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-Q for the quarter ended September 30, 2017 which was filed with the Securities and Exchange Commission on November 8, 2017. The Form 10-Q 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.
GAAP Operating Margin

Operating Income (Loss) divided by Revenue
Source: OSTK, Wayfair, and Amazon 10-Ks
Overstock figures are Retail only (excluding Medici)
Amazon figures exclude AWS (results without AWS not available prior to 2013)
Capital Raised

Estimated Capital Raised (includes IPO proceeds, other offerings, and latest outstanding long term debt, less treasury stock, where info available)

Source: Crunchbase.com and Company 10-Qs and 10-Ks
Technology Recognition

- Best of Web Performance Winner
- Best Designed Mobile App
- Best Shopping App for iOS & Android
- In-house Recommendation Engine
- Featured by Google at the 2017 Chrome Dev Summit

- 8% increase in conversion
- 36% increase in revenue
McKinsey survey on website user experience

Website is easy to use

Overall | Amazon | Overstock.com | Bed Bath and Beyond | Walmart | Target | Kohls | Wayfair | Lowes | Sears | Home Depot | Hayneedle
---|---|---|---|---|---|---|---|---|---|---|---
66 | 80 | 72 | 65 | 64 | 62 | 62 | 58 | 57 | 53 | 48 | 45

McKinsey&Company
Award-winning Customer Care

LOYALTY 360™
#1 in Operational Excellence in Customer Care

TD Power
#2 Customer Satisfaction

NRF
5-years of Top Customer Care

Ventana Research
Operational Leadership Award

Stella Service
Best Overall Customer Service Experience

HFN
HFN’s Top 100 Retailers

Gartner
#1 Customer Service Optimization

The American Business Awards
Customer Care Department of the Year
Annual revenue per developer/data scientist

Efficiency Ratio = (Annual Revenue / End of Year Head Count of Developers & Data Scientists)
Source: Overstock and Wayfair 10-Ks and Investor Presentations
GAAP Operating Margin

-12.0% to 0.0%

2009: Overstock
Wayfair
Amazon

Capital Raised

Amazon
Groupon
Wayfair
Houzz
Jet
Etsy
Zulily
Buy.com
Gilt
One Kings Lane
Overstock

$25,000 - $500 in millions
Building a Tech Stack for Civilization
Blockchain meets money

- Digital fiat currency for central banks
- Digital wallets
- Near-frictionless payments (including remittances)
- Financial inclusion (“Banking the unbanked”)
- Medici ownership: 11% with options to 34.8%
- Earliest possible soft launch: December 2017
Blockchain meets money

- Digital wallet, payments, and credit lending
- 100K+ active users in Latin America
- Medici ownership: 2.25%

- SME payments and invoicing systems
- Medici ownership: 18%

- Banking compliance and data immutability
- Medici ownership: 12%
Blockchain meets capital formation

- Mortgage loan compliance
- Digital asset verification
- Medici ownership: 2.5%
Money
Capital
Capital Markets
Identity & Voting
Commerce
Capital
Money
Blockchain meets capital markets

- Instant trade clearance and settlement
- SEC-compliant Exchange for ICOs
- Securities Lending: Digital Locate Receipts
- Medici ownership: 81%

- Smart contracts for digital securities
- Digitized corporate ownership records
- Private equity syndication and crowdfunding
- Medici ownership: 1%
Marc Cohodes and Me

Marc Cohodes likes OSTK cause ‘ITS GOING WAY THE FUQ UP’
• DIGITAL LOCATE RECEIPT PLATFORM

• VENUE FOR TRADING ICO’S
[U.S. Securities Lending]

January 2009

CONFIDENTIAL

GSE_T 01231056
U.S. Securities Lending revenues contributed 75% of Americas Prime Brokerage revenues, 70% of Global Securities Lending revenues and 51% of Global Prime Brokerage revenues.
SECURITIES LENDING: HOW IT IS SUPPOSED TO WORK

See full animation in the earnings call replay on http://investors.overstock.com/
SECURITIES LENDING: OVER-LOCATING

