OSMIUM PARTNERS
STRATEGIC VALUE INVESTORS

January 2020
Monthly Newsletter

Performance Period	**Osmium Capital, LP**	**Osmium Spartan, LP**	**Osmium Diamond, LP**
Strategy	Long / Short	Long Only	Long / Short
Net January 2020	-5.6%	-3.7%	-3.9%
Net 2020 YTD	-5.6%	-3.7%	-3.9%
Net Annualized Since Inception	+8.6%	+9.8%	+1.3%
Net Since Inception	+315.0%	+276.9%	+8.2%
Fund Inception Date	208 months/17.3 years	171 months/14.3 years	77 months/6.3 years

Dear Friends,

In January, Osmium Capital was down -5.6%, Osmium Spartan was down -3.7%, and Osmium Diamond was down -3.9%. A $100,000 investment in Osmium Capital at the fund's inception in November 2002 is now worth approximately $415,000 net of all fees or 8.6% net annualized returns. Since 2002, Osmium Capital has generated a 0.9% annualized outperformance over the Eurekahedge Small Fund Index (1,346 hedge funds[1]), which has generated 7.7% annualized returns turning $100,000 into approximately $357,000 over the same time period.

If you know a qualified investor who would be interested in receiving our monthly newsletter, please email: main@osmiumpartners.com with subject line: please add me to the newsletter.

Our focus continues to be on the intrinsic value of each business and doing our best to push as hard as practicable to realize shareholder value for each of our portfolio companies. Our businesses have multiples that are in many cases a fraction of the broader market, for what we consider generally above average businesses.

There are two ways to make money in stocks: 1) multiple expansion and 2) free cash flow growth. To state the obvious, it helps to get involved in businesses that are far above average in quality and far below market valuations. That is our strategy.

For TZOO, LOV and RST, the best market environments in their companies' respective histories have been during periods of challenging economic times. In the worst of past times, TZOO hit EBITDA margin of +22% in 2001, +17% in 2002, and in 2008-2009 had exceeded +16% EBITDA margins in both years. LOV had +21.5% margins in 2008 and +18.3% EBITDA margins in 2009. Finally, RST had record profit margins in 2008 with a +17% EBITDA margin that year and +10% in 2009. RST is a different business today, with the growth of K-12 Literacy which did not exist in 2008/09. We think Lexia, however, is probably an even better business in a recession as there is very little sensitivity to K-12 educational software spending to the overall economy. These businesses historically benefited in a recession because other advertisers, for more economically sensitive products, pull back on online ad spending which creates far lower ad prices while end demand is fairly stable. Spark also has the added potential benefit of refinancing their high cost debt starting in July 2020.

[1] *The Eurekahedge Small Hedge Fund Index (< US$100m) (Bloomberg Ticker - EHFI256) is an equally weighted index of 1,346 constituent funds. The index is designed to provide a broad measure of the performance of underlying hedge fund managers the index is base weighted at 100 at Dec 1999, does not contain duplicate funds and is denominated in local currencies.*

Position Updates

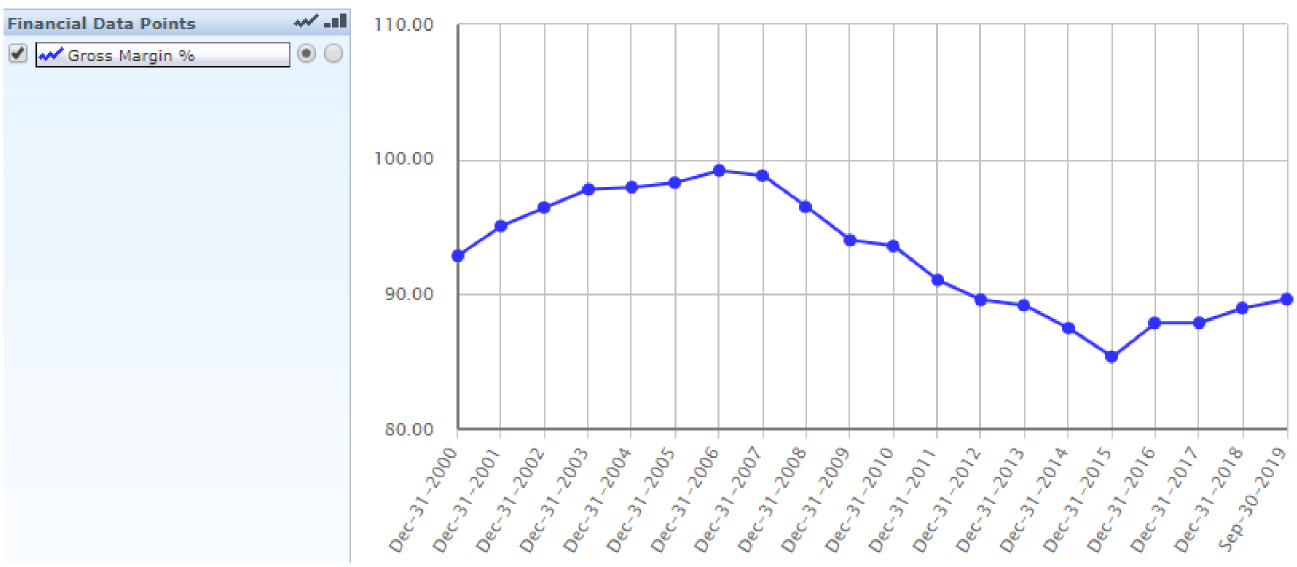
Travelzoo (TZOO) $8.34[2]

Travelzoo Inc., together with its subsidiaries, provides travel, entertainment, and local deals from travel and entertainment companies, and local businesses in Asia Pacific, Europe, and North America. The company's publications and products include Travelzoo Websites; Travelzoo iPhone and Android applications; Travelzoo Top 20 email newsletter; and Newsflash email alert service. It also operates the Travelzoo Network, a network of third-party Websites that list travel deals published by the company; and Local Deals and Getaway services, which allow its subscribers to purchase vouchers for deals from local businesses, including spas, hotels, and restaurants through the Travelzoo Website. The current market capitalization is approximately $104 million. (TZOO is a holding across all funds.)

