

OSPREY BITCOIN TRUST (BTC)
2021 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, 2021 through December 31, 2021.

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 no income during the year.

The Trust paid expenses periodically, as shown in the attached 2021 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2021 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 2021 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 -10)

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) 2021 EXPENSE FILE

Summary of Expenses and Sales by Month		
Date	Expenses Per Unit (USD)	Amount of BTC Sold Per Unit
January	0.00548451	0.00000023
February	0.00938542	0.00000018
March	0.01006294	0.00000000
April	0.01212547	0.00000022
May	0.01033999	0.00000032
June	0.00770706	0.00000025
July	0.00750955	0.00000014
August	0.01061990	0.00000027
September	0.00978766	0.00000014
October	0.01074741	0.00000026
November	0.01286859	0.00000022
December	0.01159932	0.00000023
Total for year	0.11823782	0.00000246

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 2021 Osprey Bitcoin Trust (BTC) Expenses

Assume that a Unitholder purchased 20,000 Units on February 15, 2021 and sold them on September 15, 2021. For the month of February, Unitholder's expenses are \$0.00938542 (See Summary Table above – February Factor) x (13/28) = \$0.00435752 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 \$0.00978766 (See Summary Table above – September Factor) x (15/30) = \$0.00489383. The total expenses for Unitholder are therefore \$0.06761626 per Unit (sum of all factors from February 15th through September 15th) multiplied by the number of Units held (20,000), or \$1,352.33

Total Expenses per Unit	0.06761626
Number of Units Held	20,000
Total Expense	<u>\$ 1,352.33</u>
(Please consult your tax advisor as to reporting)	

OSPREY BITCOIN TRUST (BTC) 2021 GROSS PROCEEDS FILE

Date	BTC Per Unit	Number of BTC Sold Per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
1/1/2021	0.00136750		
1/2/2021	0.00136750		
1/3/2021	0.00136750		
1/4/2021	0.00136750		
1/5/2021	0.00034187		
1/6/2021	0.00034187		
1/7/2021	0.00034172		
1/8/2021	0.00034187		
1/9/2021	0.00034187		
1/10/2021	0.00034187		
1/11/2021	0.00034187		
1/12/2021	0.00034187		
1/13/2021	0.00034187		
1/14/2021	0.00034187		
1/15/2021	0.00034187		
1/16/2021	0.00034187		
1/17/2021	0.00034187		
1/18/2021	0.00034187		
1/19/2021	0.00034187		
1/20/2021	0.00034187		
1/21/2021	0.00034186		
1/22/2021	0.00034186		
1/23/2021	0.00034048		
1/24/2021	0.00034048		
1/25/2021	0.00034163	0.00000023	0.00756510
1/26/2021	0.00034163		
1/27/2021	0.00034163		
1/28/2021	0.00034162		
1/29/2021	0.00034162		
1/30/2021	0.00034162		
1/31/2021	0.00034162		
2/1/2021	0.00034162		
2/2/2021	0.00034162		
2/3/2021	0.00034162		
2/4/2021	0.00034162		
2/5/2021	0.00034162		
2/6/2021	0.00034162		
2/7/2021	0.00034162		
2/8/2021	0.00034162		
2/9/2021	0.00034148	0.00000013	0.00583215
2/10/2021	0.00034148		
2/11/2021	0.00034148		

