



 **overstock.com**<sup>®</sup>

**Investor Education Session  
November 2016**

# 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, the results of legal proceedings and claims and the amounts we spend relating to them, the extent to which we owe income taxes, competition, fluctuations in operating results, any inability to raise capital if needed on acceptable terms, our efforts to expand both domestically and internationally, risks of inventory management and seasonality. Other risks and uncertainties include, among others, risks related to new products and services we may offer, and difficulties 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, 2016 which was filed with the Securities and Exchange Commission on November 3, 2016. These and our other subsequent filings with the Securities and Exchange Commission identify important factors that could cause our actual results to differ materially from those contained in our projections, estimates and other forward-looking statements. Overstock.com, Inc. has filed a registration statement (including a prospectus) and a prospectus supplement with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and the prospectus supplement Overstock.com, Inc. has filed with the SEC for the securities offered pursuant to the registration statement, and other documents that Overstock.com, Inc. has filed or files in the future with the SEC for more complete information about Overstock.com, Inc. and the offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, Overstock.com, Inc. will arrange to send you the prospectus if you request it by calling 1-801-947-5409.

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# Retail Business

# IPACE



INFORMATION



PRICE



ASSORTMENT

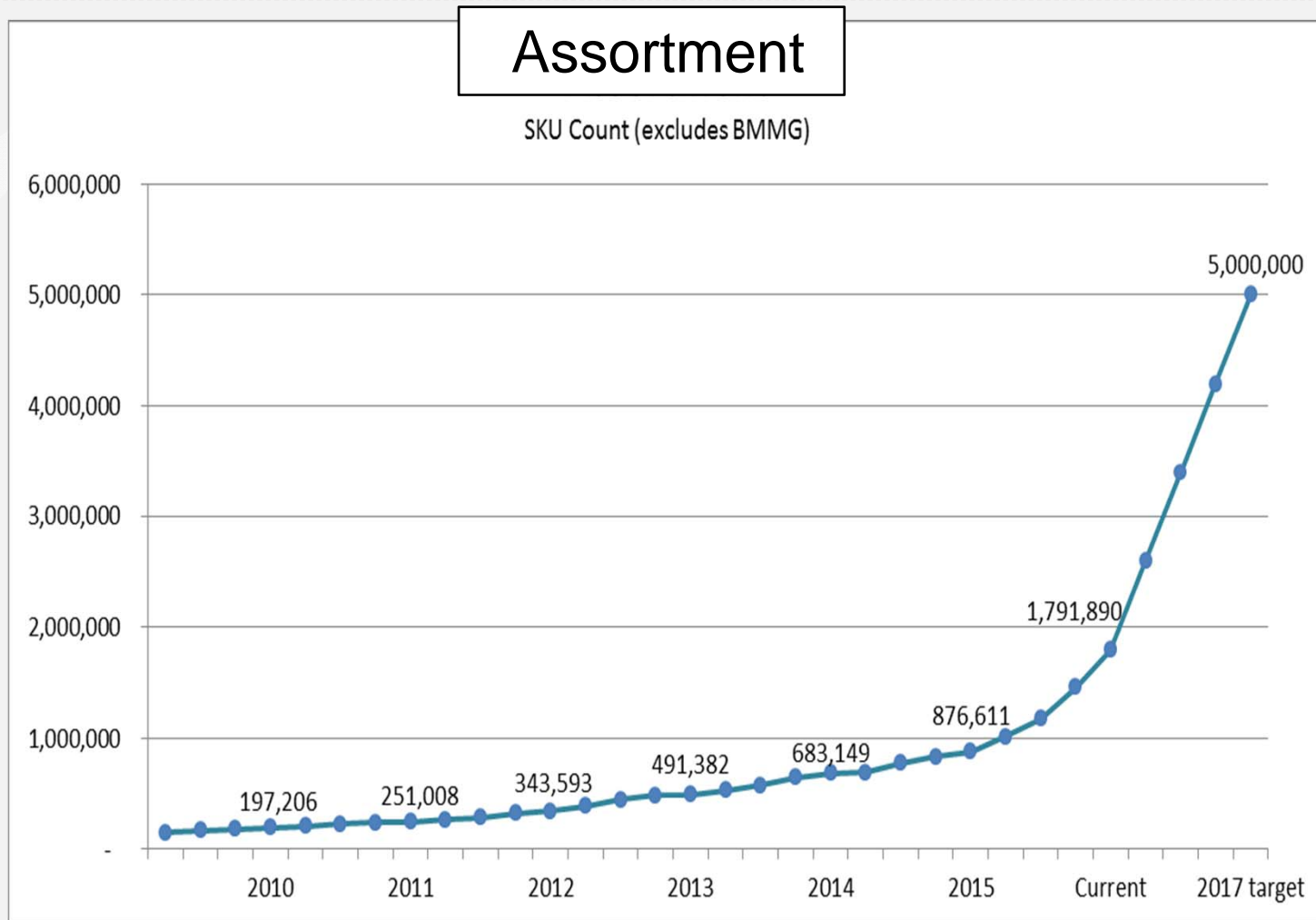


CONVENIENCE



ENTERTAINMENT

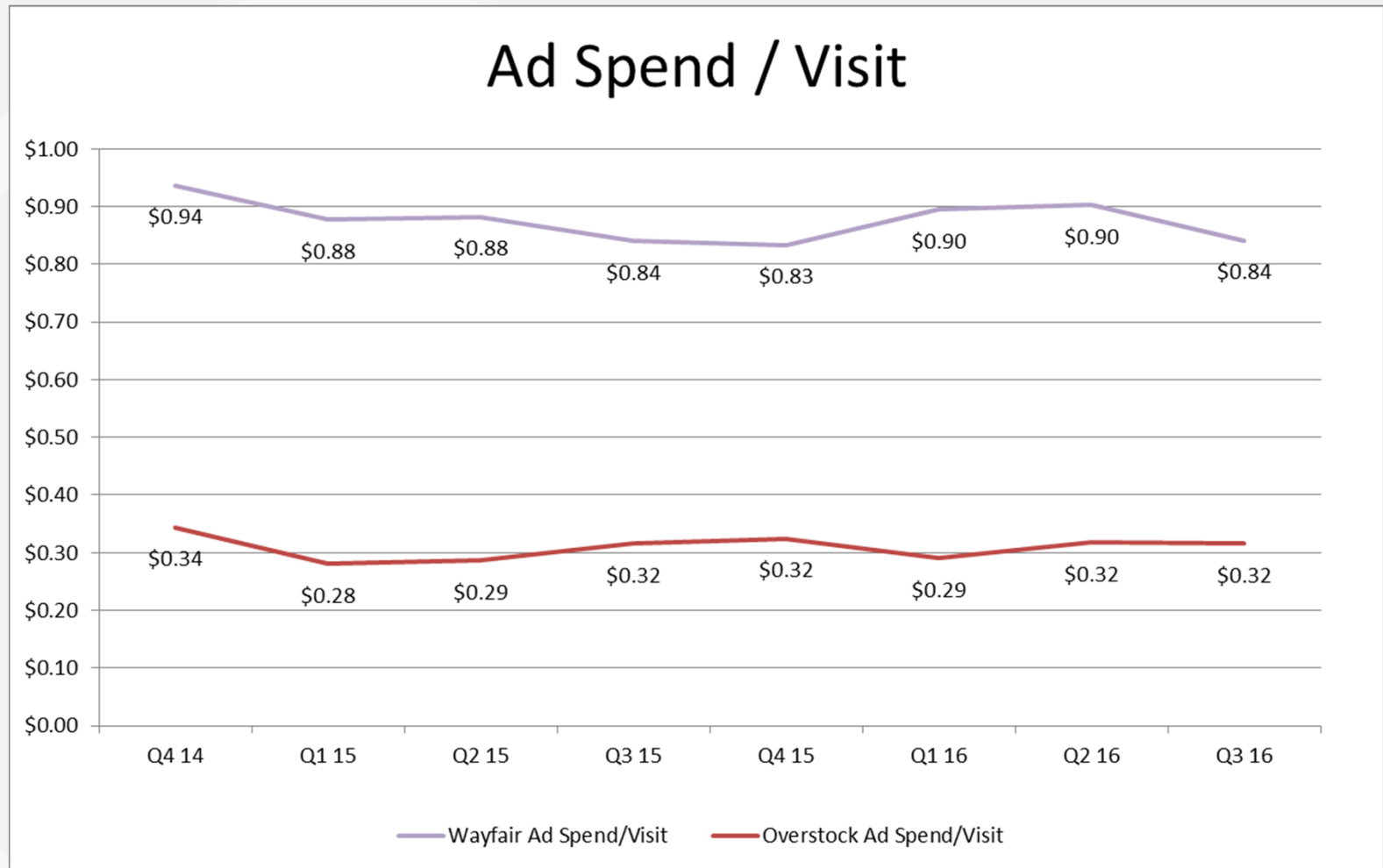
# Assortment, Price & Convenience



Price

Convenience

# Wayfair Comparison – Ad Spend / Visit

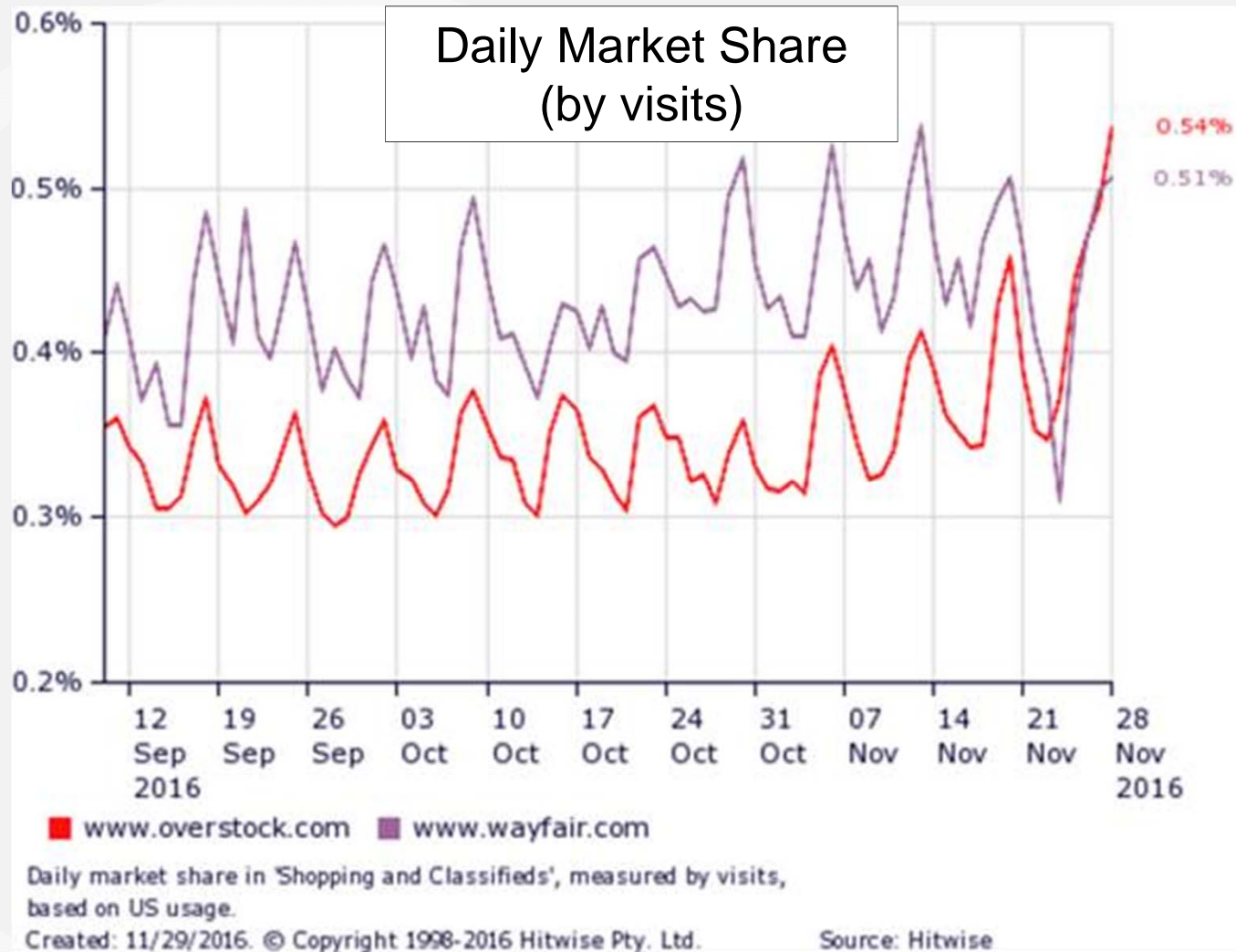


**Note:**

Ad Spend data source: Overstock and Wayfair 10-Q's;

Visit data source: Hitwise

# Wayfair Comparison – Daily Market Share



Note:  
Visit data source: Hitwise

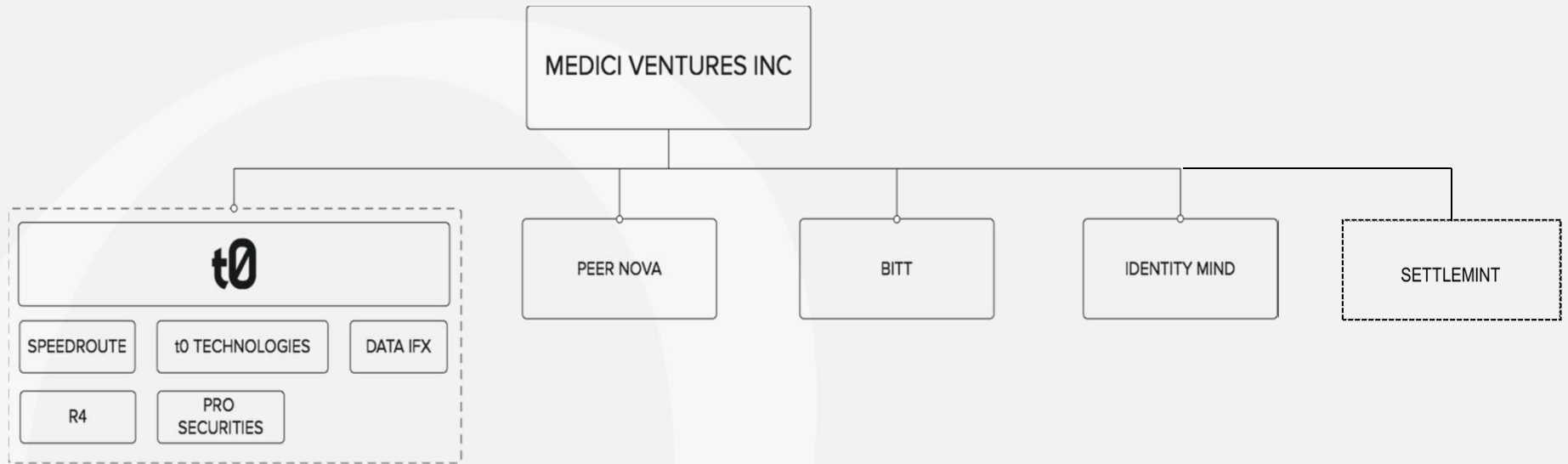
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# Blockchain / FinTech



# Medici - Emerging Structure



t0's platform integrates cryptographically secure distributed ledgers with existing market processes to reduce settlement time and costs, increase transparency, efficiency, and availability for multiple asset classes.

OSTK Ownership: 81%

PeerNova builds immutable systems for large scale commercial applications.

Investment: \$5M  
Ownership: 7.5%

The Bitt wallet provides a quick, secure and easy way to manage your funds; giving you freedom to do more with your money.

Investment: \$4M  
Ownership: 11.4%

IdentityMind's mission is to construct electronic identities and infuse integrity back into the global market of digital commerce.

Investment: \$1.2M  
Ownership: 5.0%

SettleMint seeks to develop blockchain solutions for voting and land titling.