Travel related company Booking.com & Priceline (BKNG, $80bn market cap) said yesterday that booked hotel rooms will be down -5% to -10% in 1Q20 due to the coronavirus and the stock is down slightly today.

Let's start with TZOO, which is back to about 5x operating income just for US/European business and is a 40% return on equity business w/o debt. TZOO is an ad model with an effective installed base of 30 million global members that is different than a take rate model (charging the hotel 15% of a room night). TZOO makes money just pushing web traffic to these members. TZOO generates around $4 a member per year, and the average member stays 7 years. TZOO historically does better in a recession as high fixed cost travel suppliers (i.e. cruise lines, airlines, hotels, resorts) see occupancy drop from ~90% to ~65%. Consequently, in difficult times high fixed cost travel suppliers resort to extreme price discounts to spur demand.

TZOO is a 90% gross margin ad business with 30 million affluent global members:



TZOO over the last 30 days:

- NEC computers for Japan made Travelzoo the pre-installed travel site on four computers that have the highest market share of the Japanese consumer PC market.

[2] *Market price as of the date of dissemination of the letter*

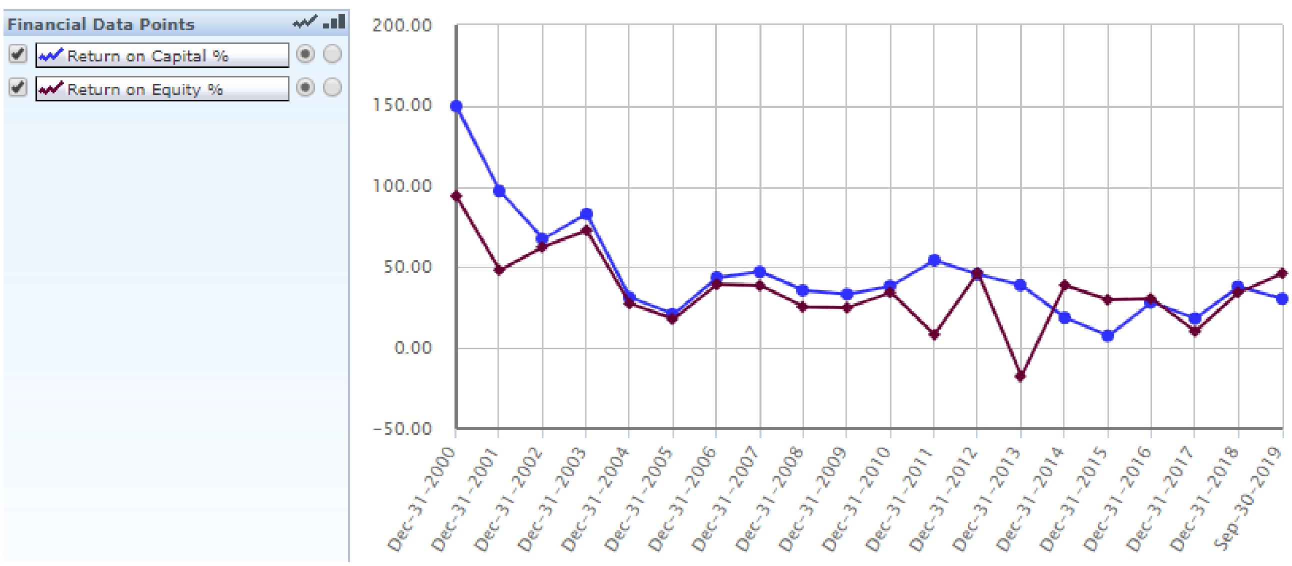
“With a pre-installed Travelzoo app on NEC's new tablet products, consumers will be able to access travel deals from thousands of suppliers selected by Travelzoo the minute they turn on their new NEC tablets. Given NECPC's market-leader position in Japan's personal electronics sector, this partnership will also further increase our brand awareness and consumer reach in Japan."

- TZOO won Silver awards for “best branded content & online campaign” in Canada
- TZOO partnered w Sony for a tie-in with the Charlies Angels movie release

> *"We are thrilled to join forces with Sony Pictures Home Entertainment," said Kara Walsh, Head of Marketing, U.S., of Travelzoo. "This promotion connects two brands built upon global exploration, and there is a natural synergy between the film's fans and our members who are eager to experience remarkable travel and entertainment opportunities."*

Travelzoo is now set to report on March 2nd pre-market. TZOO has moved its earnings date 3 times over the last 7 days. This is highly unusual, and our (hopeful guess) is that it is likely related to divesting/restructuring TZOO Asia which is less than 6% of total revenue and eats into over 35% of the company’s profits. Simply closing TZOO Asia would get TZOO to $1.75 a share in operating income and we think the stock would quickly hit $18-20+ vs. $8.50.

TZOO has sustained high returns on capital for some time and is generating around 50% returns on equity:



Leaf Group (LEAF) $2.95[3]

Leaf Group Ltd., is an online digital media company composed of two service offerings: Content & Media (C&M) and Marketplaces. C&M publishes and distributes content, accumulating a library of articles, videos, and blogs across their properties such as eHow.com and Livestrong.com. They also operate two leading artist marketplaces, Society6 and Saatchi Art, which provides the global community of artist with an online commerce platform. Leaf Group’s current market capitalization is approximately $80 million. (LEAF is a holding across all funds.)

