

OSPREY BITCOIN TRUST (BTC)
2023 Grantor Trust Tax Information
EIN: 37-6695894

The following information is being provided to assist Unitholders of the Osprey Bitcoin Trust (BTC) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2023 through December 31, 2023.

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 Unitholders.

TAXATION OF US INDIVIDUAL UNITHOLDERS

Unitholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro rata Unit of the underlying assets held in the Trust. Unitholders also will be treated as if they directly received their respective pro rata Units of the Trust's income and proceeds, and directly incurred their pro rata Unit of the Trust's expenses. Most state and local tax authorities follow U.S. income tax rules in this regard. However, Unitholders 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 income during the year.

The Trust paid expenses periodically, as shown in the attached 2023 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2023 Expense File. An example illustrating the computation of a Unitholder's share of expenses is provided.

Because the Trust sold only a de minimis amount of BTC for payment of Trust expenses during the year and made no distributions of sale proceeds to its Unitholders, 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 Unitholders on Form 1099B. In lieu of Form 1099B, this information is contained in the attached 2023 Gross Proceeds File together with an example illustrating how a Unitholder should calculate gain or loss.

GLOSSARY OF TERMS

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

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

Gross Proceeds File – Summary of daily value per unit (in BTC), amount of BTC sold (in BTC), and per Unit proceeds from BTC sold (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)

OSPREY BITCOIN TRUST (BTC) 2023 EXPENSE FILE

Summary of Expenses and Sales by Month		
Date	Expenses Per Unit (USD)	Amount of BTC Sold Per Unit
January	0.00819090	0.00000021
February	0.00770006	0.00000041
March	0.00880375	0.00000013
April	0.00937375	0.00000131
May	0.00943315	0.00000100
June	0.01213130	0.00000033
July	0.01002138	0.00000028
August	0.01069232	0.00000025
September	0.00950521	0.00000020
October	0.01040995	0.00000048
November	0.01175161	0.00000025
December	0.01616263	0.00000029
Total for year	0.12417602	0.00000512

How to Calculate the Unitholder's Investment Expenses

Identify in the table above the months (full and partial) in which the Unitholder held Units in the Trust. The amount in the column labeled "Expenses Per Unit," represents the amount of investment expense paid per Unit for a full month. For any month in which the Units were not held on each day in such month, the expenses should be pro-rated based on the actual number of days held.

Example illustrating calculation of a Unitholder's 2023 Osprey Bitcoin Trust (BTC) Expenses

Assume that a Unitholder purchased 20,000 Units on February 15, 2023 and sold them on September 15, 2023. For the month of February, Unitholder's expenses are \$0.00357503 (See Summary Table above – February Factor) x (13/28) = \$0.00357503 per Unit. For the months of March through August, the expenses per Unit are as shown in the summary table above. For the month of September, Unitholder's expenses are \$0.00475261 (See Summary Table above – September Factor) x (15/30) = \$0.00475261. The total expenses for Unitholder are therefore \$0.06878329 per Unit (sum of all factors from February 15th through September 15th) multiplied by the number of Units held (20,000), or \$1,375.67.

Total Expenses per Unit	0.06878329
Number of Units Held	20,000
Total Expense	\$ 1,375.67
(Please consult your tax advisor as to reporting)	