Date	BTC Per Unit	Number of BTC Sold	Proceeds from Sales of BTC
		Per Unit	per Unit
		(in BTC)	(in USD)
2/12/2021	0.00034148		
2/13/2021	0.00034148		
2/14/2021	0.00034148		
2/15/2021	0.00034148		
2/16/2021	0.00034148		
2/17/2021	0.00034143	0.00000005	0.00281699
2/18/2021	0.00034143		
2/19/2021	0.00034142		
2/20/2021	0.00034142		
2/21/2021	0.00034142		
2/22/2021	0.00034142		
2/23/2021	0.00034142		
2/24/2021	0.00034142		
2/25/2021	0.00034142		
2/26/2021	0.00034142		
2/27/2021	0.00034000		
2/28/2021	0.00034000		
3/1/2021	0.00034141		
3/2/2021	0.00034136		
3/3/2021	0.00034136		
3/4/2021	0.00034136		
3/5/2021	0.00034136		
3/6/2021	0.00034126		
3/7/2021	0.00034126		
3/8/2021	0.00034135		
3/9/2021	0.00034135		
3/10/2021	0.00034135		
3/11/2021	0.00034135		
3/12/2021	0.00034135		
3/13/2021	0.00034135		
3/14/2021	0.00034135		
3/15/2021	0.00034135		
3/16/2021	0.00034134		
3/17/2021	0.00034123		
3/18/2021	0.00034123		
3/19/2021	0.00034123		
3/20/2021	0.00034123		
3/21/2021	0.00034123		
3/22/2021	0.00034123		
3/23/2021	0.00034123		
3/24/2021	0.00034123		
3/25/2021	0.00034123		
3/26/2021	0.00034123		
3/27/2021	0.00034089		
3/28/2021	0.00034089		
3/29/2021	0.00034123		

Date	BTC Per Unit	Number of BTC Sold	Proceeds from Sales of BTC
		Per Unit	per Unit
		(in BTC)	(in USD)
3/30/2021	0.00034123		
3/31/2021	0.00034123		
4/1/2021	0.00034123		
4/2/2021	0.00034123		
4/3/2021	0.00034123		
4/4/2021	0.00034123		
4/5/2021	0.00034123		
4/6/2021	0.00034107	0.00000016	0.00918259
4/7/2021	0.00034107		
4/8/2021	0.00034107		
4/9/2021	0.00034107		
4/10/2021	0.00034102		
4/11/2021	0.00034102		
4/12/2021	0.00034101	0.00000006	0.00365230
4/13/2021	0.00034101		
4/14/2021	0.00034101		
4/15/2021	0.00034101		
4/16/2021	0.00034101		
4/17/2021	0.00034086		
4/18/2021	0.00034086		
4/19/2021	0.00034101		
4/20/2021	0.00034101		
4/21/2021	0.00034101		
4/22/2021	0.00034101		
4/23/2021	0.00034101		
4/24/2021	0.00034101		
4/25/2021	0.00034101		
4/26/2021	0.00034101		
4/27/2021	0.00034101		
4/28/2021	0.00034071		
4/29/2021	0.00034071		
4/30/2021	0.00034070		
5/1/2021	0.00034101		
5/2/2021	0.00034101		
5/3/2021	0.00034068		
5/4/2021	0.00034067		
5/5/2021	0.00034066		
5/6/2021	0.00034066		
5/7/2021	0.00034065		
5/8/2021	0.00034101		
5/9/2021	0.00034101		
5/10/2021	0.00034063		
5/11/2021	0.00034062		
5/12/2021	0.00034061	0.00000014	0.00743055
5/13/2021	0.00034061		
5/14/2021	0.00034060		
5/15/2021	0.00034087		