In January LEAF was ranked #48 out of the top 50 most visited Desktop and Mobile sites in the U.S. with 72 million monthly unique visitors. Nearly every brand in the top 50 is worth in excess of $1 billion dollars except Leaf Group

[3] *Market price as of the date of dissemination of the letter*

(LEAF) which is only valued at a $65 million enterprise value. We believe this traffic count includes marketplaces, but even backing that out, we estimate Leaf Media has 60 million uniques. Peers include: WebMD Health, DotDash, and Future. We are enormously disappointed in the business strategy and execution to date, however, Leaf trades at under 0.5x sales and less than 3x Media contribution margin. Peers are valued in the 13-15x EBITDA range and contribution margin usually converts to EBITDA at 67%. Therefore, we think Leaf could earn around $0.67 cents a share/year on Media and this would likely be worth at least a 10-12x. However, this is not the case given other business segments. Leaf has approximately $150 million in revenue with sell side of break even for 2020 w/ $12 million in net cash.

- Saatchi & The Other Art Fair: $15 million with 35% revenue growth (revenue up 3.5x since acquisition)
- Society6 & Deny Designs: $75 million
- Leaf Media: $60 million with 45% contribution margins
- Net Cash $11 million
- Total Enterprise value $65 million

Below are the Top 50 most visited Desktop and Mobile sites in the US for January 2020:

More relevant media companies to Leaf Group:

#14 is Meredith (MDP) is valued at $4.8 billion
#29 is Penske Media (private) but in 2018 raised $200 million from Saudi Arabia and founder still own over 60%
#31 is J2 Global is valued $4.3 billion (JCOM)
#34 DotDash is part of IAC
#44 is Future (FUTR.L) valued at $1.2 billion (or 6x sales at 30x EBITDA)
#47 is WebMD Health WebMD was taken private by KKR for $3.2 billion
#48 is Leaf Group valued at just $65 million

1	Rankings - Comscore, Inc.		
2	#	Property	Unique Visitors/Viewers (000)
3	1	Google Sites	257,531
4	2	Microsoft Sites	222,428
5	3	Facebook	218,804
6	4	Verizon Media	217,019
7	5	Amazon Sites	213,168
8	6	WarnerMedia	189,225
9	7	The Walt Disney Company	188,238
10	8	Comcast NBCUniversal	184,292
11	9	CBS Interactive	179,997
12	10	PayPal	173,965
13	11	Hearst	161,984
14	12	Apple Inc.	157,022
15	13	Twitter	156,091
16	14	Meredith Digital	152,309
17	15	CafeMedia	151,298
18	16	USA TODAY Network	149,760
19	17	Weather Company, The	144,566
20	18	Fox Corporation	138,958
21	19	Wal-Mart	135,673
22	20	Wikimedia Foundation Sites	131,917
23	21	Freestar	117,676
24	22	Mediavine	117,343
25	23	Pinterest	107,982
26	24	Linkedin	104,892
27	25	New York Times Digital	103,778
28	26	Zillow Group	102,756
29	27	Penske Media Corp (PMC)	101,983
30	28	Vox Media	101,562
31	29	J2 Global	101,070
32	30	eBay	100,898
33	31	Insider Inc.	97,719
34	32	Dotdash	97,244

35	33	Conde Nast Digital	96,463
36	34	Nexstar Broadcast	96,345
37	35	Mail Online / Daily Mail	93,356
38	36	Netflix Inc.	92,566
39	37	Snapchat, Inc	91,810
40	38	WASHINGTONPOST.COM	87,890
41	39	Healthline Media	87,189
42	40	NYPost Network	86,918
43	41	Reddit	86,163
44	42	PANDORA.COM	86,135
45	43	Spotify	82,145
46	44	Future Plc	81,891
47	45	WebMD Health	79,830
48	46	BuzzFeed	78,080
49	47	iHeartRadio Network	77,088
50	48	Leaf Group	72,129
51	49	TripAdvisor Inc.	71,523
52	50	Discovery Inc	70,063

Redbubble (RBL.AX) AUD $1.01[4]

Redbubble Limited operates as an online marketplace that connects independent artists with customers and a network of third party fulfillers utilizing print-on-demand technology to fulfill customer orders. It offers apparel for men, women, and kids; cases and skins, such as phone cases and wallets, as well as laptop sleeves and skins; various stickers; home decor products, including throw Pillows, duvet covers, travel mugs, and mugs; bags, such as tote bags, pouchstudio pouches, drawstring bags, and laptop- sleeves; stationary products comprising greeting cards, postcards, calendars, spiral notebooks, and journals; wall art products, including posters, canvas prints, framed prints, photo prints, framed prints, and art prints; and gift certificates. The company was founded in 2006 and is headquartered in Melbourne, Australia. Redbubble's current market capitalization is approximately $262 million. (RBL.AX is a holding across all funds.)

The Redbubble quarter, relative to an all-time low valuation looked fine to us:

https://shareholders.redbubble.com/site/showdownloaddoc.aspx?AnnounceGuid=43481d93-13e8-4406-a39c-2ecf7ec4450b

[4] *Market price as of the date of dissemination of the letter*

Highlights from 1H FY2020
(with Year on Year comparisons shown)

Gross Transaction Value	Marketplace Revenue[1]	Operating EBITDA[3]	Free Cash Flow[4]
$232m	$180m ▲26% floating ▲21% CC[2]	$10.1m ▲46%	$36.6m ▲42%

Sales growth from Apps[5]	Sales growth from members[6]	Content Partnerships brands on-boarded	New products contribution to 1H
122%	64%	58 as at 31 December 2019	~$10m In Marketplace Revenue

Redbubble's core is not doing well as it was up just +1% year over year, however, Redbubble's Teepublic is doing extremely well (which will be nearly 30% of total revenue over the next year or so). Overall, Redbuble grew +21% in 1H20.

