22/2024	0.00945914		
5/23/2024	0.00945849		
5/24/2024	0.00945784		
5/25/2024	0.00945720		
5/26/2024	0.00945655		
5/27/2024	0.00945590		
5/28/2024	0.00945526		
5/29/2024	0.00945461		
5/30/2024	0.00945397		
<b>5/31/2024</b>	<b>0.00945332</b>	<b>0.00002004</b>	<b>0.07574988</b>

# GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
6/1/2024	0.00945268		
6/2/2024	0.00945203		
6/3/2024	0.00945138		
6/4/2024	0.00945074		
6/5/2024	0.00945009		
6/6/2024	0.00944945		
6/7/2024	0.00944880		
6/8/2024	0.00944816		
6/9/2024	0.00944751		
6/10/2024	0.00944687		
6/11/2024	0.00944622		
6/12/2024	0.00944558		
6/13/2024	0.00944493		
6/14/2024	0.00944429		
<b>6/15/2024</b>	<b>0.00944364</b>	<b>0.00000968</b>	<b>0.03443159</b>
6/16/2024	0.00944300		
6/17/2024	0.00944235		
6/18/2024	0.00944171		
6/19/2024	0.00944106		
6/20/2024	0.00944042		
6/21/2024	0.00943977		
6/22/2024	0.00943913		
6/23/2024	0.00943848		
6/24/2024	0.00943784		
6/25/2024	0.00943719		
6/26/2024	0.00943655		
<b>6/27/2024</b>	<b>0.00943590</b>	<b>0.00000709</b>	<b>0.02443748</b>
6/28/2024	0.00943526		
6/29/2024	0.00943461		
<b>6/30/2024</b>	<b>0.00943397</b>	<b>0.00000258</b>	<b>0.00882519</b>



## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
7/1/2024	0.00943332		
7/2/2024	0.00943268		
7/3/2024	0.00943204		
7/4/2024	0.00943139		
7/5/2024	0.00943075		
7/6/2024	0.00943010		
7/7/2024	0.00942946		
7/8/2024	0.00942882		
7/9/2024	0.00942817		
7/10/2024	0.00942753		
7/11/2024	0.00942688		
7/12/2024	0.00942624		
7/13/2024	0.00942560		
7/14/2024	0.00942495		
<b>7/15/2024</b>	<b>0.00942431</b>	<b>0.00000966</b>	<b>0.03294340</b>
7/16/2024	0.00942366		
7/17/2024	0.00942302		
7/18/2024	0.00848014		
7/19/2024	0.00847956		
7/20/2024	0.00847898		
7/21/2024	0.00847840		
7/22/2024	0.00847782		
7/23/2024	0.00847724		
7/24/2024	0.00847666		
7/25/2024	0.00847609		
7/26/2024	0.00847551		
7/27/2024	0.00847493		
7/28/2024	0.00847435		
7/29/2024	0.00847371		
7/30/2024	0.00847313		
<b>7/31/2024</b>	<b>0.00847255</b>	<b>0.00001109</b>	<b>0.03622037</b>

## GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
8/1/2024	0.00847198		
8/2/2024	0.00847140		
8/3/2024	0.00847082		
8/4/2024	0.00847024		
8/5/2024	0.00846965		
8/6/2024	0.00846907		
8/7/2024	0.00846849		
8/8/2024	0.00846791		
8/9/2024	0.00846734		
8/10/2024	0.00846676		
8/11/2024	0.00846618		
8/12/2024	0.00846559		
8/13/2024	0.00846501		
8/14/2024	0.00846443		
<b>8/15/2024</b>	<b>0.00846386</b>	<b>0.00000894</b>	<b>0.02280367</b>
8/16/2024	0.00846328		
8/17/2024	0.00846270		
8/18/2024	0.00846212		
8/19/2024	0.00846154		
8/20/2024	0.00846096		
8/21/2024	0.00846038		
8/22/2024	0.00845980		
8/23/2024	0.00845923		
8/24/2024	0.00845865		
8/25/2024	0.00845807		
8/26/2024	0.00845749		
8/27/2024	0.00845691		
8/28/2024	0.00845633		
8/29/2024	0.00845576		
8/30/2024	0.00845518		
<b>8/31/2024</b>	<b>0.00845460</b>	<b>0.00000938</b>	<b>0.02344760</b>

# GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
9/1/2024	0.00845402		
9/2/2024	0.00845345		
9/3/2024	0.00845286		
9/4/2024	0.00845229		
9/5/2024	0.00845171		
9/6/2024	0.00845113		
9/7/2024	0.00845055		
9/8/2024	0.00844998		
9/9/2024	0.00844940		
9/10/2024	0.00844882		
9/11/2024	0.00844824		
9/12/2024	0.00844767		
9/13/2024	0.00844709		
9/14/2024	0.00844651		
<b>9/15/2024</b>	<b>0.00844593</b>	<b>0.00000878</b>	<b>0.02083222</b>
9/16/2024	0.00844536		
9/17/2024	0.00844478		
9/18/2024	0.00844420		
9/19/2024	0.00844362		
9/20/2024	0.00844305		
9/21/2024	0.00844247		
9/22/2024	0.00844189		
9/23/2024	0.00844132		
9/24/2024	0.00844074		
9/25/2024	0.00844016		
9/26/2024	0.00843959		
9/27/2024	0.00843901		
9/28/2024	0.00843844		
9/29/2024	0.00843786		
<b>9/30/2024</b>	<b>0.00843728</b>	<b>0.00000882</b>	<b>0.02287637</b>

# GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
10/1/2024	0.00843670		
10/2/2024	0.00843613		
10/3/2024	0.00843555		
10/4/2024	0.00843497		
10/5/2024	0.00843440		
10/6/2024	0.00843382		
10/7/2024	0.00843324		
10/8/2024	0.00843267		
10/9/2024	0.00843209		
10/10/2024	0.00843152		
10/11/2024	0.00843094		
10/12/2024	0.00843036		
10/13/2024	0.00842979		
10/14/2024	0.00842921		
<b>10/15/2024</b>	<b>0.00842863</b>	<b>0.00000869</b>	<b>0.02252612</b>
10/16/2024	0.00842806		
10/17/2024	0.00842748		
10/18/2024	0.00842691		
10/19/2024	0.00842633		
10/20/2024	0.00842576		
10/21/2024	0.00842518		
10/22/2024	0.00842461		
10/23/2024	0.00842403		
10/24/2024	0.00842345		
10/25/2024	0.00842288		
10/26/2024	0.00842230		
10/27/2024	0.00842173		
10/28/2024	0.00842115		
10/29/2024	0.00842057		
10/30/2024	0.00842000		
<b>10/31/2024</b>	<b>0.00841942</b>	<b>0.00000930</b>	<b>0.02336155</b>

# GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
11/1/2024	0.00841885		
11/2/2024	0.00841827		
11/3/2024	0.00841770		
11/4/2024	0.00841712		
11/5/2024	0.00841654		
11/6/2024	0.00841597		
11/7/2024	0.00841539		
11/8/2024	0.00841482		
11/9/2024	0.00841424		
11/10/2024	0.00841367		
11/11/2024	0.00841309		
11/12/2024	0.00841252		
11/13/2024	0.00841195		
11/14/2024	0.00841137		
11/15/2024	0.00841080		
11/16/2024	0.00841022		
<b>11/17/2024</b>	<b>0.00840965</b>	<b>0.00000987</b>	<b>0.03034255</b>
11/18/2024	0.00840906		
11/19/2024	0.00840849		
11/20/2024	0.00840791		
11/21/2024	0.00840734		
11/22/2024	0.00840677		
11/23/2024	0.00840619		
11/24/2024	0.00840562		
11/25/2024	0.00840504		
11/26/2024	0.00840446		
11/27/2024	0.00840389		
11/28/2024	0.00840332		
11/29/2024	0.00840274		
<b>11/30/2024</b>	<b>0.00840217</b>	<b>0.00000753</b>	<b>0.02797443</b>

# GRAYSCALE ETHEREUM TRUST ETF 2024 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
12/1/2024	0.00840159		
12/2/2024	0.00840102		
12/3/2024	0.00840045		
12/4/2024	0.00839987		
12/5/2024	0.00839930		
12/6/2024	0.00839873		
12/7/2024	0.00839815		
12/8/2024	0.00839758		
12/9/2024	0.00839700		
12/10/2024	0.00839643		
12/11/2024	0.00839585		
12/12/2024	0.00839528		
12/13/2024	0.00839471		
12/14/2024	0.00839413		
<b>12/15/2024</b>	<b>0.00839356</b>	<b>0.00000871</b>	<b>0.03388845</b>
12/16/2024	0.00839299		
12/17/2024	0.00839241		
12/18/2024	0.00839184		
12/19/2024	0.00839127		
12/20/2024	0.00839069		
12/21/2024	0.00839012		
12/22/2024	0.00838955		
12/23/2024	0.00838898		
12/24/2024	0.00838840		
12/25/2024	0.00838783		
12/26/2024	0.00838726		
12/27/2024	0.00838668		
12/28/2024	0.00838611		
12/29/2024	0.00838554		
12/30/2024	0.00838497		
<b>12/31/2024</b>	<b>0.00838439</b>	<b>0.00000924</b>	<b>0.03085662</b>
<b>TOTAL</b>		<b>0.00022802</b>	<b>0.71180421</b>

Grayscale Ethereum Trust ETF Gross Proceeds and Expense Files show ETH tokens per share owned in the Trust, as well as ETH 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 ETH tokens to pay such expenses.