Investment: €0.3M  
Ownership: 30%

## t0 - The March Towards the First Public Blockchain Equity Offering

- October 2014 – Announcement of Medici
- June 2015 – Cryptobond I
- August 2015 – Cryptobond II
- August 2015 – Announcement of SpeedRoute Acquisitions
- December 2015 – S-3 Declared Effective
- March 2016 – Computershare as Transfer Agent for Digital Securities
- April 2016 – Georgeson as Information Agent
- September 2016 – Keystone as Broker-Dealer
- October 2016 – ETC as Custodian
- November/December 2016 – First Public Blockchain Equity Offering
  - November 10 – Record Date
  - November 15 – Subscription Period Begins
  - December 6 – Subscription Period Ends

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# Rights Offering

# Blockchain Voting Series A Preferred

- Will trade only on PRO Securities ATS utilizing the t0 platform
- Investor must open online brokerage account with Keystone
  - To open a Keystone account, go to <https://kccbd.t0.com>
- All access to Series A is through a Keystone account
- Digital “wallets” are created in connection with opening a Keystone account
- Wallet addresses and entire trading history will be public through t0 website
- Same day settlement of trades
- Restrictions on ownership:
  - Only U.S. residents meeting the requirements
  - Shares may be held only in the name of beneficial owner
  - No “street name” or other nominee accounts
- Substantially similar to our common stock
  - Plus a preferential right to an annual dividend of 1.0% of the subscription price

## Blockchain Voting Series A Preferred (cont.)

- OSTK may redeem the Series A for three years
- OSTK may convert Series A into Series B at any time
- No minimum subscription
- Trading may be limited
- To exercise subscription rights, see <https://www.mydigitalshares.com>
- For help with subscription process, copies of documents and any questions
  - Information Agent: Georgeson at 866-432-2791 or [Overstock@Georgeson.com](mailto:Overstock@Georgeson.com)
- Read Prospectus Supplement before investing

# Voting Series B Preferred

- Traditional (non-digital) shares otherwise identical to the Series A
- OSTK may redeem the Series B for three years
- Expected to trade in the OTC market and be quoted on OTCQB
- Not subject to the restrictions on ownership that apply to the Series A
- No minimum subscription
- Trading may be limited
- For help with subscription process, copies of documents and any questions
  - Information Agent: Georgeson at 866-432-2791 or [Overstock@Georgeson.com](mailto:Overstock@Georgeson.com)
- Read Prospectus Supplement before investing

# Secondary Market for Series A Preferred

- If you do not hold Overstock common shares, but would like to participate in the secondary market for Series A preferred shares, you must open a Keystone brokerage account at <https://kccbd.t0.com>.
- Secondary trading begins December 16