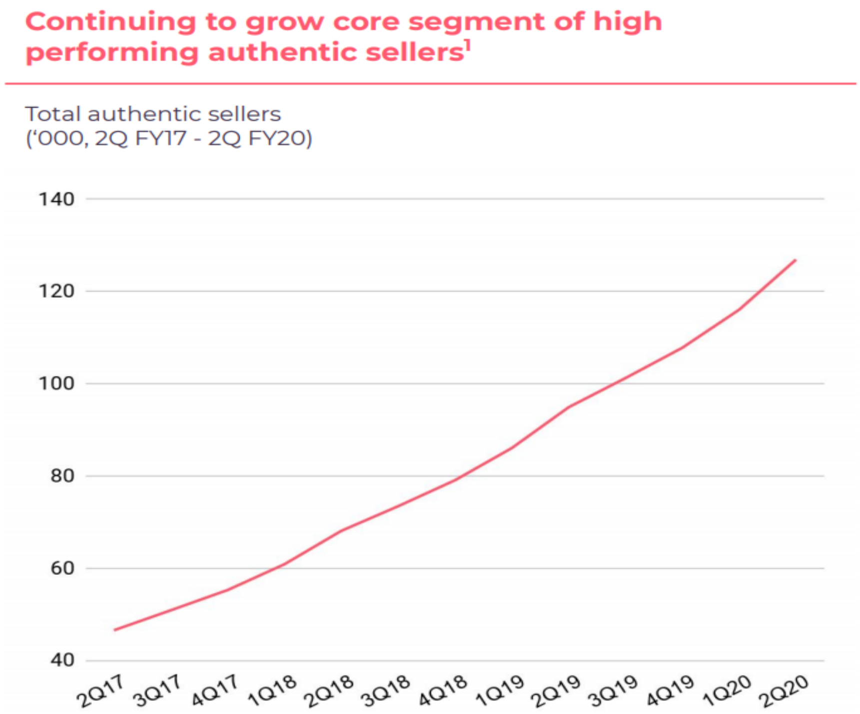
TEEPUBLIC

HY
FY2020

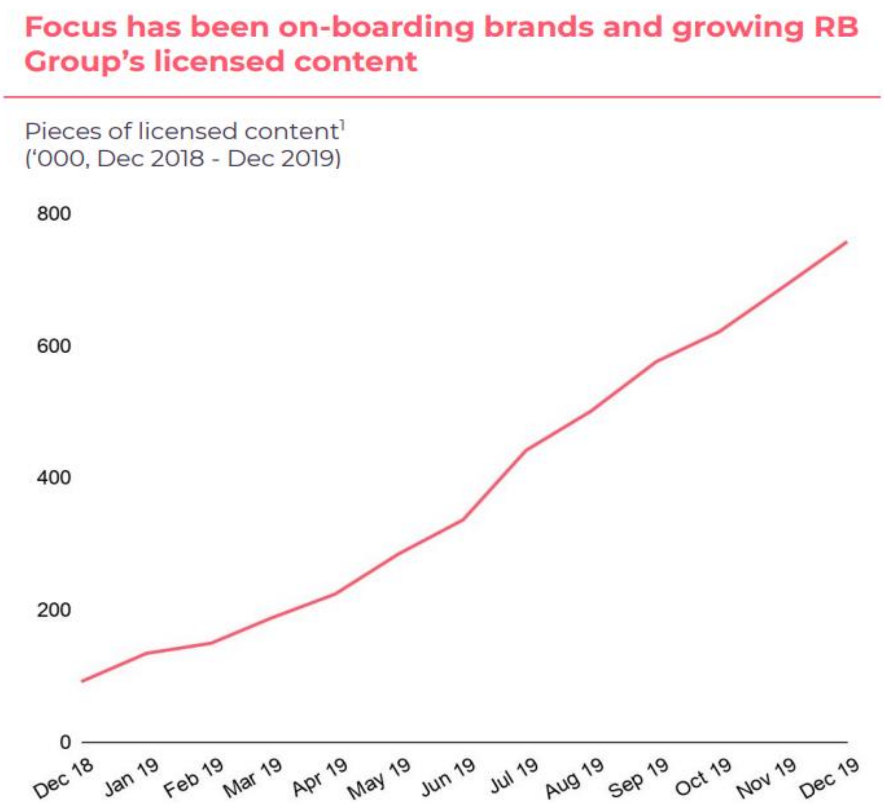
$47m

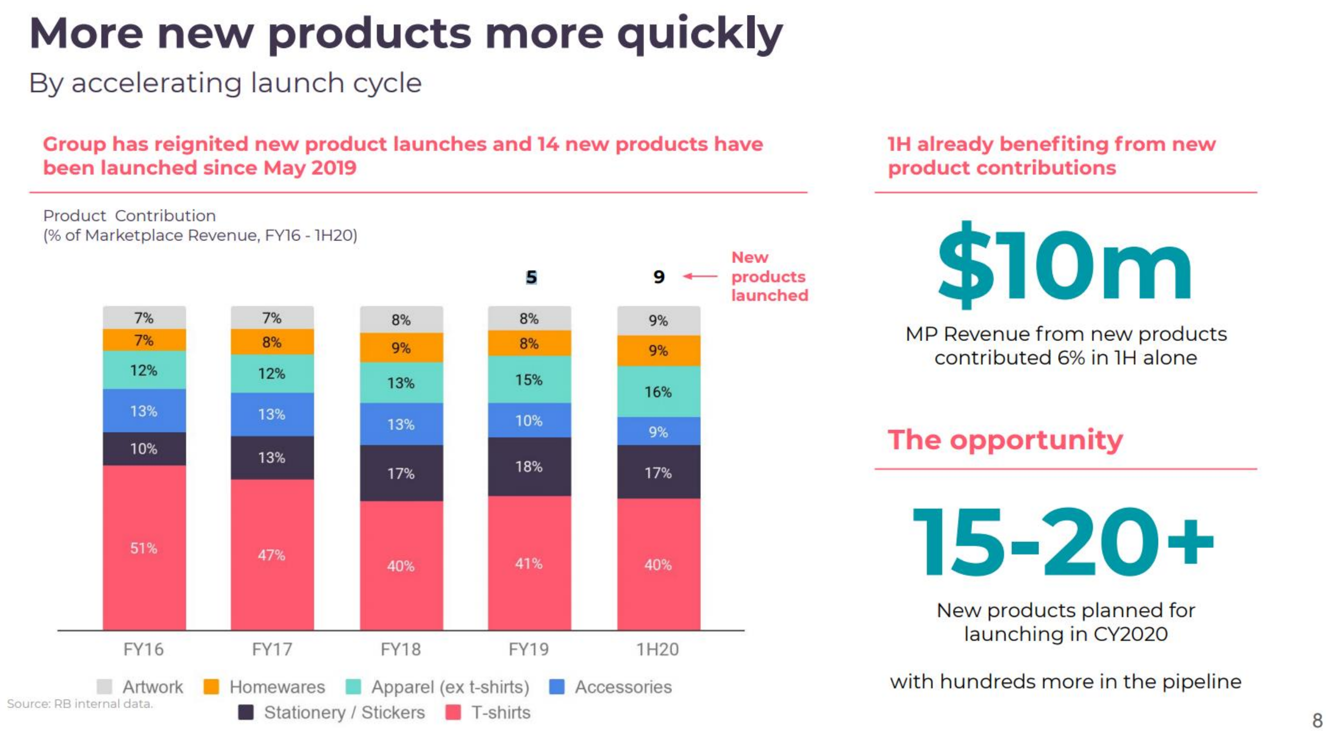
▲55% CC[2] YoY
1H19[3] to 1H20 like-for-like comparison