See full animation in the earnings call replay on http://investors.overstock.com/
There are additional regulatory changes that this breakdown of the central pillar of competitive markets requires in order to return to stability, particularly in the areas of fraud, settlement and securitization.
NY Teamsters Pension Becomes First To Run Out Of Money As Expert Warns "Pension Tsunami" Is Coming

Pensions & Investments

Pension funds sue 6 investment banks over securities lending market collusion

BY RICK BAERT · AUGUST 17, 2017 12:30 PM · UPDATED 3:32 PM
tZERO: Digital Locate Receipts

Pension Fund

Prime Broker

See full animation in the earnings call replay on http://investors.overstock.com/

Short seller
tZERO: Digital Locate Receipts

Supply Side (last 5 days)  2,000 Traders (Today)
$80B – $120B of lendable securities One dozen brokers currently in the process of rollout

For further information, visit:

tZero.com/dlr
or
tØ.com/dlr
• DIGITAL LOCATE RECEIPT PLATFORM

• VENUE FOR TRADING ICO’S
THE PROBLEM

“Virtual coins or tokens that are offered or sold may be securities…”

“…any entity or person engaging in the activities of an exchange must register as a national securities exchange or operate pursuant to an exemption from such registration.”
– DAO Report, July 25, 2017

Source: https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-initial-coin-offerings
THE SOLUTION:

• An approved venue (ATS)
• That can trade blockchain instruments
• And is SEC Compliant.
## Taxonomy of Money

<table>
<thead>
<tr>
<th>Types of Instrument</th>
<th>Example</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Fiat” currency</td>
<td>Dollars, Yen, Euro</td>
<td>“Money” created by fiat of a government</td>
</tr>
<tr>
<td>Cryptocurrency</td>
<td>Bitcoin, Ethereum</td>
<td>Digital asset using cryptography</td>
</tr>
<tr>
<td>Utility token</td>
<td>Civic, Status</td>
<td>Units of services that can be purchased. Can trade on our ATS (or image of it)</td>
</tr>
<tr>
<td>Security token</td>
<td>DAO, tZERO</td>
<td>Tradeable on tZERO ATS</td>
</tr>
</tbody>
</table>
Blockchain meets identity and voting

- Digital identity and compliance
- Risk management automation
- Medici ownership: 5%

- Secure and auditable voting
- Document authentication
- Just launched ICO for IoT
- Medici ownership: 33%
## Q3 2017 Results: Overstock Total

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>$424.0 Million</strong></td>
<td>(4% decrease vs. Q3 2016)</td>
</tr>
<tr>
<td><strong>Gross Profit Dollars</strong></td>
<td><strong>$83.7 Million</strong></td>
<td>(5% increase vs. Q3 2016)</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td><strong>19.7%</strong></td>
<td>(vs. 18.1% in Q3 2016)</td>
</tr>
</tbody>
</table>

| **Contribution Dollars** | **$39.2 Million** | (20% decrease vs. Q3 2016) |
| **Contribution Margin** | **9.2%**          | (vs. 11.1% in Q3 2016) |

| **Pre-Tax Income (Loss)** | **($6.5) Million** |
|                          | ($2.9M) – Retail** |
|                          | ($3.7M) – Medici** |
|                          | (vs. ($3.9) million in Q3 2016) |
|                          | ($0.9M) – Retail** |
|                          | ($3.0M) – Medici** |

| **Net Income (Loss)**   | **($786,000)** |
|                        | $1.1M – Retail** |
|                        | ($1.9M) – Medici** |
| (vs. ($3.1) million in Q3 2016) |
|                        | ($1.7M) – Retail** |
|                        | ($1.4M) – Medici** |

| **Tech and G&A Expense** | **$50.4 Million** | (1% increase vs. Q3 2016) |

| **TTM Operating Cash Flow** | **($7.7) Million** | (vs. $75.5 million in Q3 2016) |