OSPREY BITCOIN TRUST (BTC) 2023 GROSS PROCEEDS FILE

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
1/1/2023	0.000333113		
1/2/2023	0.000333098		
1/3/2023	0.000333093		
1/4/2023	0.000333092		
1/5/2023	0.000333081	-0.00000014	0.00234429
1/6/2023	0.000333071		
1/7/2023	0.000333057		
1/8/2023	0.000333043		
1/9/2023	0.000333060		
1/10/2023	0.000333070		
1/11/2023	0.000333063		
1/12/2023	0.000333177		
1/13/2023	0.000333196		
1/14/2023	0.000333183		
1/15/2023	0.000333170		
1/16/2023	0.000333157		
1/17/2023	0.000333278		
1/18/2023	0.000333222		
1/19/2023	0.000333235		
1/20/2023	0.000333297		
1/21/2023	0.000333285		
1/22/2023	0.000333273		
1/23/2023	0.000333304		
1/24/2023	0.000333283	-0.00000007	0.00164594
1/25/2023	0.000333267		
1/26/2023	0.000333264		
1/27/2023	0.000333253		
1/28/2023	0.000333241		
1/29/2023	0.000333229		
1/30/2023	0.000333193		
1/31/2023	0.000333204		
2/1/2023	0.000333219	-0.00000014	0.00326889
2/2/2023	0.000333224		
2/3/2023	0.000333182		
2/4/2023	0.000333171		
2/5/2023	0.000333159		
2/6/2023	0.000333128		
2/7/2023	0.000333127		
2/8/2023	0.000333094		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
2/9/2023	0.000333030		
2/10/2023	0.000332999		
2/11/2023	0.000332987		
2/12/2023	0.000332975		
2/13/2023	0.000332960		
2/14/2023	0.000332987		
2/15/2023	0.000333068	-0.00000027	0.00594616
2/16/2023	0.000333075		
2/17/2023	0.000333075		
2/18/2023	0.000333064		
2/19/2023	0.000333052		
2/20/2023	0.000333041		
2/21/2023	0.000333013		
2/22/2023	0.000332970		
2/23/2023	0.000332965		
2/24/2023	0.000332916		
2/25/2023	0.000332905		
2/26/2023	0.000332893		
2/27/2023	0.000332887		
2/28/2023	0.000332872		
3/1/2023	0.000332868		
3/2/2023	0.000332859	-0.00000013	0.00293789
3/3/2023	0.000332782		
3/4/2023	0.000332770		
3/5/2023	0.000332758		
3/6/2023	0.000332749		
3/7/2023	0.000332719		
3/8/2023	0.000332709		
3/9/2023	0.000332562		
3/10/2023	0.000332538		
3/11/2023	0.000332525		
3/12/2023	0.000332512		
3/13/2023	0.000332780		
3/14/2023	0.000332808		
3/15/2023	0.000332761		
3/16/2023	0.000332780		
3/17/2023	0.000332857		
3/18/2023	0.000332846		
3/19/2023	0.000332835		
3/20/2023	0.000332866		
3/21/2023	0.000332870		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
3/22/2023	0.000332795		
3/23/2023	0.000332856		
3/24/2023	0.000332822		
3/25/2023	0.000332811		
3/26/2023	0.000332800		
3/27/2023	0.000332750		
3/28/2023	0.000332760		
3/29/2023	0.000332792		
3/30/2023	0.000332763		
3/31/2023	0.000332773		
4/1/2023	0.000332762		
4/2/2023	0.000332751		
4/3/2023	0.000332724		
4/4/2023	0.000332714	-0.00000118	0.03327269
4/5/2023	0.000332703		
4/6/2023	0.000332690		
4/7/2023	0.000332680		
4/8/2023	0.000332669		
4/9/2023	0.000332658		
4/10/2023	0.000332656		
4/11/2023	0.000332653		
4/12/2023	0.000332640		
4/13/2023	0.000332633		
4/14/2023	0.000332623		
4/15/2023	0.000332612		
4/16/2023	0.000332602		
4/17/2023	0.000332583		
4/18/2023	0.000332579		
4/19/2023	0.000332559		
4/20/2023	0.000332541	-0.00000012	0.00360900
4/21/2023	0.000332525		
4/22/2023	0.000332513		
4/23/2023	0.000332502		
4/24/2023	0.000332492		
4/25/2023	0.000332483		
4/26/2023	0.000332474		
4/27/2023	0.000332476		
4/28/2023	0.000332463		
4/29/2023	0.000332452		
4/30/2023	0.000332441		
5/1/2023	0.000332418		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
5/2/2023	0.000332415		
5/3/2023	0.000332410	-0.00000084	0.02420119
5/4/2023	0.000332390		
5/5/2023	0.000332369		
5/6/2023	0.000332358		
5/7/2023	0.000332348		
5/8/2023	0.000332370		
5/9/2023	0.000332353		
5/10/2023	0.000332342		
5/11/2023	0.000332350	-0.00000016	0.00431166
5/12/2023	0.000332347		
5/13/2023	0.000332336		
5/14/2023	0.000332324		
5/15/2023	0.000332293		
5/16/2023	0.000332292		
5/17/2023	0.000332272		
5/18/2023	0.000332274		
5/19/2023	0.000332260		
5/20/2023	0.000332249		
5/21/2023	0.000332238		
5/22/2023	0.000332226		
5/23/2023	0.000332209		
5/24/2023	0.000332216		
5/25/2023	0.000332200		
5/26/2023	0.000332183		
5/27/2023	0.000332172		
5/28/2023	0.000332161		
5/29/2023	0.000332149		
5/30/2023	0.000332120		
5/31/2023	0.000332123		
6/1/2023	0.000332114		
6/2/2023	0.000332097	-0.00000014	0.00371579
6/3/2023	0.000332086		
6/4/2023	0.000332074		
6/5/2023	0.000332090		
6/6/2023	0.000332055		
6/7/2023	0.000332053		
6/8/2023	0.000332041		
6/9/2023	0.000332031		
6/10/2023	0.000332020		
6/11/2023	0.000332008		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