▲210% CC[2] YoY
based on ownership from 1 Nov 2018

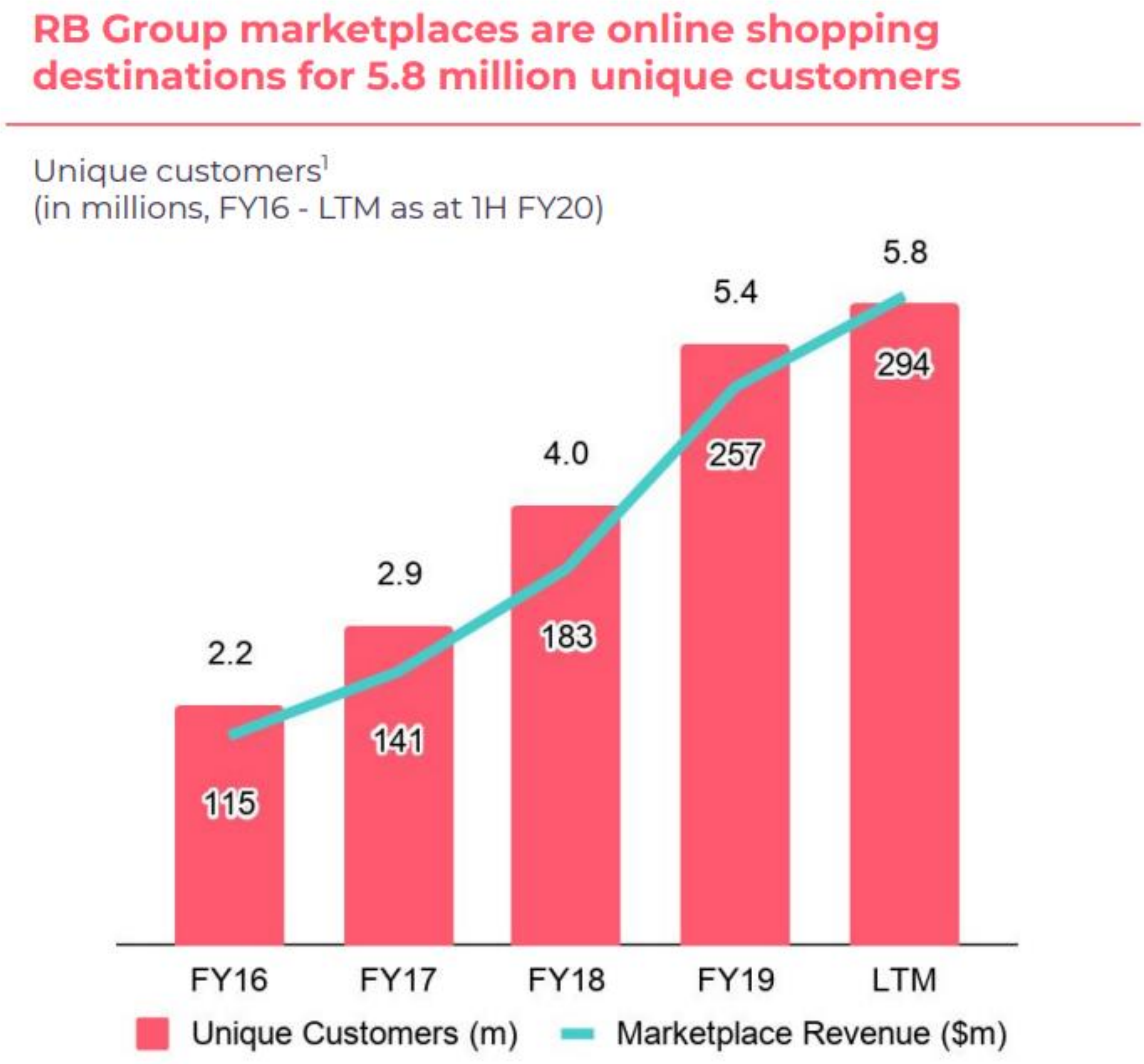


Above: These 135,000 artists comprise 66% of total sales or about $200 million a year on the RBL platform.





Redbubble only launched 14 products over the last 2 years. Now the new interim CEO wants at least 15-20 new products over the next 9 months. Redbubble ultimately sees 400-500 products being sold on their site vs. just under 70 now.



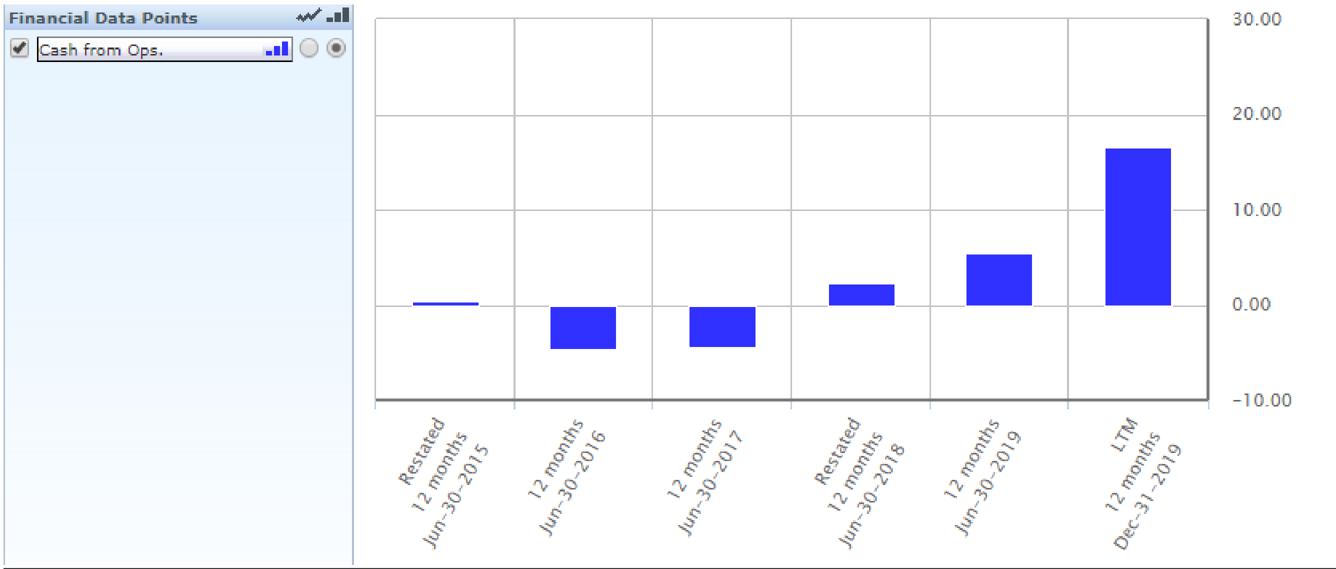
In mid-February, Redbubble fired CEO Barry Newstead and the founder and former CEO Martin Hosking took over as interim CEO.

Reading between the lines the Redbubble Directors saw three key points:

1) Redbubble subsidiary, Teepublic, is growing revenue at +59% with 10% operating margins
2) Redbubble's core business, which Barry was responsible for, was in the same industry and is growing at +2-3% w/ less than 10% operating margins
3) The stock has an extremely low valuation with shareholder support beginning to crumble with an activist pushing for a sale of the company

We know Martin Hosking well and feel he is A+ for the job and personally owns 50+ million shares of stock.

We also remain hard pressed to see how the business is worth less than $2.00 per share in a sale or possibly higher. Finally, the chart below shows that RBL has gotten into a sustainable path of profitability with scale and a seasonally high cash position of $65 million.



Redbubble currently trades at its lowest valuation since its May 2016 IPO of just 0.6x sales. Teepublic is likely worth a 2.0x multiple, or more, given +50% organic revenue growth and 10% EBITDA margins which would equal nearly the current enterprise value of RBL. This would give you the core Redbubble business for -0- with $225 million in revenue and the #1 player in the industry. Before RBL bought Teepublic, RBL was valued at approximately 1.35x sales. This valuation would have given the Redbubble core a value of $1.15 a share, plus another $1.00 for Teepublic and add $0.15 to $0.20 in steady state cash balance (ex-seasonal spike) equating to $2.30 a share. We think these are extremely low multiples for the industry. The Canaccord analyst, does the best job covering the company and he reiterated a $1.80 price target or +80% from the current close.

<u>Spark Networks (LOV) $5.12[5]</u>

Spark Networks, Inc. provides online personal services in the United States and internationally. The company creates communities that help individuals to form life-long relationships with others who share their interests and

[5] *Market price as of the date of dissemination of the letter*

values. Its primary properties include JDate.com and ChristianMingle.com, which are communities for the singles of Jewish and Christian faiths. The company was incorporated in 2007 and is headquartered in Berlin and New York. (LOV is a holding across all funds.)