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

**Excluding intercompany transactions eliminated in consolidation

***Net Income refers to Net income attributable to stockholders of Overstock.com, Inc.
<table>
<thead>
<tr>
<th></th>
<th>Q3 2017 Results: Retail Only</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>$420.1 Million</td>
<td>(4% decrease vs. Q3 2016)</td>
</tr>
<tr>
<td><strong>Gross Profit Dollars</strong></td>
<td></td>
</tr>
<tr>
<td>$82.4 Million</td>
<td>(5% increase vs. Q3 2016)</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td></td>
</tr>
<tr>
<td>19.6%</td>
<td>(vs. 17.9% in Q3 2016)</td>
</tr>
<tr>
<td><strong>Contribution Dollars</strong></td>
<td></td>
</tr>
<tr>
<td>$38.1 Million</td>
<td>(20% decrease vs. Q3 2016)</td>
</tr>
<tr>
<td><strong>Contribution Margin</strong></td>
<td></td>
</tr>
<tr>
<td>9.1%</td>
<td>(vs. 11.0% in Q3 2016)</td>
</tr>
<tr>
<td><strong>Pre-Tax Income (Loss)</strong></td>
<td></td>
</tr>
<tr>
<td>($2.9M)</td>
<td>(vs. ($942,000) in Q3 2016)</td>
</tr>
</tbody>
</table>

* Non-GAAP – see discussion and reconciliation in our earnings press release
ClubO
Paid memberships up 30% YoY

New paid signups

Club O will be even more rewarding for members in 2018
New Email System Doubled Email Growth Rate in Q3

- Automated campaigns at all time highs in daily orders
- New system allows for faster campaign development, tuning, and improvement
- Personalization improvements expected to yield significant email gains
32% YoY Order Growth for Other Large Channels:
Affiliates, Paid Keywords, PLA, Facebook, & Pinterest

Q3 2017
SEO Rankings vs. Customer Experience


Customer Experience Satisfaction

Source: Top three rankings based on 20k top tracked keywords, SEO Clarity, 2017

Source: Bizrate Insights, Point of Sale Experience Survey, OSTK vs. 17 key Home Furnishing competitors
2016 Wayfair Comparison

Overstock has significant growth potential at much lower acquisition costs.

Implied New Customers (1)
- Overstock: 3,570
- Wayfair: 6,040

Customer Acquisition Cost (2)
- Overstock: $38
- Wayfair: $68

(1) Calculated as (1-% of orders from Repeat Customers) * Total Orders
(2) Calculated as Total Advertising Spend divided by Implied New Customers
Source: Overstock and Wayfair 10-Ks and Investor Presentations
Likely Marketing Outcomes

1. Absent SEO improvement, profitable growth returns in May.
2. Mother of all site experience updates in December/January.
3. ClubO is meaningful (>25% of sales) and (finally) soaring.
4. New Marketing Paradigm Project
# Overstock.com Cars

<table>
<thead>
<tr>
<th>Average Monthly Visits</th>
<th>Total Vehicles</th>
<th>Research</th>
<th>Reviews</th>
<th>New Cars for Sale</th>
<th>Used Cars for Sale</th>
<th>Online Financing</th>
<th>VSP’s (Warranties)</th>
<th>Vehicle History</th>
<th>Used Vehicle Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>32.1K</td>
<td>1.4M*</td>
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<td>✓</td>
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<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>CARFAX</td>
<td>14.4M</td>
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<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
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</tr>
<tr>
<td>Autotrader</td>
<td>26.7M</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>TRUECar</td>
<td>9.8M</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
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</tr>
<tr>
<td>cars.com</td>
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<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Edmunds</td>
<td>24M</td>
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<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
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</tr>
<tr>
<td>CarGurus</td>
<td>52.2M</td>
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<td>✗</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Cars by Overstock average monthly visits from Google AdWords. Competitor monthly visits from SimilarWeb. Feature comparison list compiled 10/26/2017. *3M–4M cars will be listed by Q1 of 2018.
STRATEGIC OPTIONS UNDER CONSIDERATION

1. Solve someone else’s problem
   • Brick-and-mortar: technology, logistics, return logistics, marketing, site speed, etc.
   • Other high-traffic websites

2. Recapitalize with large capital partner who is willing to think **big**

3. Capitalize up from Medici (e.g., tØ)

We have engaged Guggenheim Partners (Andy Taussig)
send questions to
ir@overstock.com