Safe Harbor

The information presented herein may contain forward-looking statements. Such forward-looking statements include all statements other than statements of historical fact, including forecasts of trends. These forward-looking statements are inherently difficult to predict. Actual results could differ materially for a variety of reasons, including the amount and timing of our capital expenditures, the mix of products we sell, adverse tax, regulatory or legal developments, consumer or regulatory claims regarding the products we offer or sell, the extent to which we owe taxes or are required to collect sales or similar taxes in jurisdictions in which we do not do so, competition, fluctuations in our operating results, any inability to raise capital or borrow funds on acceptable terms, difficulties we may have with our efforts to expand both domestically and internationally, and risks of inventory management and seasonality. Other risks and uncertainties include, among others, risks related to the business our subsidiary Medici Ventures, Inc. is pursuing, our continually evolving business model, and difficulties we may have with our infrastructure, our fulfillment partners or our payment processors, including cyber-attacks or data breaches affecting us or any of them. More information about factors that could potentially affect our financial results is included in our Form 10-K for the year ended December 31, 2017 which was filed with the Securities and Exchange Commission on March 15, 2018, and in our subsequent filings with the Securities and Exchange Commission. The Form 10-K and our subsequent filings with the Securities and Exchange Commission identify important factors that could cause our actual results to differ materially from those contained in or contemplated by our projections, estimates and other forward-looking statements.
Agenda

1. tZERO
2. Retail
3. Other Medici Ventures
4. Financial Results
5. Strategic Alternatives
6. Q&A
The diagram illustrates the integration of various components within the financial services industry. At the heart of the diagram is SpeedRoute, which connects different types of clients (FIX, OMSs, Front-end, SOR/AI, Risk Mgmt.) with crypto exchanges (Gemini, GDAX, Kraken, Poloniex, Bittrex, Bitfinex, etc.).

- **Clients**:
  - FIX
  - OMSs (Bloomberg, etc.)
  - Front-end
  - SOR/AI
  - Risk Mgmt.

- **US Exchanges**
- **ATSs/Dark Pools**
- **Pro Securities ATS**
- **Security Token Trading Platform**

- **U.S. Equity Markets**
- **Crypto Exchanges**
  - Gemini
  - GDAX
  - Kraken
  - Poloniex
  - Bittrex
  - Bitfinex

The FIX Protocol is shown as connecting the various clients to SpeedRoute, which in turn connects to both the U.S. Equity Markets and the Crypto Exchanges.
Accelerating tZERO
Security Token Trading Platform

See prototype demonstrated at tZERO.com
Other Updates

- Digital Locate Receipts (DLRs)
- Security Token Offering (STO)
- SEC
Retail Strategy

1. Grow investment in technology platforms (including AI/ML).
2. Selectively increase branding and digital marketing.
3. Add distribution facilities to speed shipping to customer.
4. Accelerate private label strategy.
5. Expand Club O rewards program to enhance customer loyalty.
Weekly New Customer Growth

New customers measured on the date of first order
GMV = Gross merchandise volume, calculated as the amount paid by customers for products (and shipping), measured at the time of order, after coupons and discounts, without reductions for estimated returns.
Quarterly Gross Margin of 21.0%
## Q1 2018 Results: Retail

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue</th>
<th>GMV*</th>
<th>Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$440.0 Million</td>
<td>$488.7 Million</td>
<td>$92.4 Million</td>
</tr>
<tr>
<td>Increase vs. Q1 2017</td>
<td>3%</td>
<td>6%</td>
<td>8%</td>
</tr>
</tbody>
</table>

- **Revenue**: $440.0 Million, 3% increase vs. Q1 2017
- **GMV**: $488.7 Million, 6% increase vs. Q1 2017
- **Gross Profit**: $92.4 Million, 8% increase vs. Q1 2017

### Key Financial Metrics

- **Gross Margin**: 21.0%, vs. 20.0% in Q1 2017
- **Contribution Margin**: 4.2%, vs. 11.5% in Q1 2017
- **Pre-Tax Income (Loss)**: ($33.6) Million, vs. $1.4 million in Q1 2017

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*GMV = Gross merchandise volume, calculated as the amount paid by customers for products (and shipping), measured at the time of order, after coupons and discounts, without reductions for estimated returns.**

**Non-GAAP – see discussion and reconciliation in our earnings press release.**

***Excluding intercompany transactions eliminated in consolidation.
Medici Ventures Has Ownership Interests in Startup Companies Pursuing Blockchain Applications
Q1 Special Items

Medici – ($14.5M) Net Impact
$11.6M General and Administrative, $2.9M Sales and Marketing
• Impairment of cryptocurrency holdings ($8.0M)
• Realized loss on sale of cryptocurrencies ($0.2M)
• tZERO stock compensation and severance ($6.3M)

Retail – $0 Net Impact
All General and Administrative
• Realized gain on sale of cryptocurrencies $1.8M
• Impairment of cryptocurrency holdings ($0.8M)
• Write-off of costs of discontinued equity offering ($1.0M)
Q1 2018 Results: OSTK Total

<table>
<thead>
<tr>
<th>Category</th>
<th>Result</th>
<th>Change vs. Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$445.3 Million</td>
<td>3% increase</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$93.9 Million</td>
<td>8% increase</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>21.1%</td>
<td>vs. 20.1% in Q1 2017</td>
</tr>
<tr>
<td>Pre-Tax Income (Loss)</td>
<td>($54.7) Million</td>
<td>vs. ($6.6) million in Q1 2017</td>
</tr>
<tr>
<td>Q1 Operating Cash Flow</td>
<td>($10.2) Million</td>
<td>vs. ($23.1) million in Q1 2017</td>
</tr>
<tr>
<td>Ending Cash</td>
<td>$259.6 Million</td>
<td>vs. $203.2 million at Dec. 31, 2017</td>
</tr>
</tbody>
</table>

* Excluding intercompany transactions eliminated in consolidation
Strategic Alternatives

• Capitalize up from Medici (e.g. tZERO)
• Recapitalize with Large Capital Partner Who is Willing to Think Big
• Sell the Retail Business
Send questions to
ir@overstock.com