Spark is valued at a -10% discount to the company's annual direct marketing budget of $150 million or about 90% of its 2020 direct marketing spend. This is an unusual data point/relationship/valuation. Furthermore, Spark has guided to 20% Adjusted EBITDA margins so it is a high ROIC bet. Spark needs to make the argument that they have brands, the technology platform, and the capital to reallocate into the best brands and can generate in late 2020 high quality growth with new and existing brands. Given the last 9 months, we understand why the market has priced in a very pessimistic valuation.

In simple terms Spark has $250 million in revenue with $150 million direct marketing spend, and $50 million fixed overhead and $50 million in adjusted EBITDA. Or said another way on the $250 million in revenue only $50 million is fixed employees' salaries and overhead. The remaining $200 million consists of $50 million in adjusted EBITDA and $150 million in direct marketing/customer acquisition. Direct marketing and adjusted EBITDA are $8.00 per share on a $6.00 stock.

Our downside scenario:

We played out several negative scenarios. So what if revenue is $220 million? We think Spark would likely cut the variable $150 million marketing spend to $120-125 and adjusted EBITDA will be $42-48 million. Great, NO! But this is what one downside scenario looks like. Using this downside scenario: our DCF valuation with a 14% discount rate we still get $11 per share or more than a double from the current price. This is not a surprising result given that adjusted EBITDA would be $1.70 a share on a $5.05 stock. The debt covenants require for Adjusted EBITDA to stay above $42 million in 2020. Debt/EBITDA is about 2.5x, which is in line with Match, which will soon be 3.0x Debt/EBITDA.

We follow the company very closely. We have seen no layoffs in the core Berlin business. In fact, they are hiring for 14 positions now.

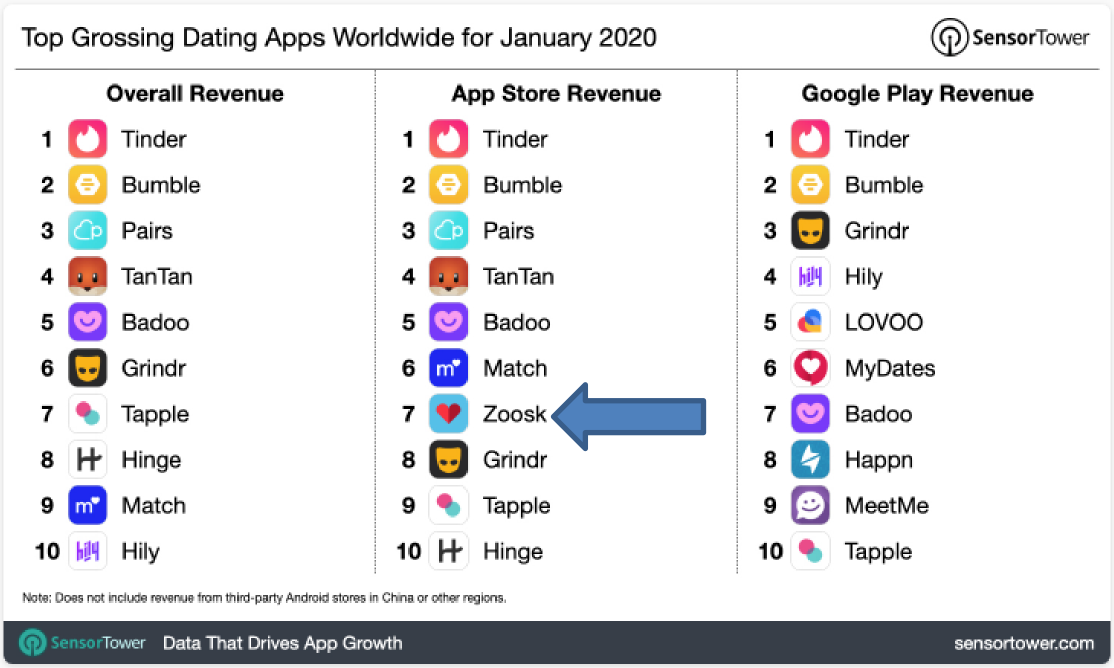
Catalysts:

- Spark is supposed to launch their first general dating mobile app this quarter
- Spark will likely report in April 2020 their 2H19 results
- Spark will likely realize all cost synergies by May 2020 from the Zoosk deal
- Spark should likely release a new technology platform over the next couple of months
- Spark will likely refinance their debt starting in July 2020 at a much lower rate
- Spark will then report quarterly in August, November, etc.

Top Grossing app store revenue worldwide showed Spark's Zoosk ranked #7 (mobile site) which is just behind Match.com. Match owns #1, #6, and #10. Bumble owns #2, and #5. Tapple is a Japanese company. Grindr is a gay dating site owned by the Chinese. TanTan is a chinese dating site. Pairs is an Australian dating company.

FEB 4, 2020

Top Grossing Dating Apps Worldwide for January 2020



The top grossing dating app worldwide for January 2020 was Tinder with more than $86.4 million in user spending. Approximately 40.3 percent of Tinder's revenue was from the United States, followed by 7.1 percent from Great Britain and 5 percent from Brazil. The full ranking of the top grossing dating apps for January 2020 is above. App revenue estimates are from Sensor Tower's Store Intelligence

(source: Sensor Tower)

Tucows (TCX) $49.69[6]

Tucows, an ICANN accredited registrar, provides domain name and email services through a global distribution network. The company also operates a rapidly growing MVNO (wireless service) called Ting, which features innovative pricing and category-leading customer service. The company also derives revenue from the sale of fixed high-speed internet access via fiber (Ting Internet) in select towns. TCX has a current market capitalization of approximately $535 million. (TCX is a holding across all funds.)