Date	BTC Per Unit	Number of BTC Sold	Proceeds from Sales of BTC
		Per Unit	per Unit
		(in BTC)	(in USD)
5/16/2021	0.00034087		
5/17/2021	0.00034058		
5/18/2021	0.00034057		
5/19/2021	0.00034057		
5/20/2021	0.00034056		
5/21/2021	0.00034055		
5/22/2021	0.00034087		
5/23/2021	0.00034087		
5/24/2021	0.00034053		
5/25/2021	0.00034052	0.00000018	0.00733155
5/26/2021	0.00034051		
5/27/2021	0.00034051		
5/28/2021	0.00034050		
5/29/2021	0.00034069		
5/30/2021	0.00034069		
5/31/2021	0.00034048		
6/1/2021	0.00034047		
6/2/2021	0.00034047		
6/3/2021	0.00034046	0.00000014	0.00545304
6/4/2021	0.00034045		
6/5/2021	0.00034022		
6/6/2021	0.00034022		
6/7/2021	0.00034043		
6/8/2021	0.00034042		
6/9/2021	0.00034041		
6/10/2021	0.00034040		
6/11/2021	0.00034040		
6/12/2021	0.00034055		
6/13/2021	0.00034055		
6/14/2021	0.00034038		
6/15/2021	0.00034037		
6/16/2021	0.00034036		
6/17/2021	0.00034035		
6/18/2021	0.00034035		
6/19/2021	0.00034054		
6/20/2021	0.00034054		
6/21/2021	0.00034032		
6/22/2021	0.00034032		
6/23/2021	0.00034031	0.00000011	0.00357404
6/24/2021	0.00034030		
6/25/2021	0.00034030		
6/26/2021	0.00034043		
6/27/2021	0.00034043		
6/28/2021	0.00034027		
6/29/2021	0.00034027		
6/30/2021	0.00034026		
7/1/2021	0.00034025	0.00000014	0.00474430

Date	BTC Per Unit	Number of BTC Sold	Proceeds from Sales of BTC
		Per Unit	per Unit
		(in BTC)	(in USD)
7/2/2021	0.00034025		
7/3/2021	0.00034030		
7/4/2021	0.00034030		
7/5/2021	0.00034022		
7/6/2021	0.00034022		
7/7/2021	0.00034021		
7/8/2021	0.00034020		
7/9/2021	0.00034020		
7/10/2021	0.00034030		
7/11/2021	0.00034030		
7/12/2021	0.00034017		
7/13/2021	0.00034017		
7/14/2021	0.00034016		
7/15/2021	0.00034015		
7/16/2021	0.00034015		
7/17/2021	0.00034030		
7/18/2021	0.00034030		
7/19/2021	0.00034012		
7/20/2021	0.00034012		
7/21/2021	0.00034011		
7/22/2021	0.00034010		
7/23/2021	0.00034010		
7/24/2021	0.00034030		
7/25/2021	0.00034030		
7/26/2021	0.00034007		
7/27/2021	0.00034007		
7/28/2021	0.00034006		
7/29/2021	0.00034005		
7/30/2021	0.00034030		
7/31/2021	0.00034030		
8/1/2021	0.00034030		
8/2/2021	0.00034002		
8/3/2021	0.00034002	0.00000014	0.00552816
8/4/2021	0.00034001		
8/5/2021	0.00034000		
8/6/2021	0.00034000		
8/7/2021	0.00034016		
8/8/2021	0.00034016		
8/9/2021	0.00033997		
8/10/2021	0.00033997		
8/11/2021	0.00033996		
8/12/2021	0.00033995		
8/13/2021	0.00033995		
8/14/2021	0.00034016		
8/15/2021	0.00034016		
8/16/2021	0.00033992		
8/17/2021	0.00033992		

Date	BTC Per Unit	Number of BTC Sold	Proceeds from Sales of BTC
		Per Unit	per Unit
		(in BTC)	(in USD)
8/18/2021	0.00033991		
8/19/2021	0.00033989	0.00000013	0.00581131
8/20/2021	0.00033988		
8/21/2021	0.00034003		
8/22/2021	0.00034003		
8/23/2021	0.00033986		
8/24/2021	0.00033986		
8/25/2021	0.00033985		
8/26/2021	0.00033984		
8/27/2021	0.00033983		
8/28/2021	0.00034003		
8/29/2021	0.00034003		
8/30/2021	0.00033981		
8/31/2021	0.00033981		
9/1/2021	0.00033980	0.00000014	0.00668932
9/2/2021	0.00033979		
9/3/2021	0.00033978		
9/4/2021	0.00033988		
9/5/2021	0.00033988		
9/6/2021	0.00033976		
9/7/2021	0.00033976		
9/8/2021	0.00033975		
9/9/2021	0.00033974		
9/10/2021	0.00033973		
9/11/2021	0.00033988		
9/12/2021	0.00033988		
9/13/2021	0.00033971		
9/14/2021	0.00033971		
9/15/2021	0.00033970		
9/16/2021	0.00033969		
9/17/2021	0.00033969		
9/18/2021	0.00033988		
9/19/2021	0.00033988		
9/20/2021	0.00033966		
9/21/2021	0.00033966		
9/22/2021	0.00033965		
9/23/2021	0.00033964		
9/24/2021	0.00033964		
9/25/2021	0.00033988		
9/26/2021	0.00033988		
9/27/2021	0.00033961		
9/28/2021	0.00033961		
9/29/2021	0.00033960		
9/30/2021	0.00033959		
10/1/2021	0.00033959		
10/2/2021	0.00033988		
10/3/2021	0.00033988		