6/12/2023	0.000332005		
6/13/2023	0.000331993		
6/14/2023	0.000331872	-0.00000019	0.00499075
6/15/2023	0.000331868		
6/16/2023	0.000331840		
6/17/2023	0.000331829		
6/18/2023	0.000331818		
6/19/2023	0.000331806		
6/20/2023	0.000331771		
6/21/2023	0.000331733		
6/22/2023	0.000331721		
6/23/2023	0.000331703		
6/24/2023	0.000331692		
6/25/2023	0.000331682		
6/26/2023	0.000331678		
6/27/2023	0.000331663		
6/28/2023	0.000331658		
6/29/2023	0.000331642		
6/30/2023	0.000331634		
7/1/2023	0.000331623		
7/2/2023	0.000331612		
7/3/2023	0.000331594		
7/4/2023	0.000331583		
7/5/2023	0.000331580		
7/6/2023	0.000331570	-0.00000013	0.00406879
7/7/2023	0.000331560		
7/8/2023	0.000331549		
7/9/2023	0.000331538		
7/10/2023	0.000331523		
7/11/2023	0.000331514		
7/12/2023	0.000331506		
7/13/2023	0.000331486		
7/14/2023	0.000331485		
7/15/2023	0.000331475		
7/16/2023	0.000331464		
7/17/2023	0.000331455		
7/18/2023	0.000331446	-0.00000014	0.00429621
7/19/2023	0.000331431		
7/20/2023	0.000331424		
7/21/2023	0.000331412		
7/22/2023	0.000331401		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
7/23/2023	0.000331390		
7/24/2023	0.000331387		
7/25/2023	0.000331375		
7/26/2023	0.000331362		
7/27/2023	0.000331354		
7/28/2023	0.000331341		
7/29/2023	0.000331330		
7/30/2023	0.000331320		
7/31/2023	0.000331310		
8/1/2023	0.000331298		
8/2/2023	0.000331288		
8/3/2023	0.000331277		
8/4/2023	0.000331268		
8/5/2023	0.000331257		
8/6/2023	0.000331246		
8/7/2023	0.000331234	-0.00000014	0.00400026
8/8/2023	0.000331218		
8/9/2023	0.000331210		
8/10/2023	0.000331200		
8/11/2023	0.000331189		
8/12/2023	0.000331178		
8/13/2023	0.000331167		
8/14/2023	0.000331156		
8/15/2023	0.000331146		
8/16/2023	0.000331101	-0.00000011	0.00332122
8/17/2023	0.000331099		
8/18/2023	0.000331104		
8/19/2023	0.000331092		
8/20/2023	0.000331081		
8/21/2023	0.000331069		
8/22/2023	0.000331060		
8/23/2023	0.000331042		
8/24/2023	0.000331035		
8/25/2023	0.000331024		
8/26/2023	0.000331012		
8/27/2023	0.000331001		
8/28/2023	0.000330989		
8/29/2023	0.000330966		
8/30/2023	0.000330958		
8/31/2023	0.000330952		
9/1/2023	0.000330943		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
9/2/2023	0.000330931		
9/3/2023	0.000330918		
9/4/2023	0.000330906		
9/5/2023	0.000330894	-0.00000014	0.00353174
9/6/2023	0.000330882		
9/7/2023	0.000330869		
9/8/2023	0.000330857		
9/9/2023	0.000330845		
9/10/2023	0.000330833		
9/11/2023	0.000330823		
9/12/2023	0.000330809		
9/13/2023	0.000330792	-0.00000006	0.00151508
9/14/2023	0.000330778		
9/15/2023	0.000330767		
9/16/2023	0.000330755		
9/17/2023	0.000330743		
9/18/2023	0.000330730		
9/19/2023	0.000330718		
9/20/2023	0.000330706		
9/21/2023	0.000330695		
9/22/2023	0.000330683		
9/23/2023	0.000330671		
9/24/2023	0.000330660		
9/25/2023	0.000330648		
9/26/2023	0.000330636		
9/27/2023	0.000330624		
9/28/2023	0.000330613		
9/29/2023	0.000330601		
9/30/2023	0.000330589		
10/1/2023	0.000330578		
10/2/2023	0.000330568		
10/3/2023	0.000330555	-0.00000013	0.00372701
10/4/2023	0.000330544		
10/5/2023	0.000330532		
10/6/2023	0.000330521		
10/7/2023	0.000330510		
10/8/2023	0.000330498		
10/9/2023	0.000330486		
10/10/2023	0.000330473		
10/11/2023	0.000330459		
10/12/2023	0.000330447		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
10/13/2023	0.000330436		
10/14/2023	0.000330424		
10/15/2023	0.000330412		
10/16/2023	0.000330409		
10/17/2023	0.000330397	-0.00000035	0.00988764
10/18/2023	0.000330387		
10/19/2023	0.000330373		
10/20/2023	0.000330356		
10/21/2023	0.000330345		
10/22/2023	0.000330334		
10/23/2023	0.000330314		
10/24/2023	0.000330293		
10/25/2023	0.000330279		
10/26/2023	0.000330270		
10/27/2023	0.000330260		
10/28/2023	0.000330249		
10/29/2023	0.000330238		
10/30/2023	0.000330225		
10/31/2023	0.000330214		
11/1/2023	0.000330203		
11/2/2023	0.000330191	-0.00000014	0.00475442
11/3/2023	0.000330181		
11/4/2023	0.000330170		
11/5/2023	0.000330159		
11/6/2023	0.000330147		
11/7/2023	0.000330136		
11/8/2023	0.000330125		
11/9/2023	0.000330113		
11/10/2023	0.000330102		
11/11/2023	0.000330092		
11/12/2023	0.000330081		
11/13/2023	0.000330071		
11/14/2023	0.000330059		
11/15/2023	0.000330050		
11/16/2023	0.000330038		
11/17/2023	0.000330026	-0.00000011	0.00406740
11/18/2023	0.000330015		
11/19/2023	0.000330004		
11/20/2023	0.000329992		
11/21/2023	0.000329982		
11/22/2023	0.000329971		

