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 significant increases in our marketing expenditures in the first half of 2018 and our subsequent reduction of those expenditures, the results of our ongoing review of strategic initiatives including the possible sale of our e-commerce business, adverse tax, regulatory or legal developments, competition, and any inability to raise capital or borrow funds on acceptable terms. Other risks and uncertainties include, among others, the risks of the businesses Medici Ventures and tZERO are pursuing, including whether tZERO’s joint venture with Box Digital Markets, LLC will be able to achieve its objectives, the effects of key business personnel moving from our retail business to our Medici Ventures, Inc. and tZERO businesses, 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, our Form 10-Q for the quarter ended March 31, 2018, and our Form 10-Q for the quarter ended June 30, 2018, which were filed with the Securities and Exchange Commission on March 15, 2018, May 8, 2018, and August 9, 2018, respectively, and in our subsequent filings with the Securities and Exchange Commission. The Form 10-K, 10-Q’s, 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. Other Medici Ventures
3. Retail
4. Q&A
STO & Strategic Investors

- STO Closed August 6, 2018
- Executed SAFEs: $174M
- STO: Raised $134M in Aggregate Consideration
- Term Sheet Agreements with GSR Capital (Hong Kong)
  - $270M at $1.5B Post-money Valuation for tZERO
  - $104.5M (3.1M Shares of OSTK @ $33.72)

STO aggregate consideration includes $30 million repayment of intercompany debt between tZERO and Overstock. GSR has signed a repurchase agreement to acquire these tokens.
Market Opportunity: At a ‘Tipping Point’ in Shift to STOs

• The $5.3T global private issuance market is at a tipping point and we expect security tokens to grow at a compound rate of 215% over the next three years.

• Growth estimates on token issuances have accelerated significantly in 2018.

*Includes ICOs that should have been security tokens.
Sources: CoinMarketCap, coinmarkets.net, icoWATCHLIST.com, company estimates
Market Opportunity:
The Migration from Public Markets to Private Offerings Will Benefit Institutions and HNWIs

Billions Raised (by Method)
Global, excluding China, 2014

<table>
<thead>
<tr>
<th>Method</th>
<th>Billions Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPOs</td>
<td>141</td>
</tr>
<tr>
<td>Private Offerings</td>
<td>2652</td>
</tr>
<tr>
<td>Bonds</td>
<td>2675</td>
</tr>
<tr>
<td>Loans</td>
<td>3630</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9098</strong></td>
</tr>
</tbody>
</table>


Data provided as a reference only.
Our Goal

Our goal is to leverage our regulatory and technological first mover advantages to be the leading global platform for tokenized assets.
Regulatory Advantage

- Other jurisdictions looking at US regulations for guidance
- Our established relationship with US regulators gives us credibility
- Our regulated exchanges will allow Asian and European brokers to trade in our listed securities
Next Regulatory Step

tZERO and BOX presenting updated rulebook for listing Security Tokens to SEC
Acquisition/Partnership Advantage

1. PRO Securities ATS
2. SpeedRoute
3. StockCross
4. BOX Digital JV
tZERO-BOX Digital JV

Advantages of Exchange over ATS

1. Setting Listing Standards
3. Publish Market Data
4. Limited Exchange Licenses
5. Speed to Market
6. Boston Options Exchange
   - Credibility
   - Regulatory Expertise

Alternative: 2+ Years, $25M–$75M Expense
Technological Advantage

1. Expertise in Mobile and UX
2. Dream Team (Blockchain + Enterprise Dev)
3. Agile/Lean Software Development
4. Resource Pool from OSTK
Human Capital
Saum Built a Dream Team
Product Roadmap

**Issuance**
- tZERO Token Issuance
- Issue Additional Security Tokens

**Security Token Exchange**
- Reg S Trading of tZERO Token
- Additional Security Tokens Listed and Trading
- Reg D Trading of tZERO Token (tZERO-BOX JV)

**Broker Dealer**
- tZERO Token Trading Platform
- Support for All Traditional US Equities
- Onboarding Additional Clearing Firms
- Onboarding Additional BD’s
- Trading Crypto Through tZERO

**Crypto Smart Order Router / Exchange**
- Smart Order Routing Crypto Exchange

<table>
<thead>
<tr>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Medici Ventures Has Ownership Interests in Startup Companies Pursuing Blockchain Applications
Bitsy Wallet

• September Beta
• Easy to Use
• Hold the Keys to Your Currency
• Unique Recovery Process
• Superior Wallet Due to Unique Architecture
Building digital registration systems using blockchain and other technologies (mobile applications, social media, AI)

Goal is to promote economic development and full financial inclusion of individuals

Current projects:
1. World Bank: partnership to implement technology in several countries
2. Zambia: MOU with Ministry of Lands to create 50,000 digital titles in 2018

Pursuing projects in Rwanda, Ukraine, India, and Senegal

Hernando de Soto
Retail Update

1. SEO
2. Course Correction: Minimize Dilution
3. Sales Tax Nexus: New Opportunities
4. Strategic Alternatives
SEO

Google Organic Visits

SEO

Google Organic Visits vs. Forecast Without Ranking Drop
SEO

Keyword Rankings in Top 100 Results

Clarity Dashboard

Competitive Rank

Day: 01/01/17 - 08/08/18  Top 100  Legacy Aug 2017  Google Mobile

Source: seoClarity (August 2018)
We Believe We Have Arrested the Slide

Source: seoClarity (August 2018)
Quarterly Revenue and GMV Growth

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 Average Order Size

Average Order Size is measured at the time of order, before promotional discounts and shipping revenue.
Sales Tax Nexus: New Opportunities

1. Offer Home Services (Design, Branded Delivery, & Repair)
2. Expand Affiliate & Influencer Networks
3. New Optimization Models for Advertising Spend
4. Improve & Expand Third Party Partnership Programs
5. Enhance Customer Rewards & Promotions
6. Access New Talent in More Regions
7. Increase Visibility through Sponsor Events
8. Open Pop-up Shops
9. Partner with Brick & Mortar for Pick-ups/Returns
Strategic Alternatives

• Capitalize up from Medici (e.g. tZERO)
• Recapitalize with Large Capital Partner Who is Willing to Think Big
• Sell the Retail Business
Securities Lawsuit

Plaintiffs Drop Securities Class Action Lawsuit Against Overstock.com
Send questions to
ir@overstock.com
Appendix
## Q2 2018 Results: OSTK Total

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change vs. Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$483.1 Million</td>
<td>12%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$91.7 Million</td>
<td>9%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>19.0%</td>
<td>vs. 19.5% in Q2 2017</td>
</tr>
<tr>
<td>Pre-Tax Loss</td>
<td>($65.9) Million</td>
<td>($57.4M) – Retail*, ($8.6M) – Medici*</td>
</tr>
<tr>
<td></td>
<td>vs. ($9.7) million in Q2 2017</td>
<td>($6.4M) – Retail*, ($3.3M) – Medici*</td>
</tr>
<tr>
<td>TTM Operating Cash Flow</td>
<td>($59.5) Million</td>
<td>vs. $20.3 million TTM 2017</td>
</tr>
<tr>
<td>Ending Cash</td>
<td>$152.2 Million</td>
<td>vs. $203.2 million at Dec. 31, 2017</td>
</tr>
</tbody>
</table>

* Excluding intercompany transactions eliminated in consolidation