Date	BTC Per Unit	Number of BTC Sold	Proceeds from Sales of BTC
		Per Unit	per Unit
		(in BTC)	(in USD)
10/4/2021	0.00033956	0.00000013	0.00675825
10/5/2021	0.00033956		
10/6/2021	0.00033955	0.00000007	0.00364624
10/7/2021	0.00033956		
10/8/2021	0.00033955		
10/9/2021	0.00033968		
10/10/2021	0.00033968		
10/11/2021	0.00033953		
10/12/2021	0.00033952		
10/13/2021	0.00033951		
10/14/2021	0.00033951		
10/15/2021	0.00033950		
10/16/2021	0.00033968		
10/17/2021	0.00033968		
10/18/2021	0.00033948		
10/19/2021	0.00033947		
10/20/2021	0.00033946		
10/21/2021	0.00033946		
10/22/2021	0.00033945		
10/23/2021	0.00033968		
10/24/2021	0.00033968		
10/25/2021	0.00033943		
10/26/2021	0.00033942		
10/27/2021	0.00033941		
10/28/2021	0.00033941		
10/29/2021	0.00033940	0.00000006	0.00342546
10/30/2021	0.00033940		
10/31/2021	0.00033941		
11/1/2021	0.00033940		
11/2/2021	0.00033939		
11/3/2021	0.00033939		
11/4/2021	0.00033938	0.00000015	0.00865530
11/5/2021	0.00033937		
11/6/2021	0.00033948		
11/7/2021	0.00033948		
11/8/2021	0.00033935		
11/9/2021	0.00033934		
11/10/2021	0.00033934		
11/11/2021	0.00033933		
11/12/2021	0.00033932		
11/13/2021	0.00033948		
11/14/2021	0.00033948		
11/15/2021	0.00033930		
11/16/2021	0.00033929		
11/17/2021	0.00033929		
11/18/2021	0.00033928		
11/19/2021	0.00033927		

Date	BTC Per Unit	Number of BTC Sold Per Unit (in BTC)	Proceeds from Sales of BTC per Unit (in USD)
11/20/2021	0.00033948		
11/21/2021	0.00033948		
11/22/2021	0.00033925		
11/23/2021	0.00033925		
11/24/2021	0.00033924		
11/25/2021	0.00033948		
11/26/2021	0.00033922		
11/27/2021	0.00033948		
11/28/2021	0.00033948		
11/29/2021	0.00033920		
11/30/2021	0.00033919	0.00000007	0.00429259
12/1/2021	0.00033919		
12/2/2021	0.00033918		
12/3/2021	0.00033917	0.00000014	0.00731013
12/4/2021	0.00033927		
12/5/2021	0.00033927		
12/6/2021	0.00033915		
12/7/2021	0.00033914		
12/8/2021	0.00033914		
12/9/2021	0.00033913		
12/10/2021	0.00033912		
12/11/2021	0.00033927		
12/12/2021	0.00033927		
12/13/2021	0.00033910		
12/14/2021	0.00033910		
12/15/2021	0.00033909		
12/16/2021	0.00033908		
12/17/2021	0.00033907		
12/18/2021	0.00033927		
12/19/2021	0.00033927		
12/20/2021	0.00033905		
12/21/2021	0.00033905		
12/22/2021	0.00033904		
12/23/2021	0.00033903		
12/24/2021	0.00033902		
12/25/2021	0.00033927		
12/26/2021	0.00033927		
12/27/2021	0.00033900		
12/28/2021	0.00033900		
12/29/2021	0.00033897	0.00000009	0.00429348
12/30/2021	0.00033897		
12/31/2021	0.00033896		
TOTAL		0.00000246	0.11399286