Date	BTC/Unit (Net)	BTC Sold per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
11/23/2023	0.000329960		
11/24/2023	0.000329949		
11/25/2023	0.000329939		
11/26/2023	0.000329928		
11/27/2023	0.000329918		
11/28/2023	0.000329907		
11/29/2023	0.000329897		
11/30/2023	0.000329886		
12/1/2023	0.000329876	-0.00000013	0.00501706
12/2/2023	0.000329865		
12/3/2023	0.000329855		
12/4/2023	0.000329846		
12/5/2023	0.000329837		
12/6/2023	0.000329827		
12/7/2023	0.000329817		
12/8/2023	0.000329808		
12/9/2023	0.000329798		
12/10/2023	0.000329788		
12/11/2023	0.000329773		
12/12/2023	0.000329764		
12/13/2023	0.000329710	-0.00000016	0.00642877
12/14/2023	0.000329700		
12/15/2023	0.000329691		
12/16/2023	0.000329680		
12/17/2023	0.000329670		
12/18/2023	0.000329660		
12/19/2023	0.000329650		
12/20/2023	0.000329640		
12/21/2023	0.000329630		
12/22/2023	0.000329620		
12/23/2023	0.000329610		
12/24/2023	0.000329600		
12/25/2023	0.000329591		
12/26/2023	0.000329579		
12/27/2023	0.000329571		
12/28/2023	0.000329560		
12/29/2023	0.000329520		
12/30/2023	0.000329510		
12/31/2023	0.000329500		
Totals		0.00000512	0.14485984

Osprey Bitcoin Trust (BTC) Gross Proceeds and Expense Files show BTC tokens per Unit owned in the Trust, as well as BTC tokens sold, proceeds, and expenses per Unit 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.

