

GSR Capital to Invest in tZERO at \$1.5 Billion Valuation

August 9, 2018

Full investment up to \$404 million upsized from prior LOI on 29 June 2018, consisting of;

- Up to \$270 million in tZERO equity (at \$1.5 billion post-money valuation)
- \$30 million purchase of tZERO Security Tokens from Overstock.com
- Up to \$104.55 million in shares of parent company Overstock.com common stock

SALT LAKE CITY, Aug. 09, 2018 (GLOBE NEWSWIRE) -- [Overstock.com, Inc.](#) (NASDAQ:OSTK) and [t0.com, Inc.](#) (“tZERO”), announce that the companies have both signed term sheets with GSR Capital, a Hong Kong based private equity firm, to invest up to \$374.55 million in exchange for common equity in blockchain subsidiary tZERO and common equity in [Overstock.com](#). Overstock and GSR Capital have also entered into a purchase agreement pursuant to which GSR Capital will purchase \$30 million in tZERO Security Tokens from Overstock.

As part of the term sheet agreement, GSR Capital will purchase up to 3.1 million shares of OSTK common stock at a five percent discount to the closing share price on August 1, 2018. GSR Capital will also invest up to \$270 million for up to 18% of tZERO's equity at a valuation of \$1.5 billion (post-money). Additionally, pursuant to a purchase agreement, GSR Capital will purchase from Overstock \$30 million in tZERO Security Tokens. These tZERO Security Tokens were purchased by Overstock during the recently-closed tZERO Security Token Offering in a non-cash transaction in which Overstock forgave \$30 million in tZERO intra-company debt. GSR's Security Token purchase agreement replaces the GSR letter of intent previously announced on June 29, 2018.

The equity transactions are subject to definitive documentation and other customary closing conditions. They also provide GSR Capital with certain rights to allocate a portion of the investments to third-party designees.

“We are honored to have GSR Capital as a strategic investor,” said tZERO CEO Saum Noursalehi. “The tokenization of securities has the potential to disrupt global capital markets responsible for moving hundreds of trillions of dollars. Together with our partners, we will globalize our blockchain-based platform, bringing more efficiency, liquidity, and trust to capital markets.”

“GSR Capital has the prescience to understand the disruptive power of blockchain capital markets,” said Patrick M. Byrne, founder and Chairman of tZERO, and founder and CEO of parent company Overstock.com. “They are aligned with our vision for the future of capital markets built upon the speed, trust, and security of the blockchain. And most importantly, they think big, and want to help us scale this vision globally as quickly as possible.”

“GSR Capital is very excited to partner with tZERO in its effort to expand the global footprint for blockchain-enabled asset trading including stocks, bonds, commodities, etc. We have a long-term view on how we want to scale this platform on a global basis,” said GSR Capital's Chairman and founder, Sonny Wu.

About Overstock.com

[Overstock.com, Inc.](#) Common Shares (NASDAQ:OSTK) / Series A Preferred (Medici Ventures' tZERO platform: OSTKP) / Series B Preferred (OTCQX:OSTBP) is an online retailer based in Salt Lake City, Utah that sells a broad range of products at low prices, including [furniture](#), [décor](#), [rugs](#), [bedding](#), and [home improvement](#). In addition to home goods, Overstock.com offers a variety of products including jewelry, electronics, apparel, and more, as well as a marketplace providing customers access to hundreds of thousands of products from third-party sellers. Additional stores include Pet Adoptions and Worldstock.com dedicated to selling artisan-crafted products from around the world. Forbes ranked Overstock in its list of the Top 100 Most Trustworthy Companies in 2014. Overstock regularly posts information about the company and other related matters under Investor Relations on its website, <http://www.overstock.com>.

About tZERO

t0.com, Inc. (“tZERO”) is a majority owned subsidiary of Overstock.com, focusing on the development and commercialization of financial technology (FinTech) based on cryptographically-secured, decentralized ledgers – more commonly known as blockchain technologies. Since its inception, tZERO has pioneered the effort to bring greater efficiency and transparency to capital markets through the integration of blockchain technology.

About GSR Capital

GSR was founded in 2004 by Sonny Wu and Richard Lim. Today, “GSR Ventures”, “GSR United Capital” and “GSR Capital” are

three independent yet complementary teams set up by the partners in 2016 with the aim of sector leadership and going global with unique investment strategies and resources. GSR Capital has offices in Beijing, Hong Kong and the USA.

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This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include all statements other than statements of historical fact. Additional information regarding factors that could materially affect results and the accuracy of the forward-looking statements contained herein may be found in the Company's Form 10-Q for the quarter ended March 31, 2018, which was filed with the SEC on May 8, 2018, and any subsequent filings with the SEC.

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