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 4/15/2021 at a price of \$22.55 per Unit for a total purchase price of \$451,000. Unitholder XYZ had no other purchases or sales of Trust Units during 2021 and held the Units for the remainder of 2021.

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

Locate the Bitcoin Per Unit amount on Unitholder XYZ's purchase date of 4/15/2021 in the gross proceeds file. In this example the number is 0.00034101. This represents the number of BTC tokens per Unit on that date.

For Unitholder XYZ, the total amount of BTC tokens owned for its 4/15/2021 purchase is 6.82020000 (0.00034101 per Unit multiplied by 20,000 Units purchased on 4/15/2021). 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 2021

The BTC tokens sold per Unit during 2021 includes the cumulative amounts of all BTC token sales for the period which includes the day after the Unit purchase date of 4/15/2021 through the day before Unit sale, if any.

During 2021, the total amount of BTC tokens sold after the 4/15/2021 purchase date is 0.00000194 per Unit. This is determined by taking the total amount of BTC tokens sold per Unit in 2021 (0.00000246) and subtracting the amount of BTC tokens sold prior to the purchase date (0.00000052, using 15/30th of the total sales for April). Then multiply this number (0.00000194) by the number of Units owned (20,000) for a total of 0.03880000 BTC tokens sold.

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

Total BTC tokens sold (<i>Step 2</i>)	0.03880000		
	-----	x	\$451,100
BTC tokens acquired (<i>Step 1</i>)	6.82020000		
Cost basis of BTC tokens sold	\$ 2,566.30		

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 4/15/2021 purchase date. During 2021, periodic sales for the period 4/16/2021 through 12/31/2021 generated proceeds per Unit of \$0.09136117 (total proceeds of sales of BTC tokens for the year, 0.11399286, less 0.02263169, which represents the proceeds of sales made prior to purchase (0.01621424 from January through March plus 0.00641745 which is 15/30th of the proceeds received in April)). Therefore, Unitholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.09136117 per Unit X 20,000 Units	\$ 1,827.22
Less: Total cost basis of BTC token payout (Step 3)	<u>\$ 2,566.30</u>
Total Reportable Gain/(Loss)	<u>\$ (739.08)</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 4/15/2021 purchase date. During 2021, the expenses were paid periodically and for the period of 4/16/2021 through 12/31/2021 amounted to \$0.08724221 per Unit (total annual expense per Unit of 0.11823782, less 0.03099561, which represents the expense paid prior to the 4/15/2021 purchase date (totals for January through March plus 15/30th of April)). Therefore, Unitholder XYZ's expenses are as follows:

Total Expenses Per Unit	\$ 0.08724221
Total Units	<u>20,000</u>
Total Expense	\$ 1,744.84

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

BTC tokens Purchased on 4/15/2021 (Step 1)	6.82020000
Less: BTC token sold during 2021 (Step 2)	<u>0.03880000</u>
Adjusted Unitholder's BTC tokens at 12/31/2021	<u>6.78140000</u>

Original Purchase Cost on 4/15/2021	\$ 451,000.00
Less: Cost of BTC tokens sold during 2021 (Step 3)	<u>\$ 2,566.30</u>
Adjusted Unitholder's basis at 12/31/2021	<u>\$ 448,433.70</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 4/15/2021 purchase at the end of 12/31/2021.

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. Unitholders, who purchased their Units prior to 2021, 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 12/31/2020 should be used as the beginning cost for 2021 instead of the original purchase cost. Unitholders with an additional purchase in 2021 will have two cost lots to account for in 2021. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.