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 Unitholder. In Step 1, we discuss how a Unitholder 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. In Step 3, we determine the Unitholder'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 Unitholder's tax return. In Step 5, we calculate the Unitholder's portion of the Trust's expenses. In Step 6, we determine the Unitholder'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. Unitholders should consult a tax professional in the use of their information on their respective tax returns.

Example: Unitholder XYZ purchases 20,000 Trust Units on 4/14/2023 at a price of \$10.91 per Unit for a total purchase price of \$218,200. Unitholder XYZ had no other purchases or sales of Trust Units during 2023 and held the Units for the remainder of 2023.

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

Locate the Bitcoin Per Unit amount on Unitholder XYZ's purchase date of 4/14/2023 in the gross proceeds file. In this example the number is 0.000332623. This represents the number of BTC tokens per Unit on that date.

For Unitholder XYZ, the total amount of BTC tokens owned for its 4/14/2023 purchase is 6.652460 (0.000332623 per Unit multiplied by 20,000 Units purchased on 4/14/2023). Note: This step should be completed for each date on which Trust Units were purchased.

Step 2: Calculate the Bitcoin sold from Unitholder XYZ's account during 2023

The BTC tokens sold per Unit during 2023 includes the cumulative amounts of all BTC token sales for the period which includes the day after the Unit purchase date of 4/14/2023 through the day before Unit sale, if any.

During 2023, the total amount of BTC tokens sold after the 4/14/2023 purchase date is 0.00000320 per Unit. This is determined by taking the total amount of BTC tokens sold per Unit in 2023 (0.00000512) and subtracting the amount of BTC tokens sold prior to the purchase date (0.00000193, using 14/30th of the total sales for April). Then multiply this number (0.00000320) by the number of Units owned (20,000) for a total of 0.0640 BTC tokens sold.

Step 3: Calculate Unitholder's cost basis in Bitcoin sold from Unitholder's account

Total BTC tokens sold (Step 2)	0.0640		
	-----	x	\$218,200 (\$10.91 multiplied by 20,000 Units)
BTC tokens acquired (Step 1)	6.6524		
Cost basis of BTC tokens sold	\$ 2,099.21		

Step 4: Calculate Unitholder's gain or loss on Bitcoin sold for each lot purchased

Identify all proceeds per Unit received by the Trust after Unitholder XYZ's 4/14/2023 purchase date. During 2023, there were twenty three total sales of BTC. Periodic sales for the period 4/14/2023 to 12/31/2023 generated Proceeds per Unit of \$0.09544399 (total proceeds of sales of BTC for the year was \$0.14485984, less \$0.04941585 which represents the proceeds of sales made prior to purchase). Therefore, Unitholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.09544399 per Unit X 20,000 Units	\$ 1,908.88
Less: Total cost basis of BTC token payout (Step 3)	<u>\$ 2,099.21</u>
Total Reportable Gain/(Loss)	<u>\$ (190.33)</u>

(To be reported on Unitholder's Form 1040 Schedule D)

Step 5: Calculate Unitholder's investment expenses

Identify all expenses per Unit paid by the Trust after Unitholder XYZ's 4/14/2023 purchase date. During 2023, the expenses were paid periodically and for the period of 4/15/2023 through 12/31/2023 amounted to \$0.0947944 per Unit. Therefore, Unitholder XYZ's expenses are as follows:

Total Expenses Per Unit	\$0.0947945
Total Units	<u>20,000</u>
Total Expense	<u>\$ 1,895.89</u>

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

BTC tokens Purchased on 4/14/2023 (Step 1)	6.65240000
Less: BTC token sold during 2023 (Step 2)	<u>0.06400000</u>
Adjusted Unitholder's BTC tokens at 12/31/2023	<u>6.58840000</u>

Original Purchase Cost on 4/14/2023	\$ 218,200.00
Less: Cost of BTC tokens sold during 2023 (Step 3)	<u>\$ 2,099.21</u>
Adjusted Unitholder's basis at 12/31/2023	<u>\$ 216,100.79</u>

Unitholder's adjusted BTC tokens and adjusted cost calculated in Step 6 are his/her adjusted BTC tokens and adjusted tax basis for the 4/14/2023 purchase at the end of 12/31/2023.

Unitholders 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. Unitholder who purchased their Units prior to 2023 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 on 12/31/2022 should be used as the beginning cost for 2023 instead of the original purchase cost. Unitholders with additional purchases in 2023 will have separate cost lots. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.