The Trust holds no assets other than ETH tokens. Accordingly, when expenses are incurred, Trust assets (i.e., ETH 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 ETH 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 ETH tokens they still own). In Step 3, we determine the Shareholder's basis in the ETH 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 ETH tokens at the end of the year and his or her new cost basis in the ETH 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 2/10/2024 at a price of \$23.88 per share for a total purchase price of \$477,600. Shareholder XYZ had no other purchases or sales of Trust shares during 2024 and held the shares for the remainder of 2024.

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

Locate the Ethereum Per Share amount on Shareholder XYZ's purchase date of 2/10/2024 in the gross proceeds file. In this example the number is 0.00952527. This represents the number of ETH tokens per share on that date.

For Shareholder XYZ, the total amount of ETH tokens owned for its 2/10/2024 purchase is 190.50540000 (0.00952527 per share multiplied by 20,000 shares purchased on 2/10/2024). Note: This step should be completed for each date on which Trust shares were purchased.

**Step 2: Calculate the Ethereum paid out from Shareholder XYZ's account during 2024 to pay expenses**

The ETH tokens paid out per share during 2024 includes the cumulative amounts of all ETH token payouts for the period which includes the day after the purchase date of 2/10/2024 through the day before payout date.

During 2024, the total amount of ETH tokens paid out after the 2/10/2024 purchase date is 0.00020131 per share. This is determined by taking the total amount of ETH tokens per share paid out in 2024 (0.00022802) and subtracting the amount of ETH tokens paid out prior to the purchase (0.00002021 from January plus 0.00000650 (10/29 multiplied by 0.00001886 from February)). Then multiply this number (0.00020131) by the number of shares owned (20,000) for a total of 4.02613103 ETH tokens paid to cover trust expenses.

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

Total ETH token payout ( <i>Step 2</i> )	4.02613103		
	<u>-----</u>	x	<b>\$477,600</b>
ETH tokens acquired ( <i>Step 1</i> )	190.50540000		
Cost basis of ETH token payout	\$10,093.57		

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

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2024 purchase date. During 2024, periodic payouts for the period 2/11/2024 through 12/31/2024 generated proceeds per share of \$0.64350554 (total proceeds of payout of ETH tokens for the year, \$0.71180421, less \$0.06829867, which is the proceeds of payouts made prior to purchase [\$0.04621258 from January] plus \$0.02208609 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.64350554 per share X 20,000 shares	\$ 12,870.11
Less: Total cost basis of ETH token payout ( <i>Step 3</i> )	<u>10,093.57</u>
Total Reportable Gain/(Loss)	<u>\$ 2,776.54</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 2/10/2024 purchase date. During 2024, the expenses were paid periodically and for the period of 2/11/2024 through 12/31/2024 amounted to \$0.64350554 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share ( <i>Step 4</i> )	\$ 0.64350554
Total Shares	<u>20,000</u>
Total Expense	<u>\$ 12,870.11</u>

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

ETH tokens Purchased on 2/10/2024 ( <i>Step 1</i> )	190.50540000
Less: ETH token payout during 2024 ( <i>Step 2</i> )	<u>4.02613103</u>
Adjusted Shareholder's ETH tokens at 12/31/2024	<u>186.47926897</u>
Original Purchase Cost on 2/10/2024	\$ 477,600.00
Less: Cost of ETH token payout during 2024 ( <i>Step 3</i> )	<u>10,093.57</u>
Adjusted Shareholder's basis at 12/31/2024	<u>\$ 467,506.43</u>



Shareholder's adjusted ETH tokens and adjusted cost calculated in Step 6 are his/her adjusted ETH tokens and adjusted basis for the 2/10/2024 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 who purchased their shares prior to 2024, 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 12/31/2023 should be used as the beginning cost for 2024 instead of the original purchase cost. 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 23, 2024, the Grayscale Ethereum Trust ETF effected an Initial Distribution, contributing 10% of its Ether to the Grayscale Ethereum Mini Trust ETF as consideration for newly created shares of the Grayscale Ethereum Mini Trust ETF on the inception date. Shareholders who received shares of the Grayscale Ethereum 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 Ethereum Trust ETF Initial Distribution**  
of Grayscale Ethereum Mini Trust ETF Shares to Shareholders of Record of Grayscale Ether  
Trust ETF as of July 18, 2024

**GLOSSARY OF TERMS**

Distribution Date – July 23, 2024, the date on which shares of ETH are distributed to Shareholders of Record.