# General Corporate Information

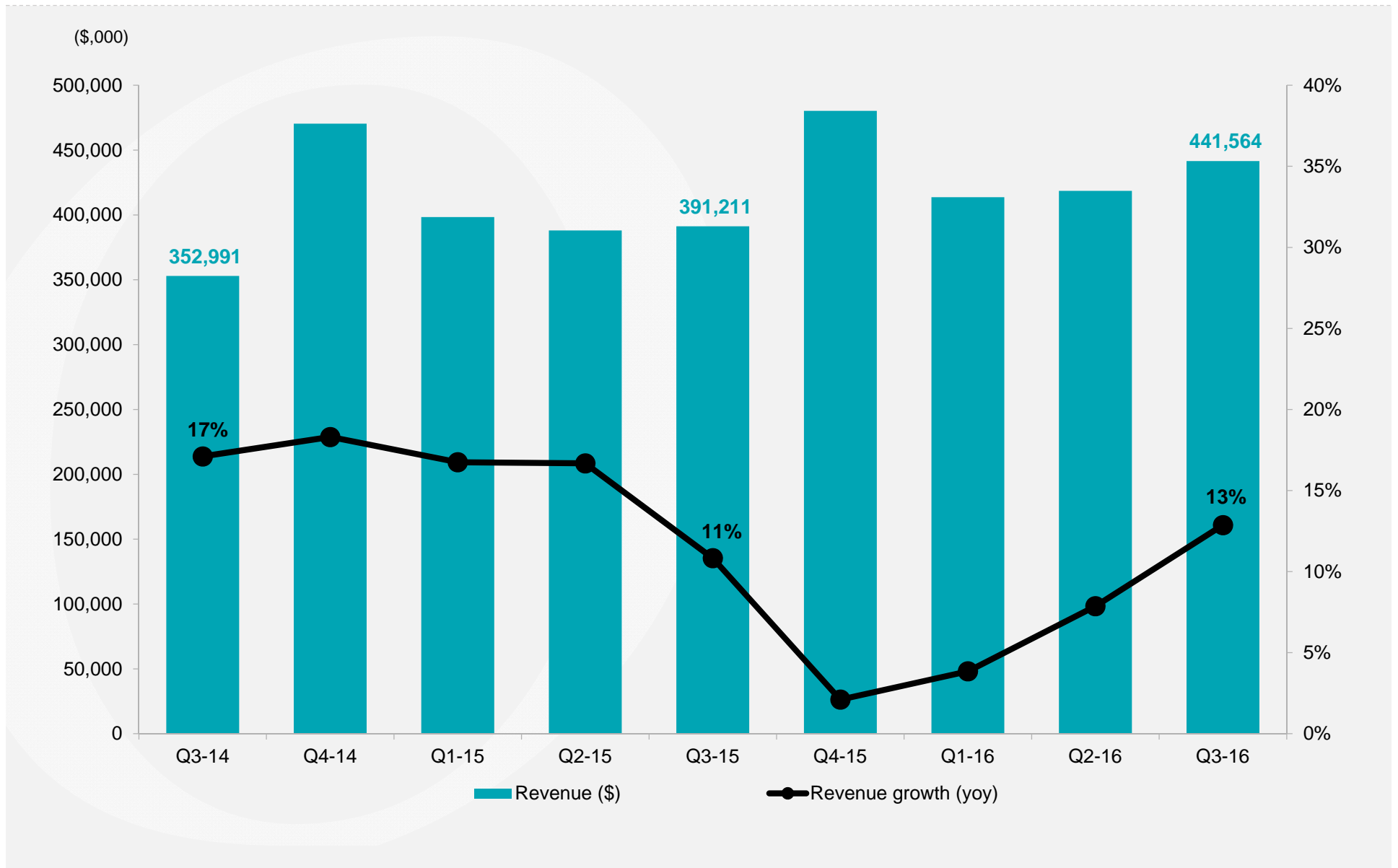


# Q3 and YTD 2016 Highlights

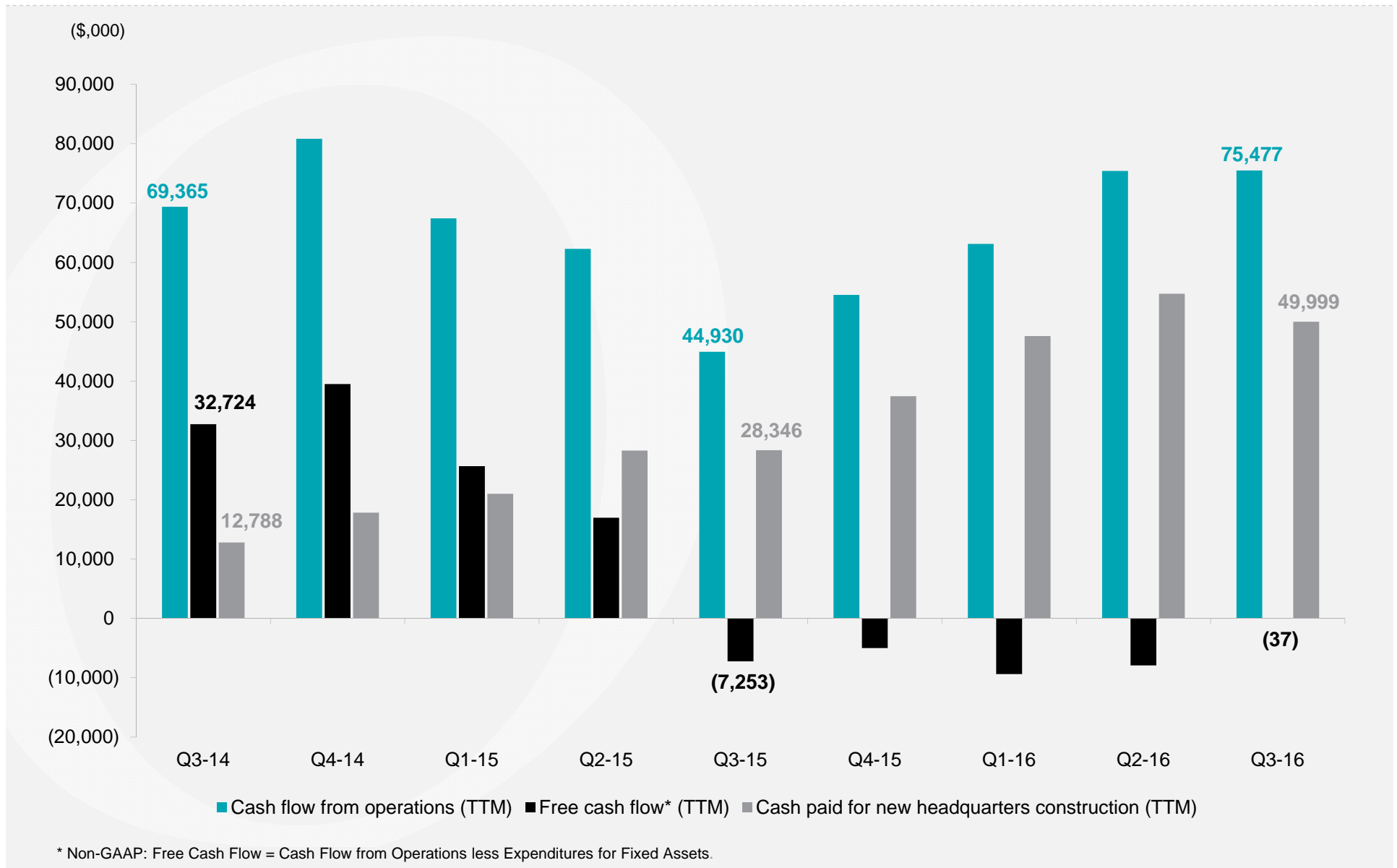
2016 Highlights	Q3 2016	YTD 2016
revenue growth	13%	8%
gross profit growth	10%	5%
gross margin	18.1%	18.3%
operating income	(\$5.0M)	\$7.3M
pre-tax income	(\$3.9M)	\$16.7M
ostk retail	(\$0.9M)	\$25.9M
medici	(\$3.0M)	(\$9.2M)
net income	(\$3.1M)	\$9.4M
operating cash flow (TTM)		\$75.5M

Q3 and YTD 2016 results include pre-tax charges of \$3.9M related to impairment of an international minority investment we hold and bad debt expense for accounts receivable owed to us from this entity.

# Quarterly Revenue and Growth



# Operating and Free Cash Flow\* (TTM)



# Senior Management

<b>Name / Position</b>	<b>Years with Overstock</b>	<b>Previous Experience</b>
<b>Dr. Patrick Byrne</b> CEO	17	Centricut, LLC; Fechheimer Brothers, Inc.
<b>Jonathan Johnson III</b> President, Medici	14	TenFold Corp; Milbank, Tweed, Hadley & McCloy
<b>Saum Noursalehi</b> President, Retail	11	Utah Admin.Office of Courts; Brooks Automation
<b>Robert Hughes</b> SVP, Finance & Risk Management	8	TenFold Corp; Oracle; KPMG
<b>Vidya Jwala</b> SVP, Demand Fulfillment	0	Walmart; Tractor Supply Co; Lowe's; Jo-Ann Stores
<b>JP Knab</b> SVP, Demand Creation	10	USWF; 1-800 Contacts; Phonex Broadband
<b>Carter Lee</b> SVP, Technology	15	Hospice of the Valley; Motherboard Discount Center
<b>Natalie Malaszenko</b> SVP, Marketing	1	Omni Hotels & Resorts; Hewlett Packard; Petco; Dell
<b>Brian Popelka</b> SVP, Customer & People Care	14	Citadel Communications; Disney Corp.

# Questions?

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