

Overstock Partners with Pelion Venture Partners to Oversee Medici Ventures' Blockchain Assets

January 25, 2021

*Overstock to be limited partner in blockchain fund
Investor call scheduled for January 26, 2021, at 8:30 a.m. ET*

SALT LAKE CITY, Jan. 25, 2021 (GLOBE NEWSWIRE) -- [Overstock.com, Inc.](https://www.overstock.com) (NASDAQ:OSTK), today announces it will be converting [Medici Ventures, Inc.](https://www.mediciventures.com), its wholly owned blockchain-focused subsidiary, to a limited partnership (the "Fund"). An entity within [Pelion Venture Partners](https://www.pelionventures.com), a third-party venture capital firm with a proven track record of successfully investing in early stage companies, will act as the general partner of the Fund.

"Blockchain technology represents a leap forward in fundamentally changing the way we interact and transact with each other. Since 2014, we have made investments in and advocated on behalf of companies advancing blockchain technology," said Overstock chief executive officer Jonathan Johnson. "We remain bullish on blockchain technology but are changing the way we interact with these assets. As we evaluated how to create the highest return for our shareholders, we determined it is time to partner with a seasoned venture capital firm to oversee the portfolio and make follow-on investment decisions. Pelion is the perfect firm to do this. It has blockchain and technology expertise with early stage companies and has helped guide many companies to economic success."

"We are honored Overstock selected us to maximize the value of its blockchain assets," said Pelion Ventures founder and general partner Blake Modersitzki. "Many of these companies have real potential. We believe our team knows how to help them reach that potential."

Under the arrangement, which will close after obtaining necessary legal and regulatory approvals, Medici Ventures will be converted into a limited partnership. Overstock will be a limited partner in the Fund. After closing, the Pelion entity will have sole authority and responsibility regarding investing decisions, appointing board members of the portfolio companies, and exercising all shareholder rights for assets Medici Ventures currently holds. The Fund will have an eight-year life and a total capital commitment of \$45 million. The Fund will return invested capital to Overstock first and then split profits on successful exits as set forth in the Fund's Limited Partnership Agreement. The Fund will hold a significant minority ownership stake in tZERO Group, Inc. ("tZERO") and Overstock will retain a direct minority equity interest in tZERO.

"We have been looking for the right solution to help us maximize the value of these assets, and we are delighted to have found a skilled and knowledgeable partner in Pelion," continued Johnson. "We believe this structure offers the best opportunity for Medici Ventures' companies to have meaningful exits and allows Overstock executives to focus on its core ecommerce business, which realized tremendous revenue, profit, and market share growth in 2020."

Medici Ventures will discontinue providing software development and design services to its portfolio companies. As an on-going advocate of blockchain technology, Overstock will continue to accept Bitcoin as a form of payment for products purchased on its website.

Investor Call

The company has scheduled a conference call and webcast for 8:30am ET on Tuesday, January 26, 2021, to discuss this announcement and take questions from participants. Questions may also be submitted to ir@overstock.com in advance.

Webcast Information

To access the live webcast and presentation slides, visit <http://investors.overstock.com>. To listen to the conference call via telephone, dial (877) 673-5346 and enter conference ID number 2918945 when prompted. Participants outside the U.S. or Canada who do not have internet access should dial +1 (724) 498-4326 and enter the conference ID provided above when prompted.

Replay

A replay of the conference call will be available at <http://investors.overstock.com> two hours after the live call has ended. An audio replay of the webcast will be available via telephone starting at 11:30am ET on Tuesday, January 26, 2021, through 11:30am ET on Tuesday, February 9, 2021. To listen to the recorded webcast by phone, dial (855) 859-2056 and enter the conference ID provided above. Outside the U.S. or Canada, dial +1 (404) 537-3406 and enter the conference ID provided above.

About Overstock

Overstock.com, Inc *Common Stock* (NASDAQ:OSTK) / *Series A-1 Preferred Stock* (tZERO ATS:OSTKO) / *Series B Preferred Stock* (OTCQX:OSTBP) is an online retailer and technology company based in Salt Lake City, Utah. Its leading e-commerce website sells a broad range of new home products at low prices, including furniture, décor, rugs, bedding, home improvement, and

more. The online shopping site, which is visited by tens of millions of customers a month, also features a marketplace providing customers access to millions of products from third-party sellers. Overstock was the first major retailer to accept cryptocurrency in 2014, and in the same year founded Medici Ventures, its wholly owned subsidiary dedicated to the development and acceleration of blockchain technologies to democratize capital, eliminate middlemen, and re-humanize commerce. Overstock regularly posts information about the Company and other related matters on the Newsroom and Investor Relations pages on its website, Overstock.com.

O, Overstock.com, [O.com](#), Club O, and Worldstock are registered trademarks of Overstock.com, Inc. Other service marks, trademarks and trade names which may be referred to herein are the property of their respective owners.

About Medici Ventures

Launched in 2014, [Medici Ventures](#) has been a wholly owned subsidiary of Overstock.com, Inc. created to leverage blockchain technology to solve real-world problems with transparent, efficient, and secure solutions. Medici Ventures had interests in a global keiretsu of groundbreaking blockchain-focused companies focused on building the foundation of a technology stack for civilization. Medici Ventures' companies are introducing blockchain technology to industries including identity, land governance, money and banking, capital markets, supply chain, and voting. The company's majority-owned financial technology company, tZERO, executed the world's first blockchain-based stock offering in December 2016.

About Pelion Ventures Partners

Pelion is an early stage technology venture capital firm with a national track record of investing in software-based businesses that manage the exponential growth in the movement of information, or "bits," across wired and wireless networks. Founded in 1986, Pelion has been a partner to leading technology innovators CloudFlare, Fusion-io, MX Logic, RedHat, and Riverbed. More at www.pelionvp.com.

Cautionary Note Regarding Forward-Looking Statements

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, including but not limited to statements regarding the closing of the arrangement with Pelion and expectations with respect to the performance of Pelion and the Fund. No assurance can be given that regulatory approval will be granted and the arrangements with Pelion will be consummated. 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2019, which was filed with the SEC on March 13, 2020, in our Form 10-Q for the quarter ended March 31, 2020, which was filed with the SEC on May 7, 2020, in our Form 10-Q for the quarter ended June 30, 2020, which was filed with the SEC on August 6, 2020, in our Form 10-Q for the quarter ended September 30, 2020, which was filed with the SEC on November 5, 2020, and in our subsequent filings with the SEC.

Contacts

Investor Relations:
Alexis Callahan
801-947-5126
ir@overstock.com

Media Relations:
Megan Herrick
801-947-3564
pr@overstock.com

Method Communications
801-461-9781
medici@methodcommunications.com



Source: Overstock.com, Inc.