ETH Portion – 10% of the Ether held by ETHE, 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.

ETHE Portion – 90% of the Ether held by ETHE, 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.

ETHE – Grayscale Ethereum Trust ETF

ETH – Grayscale Ethereum Mini Trust ETF

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

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

Record Date - July 18, 2024

**Grayscale Ethereum Trust ETF Initial Distribution**

Shareholders should note that on the Distribution Date, to effectuate the Initial Distribution, Grayscale Ethereum Trust ETF ("ETHE") contributed 10% of its Ether, 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 "ETH Portion"), to Grayscale Ethereum Mini Trust ETF ("ETH") as consideration for newly created shares of the ETH Trust. The newly created shares of ETH were then distributed to shareholders of ETHE 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 ETHE held by each ETHE Shareholder of Record, such ETHE Shareholder of Record was entitled to receive one (1) share of ETH on the Distribution Date.

ETHE shares had a Ether-per-share ratio of 0.00942302 per share immediately after the close of business on the day prior to the Record Date.

ETHE shares trading on the Record Date initially had a Ether-per-share ratio that was 90% of the Ether-per-share ratio at the close of business on the day prior to the Record Date. From and after the Record Date, ETHE shares had a Ether-per-share ratio that was reduced by the amount of Ether per-share accrued as Sponsor's Fee with respect to 90% of the Ether held by ETHE, 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 "ETHE Portion"), from and after the Record Date.

ETH shares had an initial Ether-per-share ratio on the Distribution Date that was 10% of ETHE's Ether-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 ETHE shares. Any beneficial owner of ETHE shares who receives ETH shares in the Initial Distribution, and any intermediary holding shares of ETHE or ETH, 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 ETHE and shares of ETH.

### *Expected basis consequences of the Initial Distribution*

It is expected that neither ETHE nor any beneficial owner of ETHE 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 ETHE's contribution of Ether to the ETH Trust nor ETHE's distribution of shares in the ETH Trust to Shareholders of Record will be reported to any beneficial owner of ETHE shares (or to any intermediary holding ETHE shares) as giving rise to income, gain, loss, deduction, credit or proceeds.

It is expected that each beneficial owner of ETHE shares who receives (or is treated for U.S. federal income tax purposes as having received) shares of the ETH Trust in the Initial Distribution will be required to allocate its cost basis in its pro rata share of the Ether held by ETHE between (x) its pro rata share of the ETHE Portion and (y) its pro rata share of the ETH Portion. Any transaction the trade date for which occurs on or after the Record Date in shares of ETHE 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 ETHE shares as of the Record Date would be retained in the ETHE shares (subject to adjustment for Sponsor's Fee accrued with respect to the ETHE portion) and 10% of that beneficial owner's cost basis in the ETHE shares as of the Record Date would be reallocated to the ETH Trust shares.

(See below for more information on allocating the ETHE cost basis to the ETH cost basis).

### **How to allocate cost basis between existing ETHE shares and newly created ETH shares**

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

### **Example:**

Assume on the Record Date, Shareholder XYZ holds 20,000 ETHE 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 ETHE 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 ETH Portion as of the Record Date and the Distribution Date**

The Ether contributed by ETHE to ETH in connection with the Initial Distribution was 10% of the Ether held by ETHE 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 Ether held by ETHE, Shareholder XYZ's cost basis in 10% of its pro rata share of that Ether was \$20,000. Further, because the Initial Distribution was made on a 1-for-1 basis, Shareholder XYZ received 20,000 shares of ETH in the Initial Distribution. Accordingly, Shareholder XYZ's initial cost basis per share of ETH received in the Initial Distribution is approximately \$1.00 (\$20,000 divided by 20,000 shares).

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

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

The Ether remaining in ETHE after the Initial Distribution constituted 90% of the Ether held by ETHE 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 Ether held by ETHE, Shareholder XYZ's cost basis in 90% of its pro rata share of that Ether was \$180,000. Given Shareholder XYZ retains 20,000 shares of ETHE after the Initial Distribution, Shareholder XYZ's cost basis per share of ETHE, excluding basis attributable to the ETH Portion, as of the opening of the Record Date is approximately \$9.00 (\$180,000 divided by 20,000 shares).

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

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.

[ETH Organizational Actions Affecting Basis](#)