Tucows generated 19% adjusted EBITDA margins for the 4Q19, which is 2nd highest margin quarter in 20 years.

Re: their Ting Business "One metric that was striking as we looked back at 2019. 55% of our gross subscription adds came from existing Ting accounts adding lines."

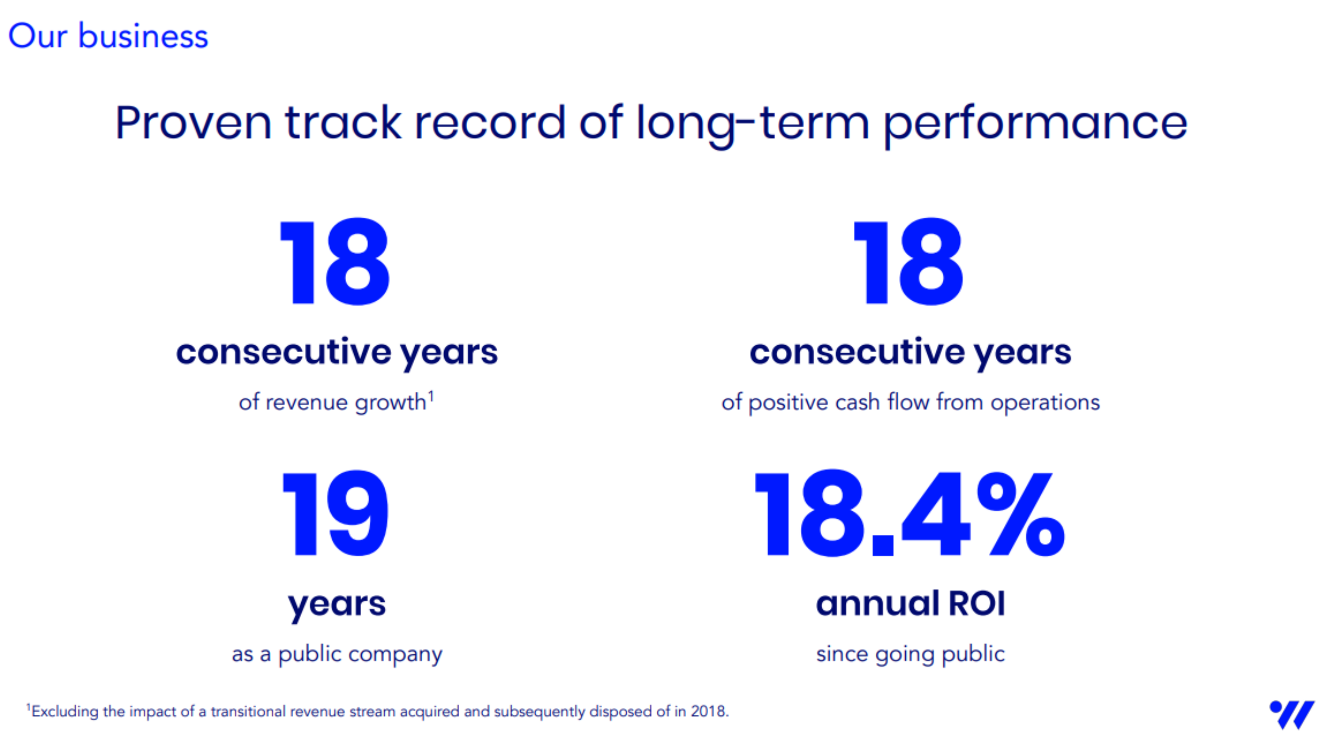
[6] *Market price as of the date of dissemination of the letter*

At around $50 per share, the company was a buyer of its stock in the 3Q19. TCX is an IRR driven company and very careful in their share repurchases as their average cost on their buy backs is about 1/10th the current share price. They have repurchased over 50% of their shares. This week there was a very small insider buy in TCX. TCX has a $40 million active share repurchase in place.

We found the CEO's comments interesting:

"We enter 2020 with clear signs of significant change in US telecom. With the Sprint-T-Mobile merger getting the green light this week, Dish is poised to become a fourth competitor with loads of spectrum and nothing to lose. In fixed Internet we see a bidding war for Cincinnati Bell, a looming bankruptcy hearing for Frontier, discord between Windstream and Uniti, and the cable incumbents looking to extend the life of coax as long as possible. We see more and more private equity and infrastructure funds seizing the opportunity by buying and building fiber assets. And overriding both is the drive to end the separation between fixed and mobile Internet. In the next decade we fully expect to see the table flipped over, and the US telecom environment looking very different in February 2030. In thinking about our role in this world, more and more it looks like our platform will be as important as our customer relationships. The further we get into the exercise, the more it becomes clear ***that our biggest competitive advantage lies in our telecom software stack****. It appears to be providing significant advantages in operating expense relative to current operators, in both fixed and mobile. It is important to remember that we are talking about the coming decade so please don't ask me about opportunities in this regard for the next quarter. We do believe that the software that telecom operators currently use is archaic and inefficient, like banks or insurance companies. And we believe that the advantage a modern platform provides at an operating level is a sustainable competitive advantage, like that provided by any platform that has leadership. At the start of a new decade, and as we move closer towards Ting Internet materially contributing to the business in 2021 and beyond, the macro environment for US telecom, and the micro benefits of our current competitive situation have us more excited than ever for what is to come."*

The company has had the same CEO, Elliot Noss, for 18 years who he is in his early 50's. Shown below is his track record during his tenure:



More commentary from the company:

"Our fourth quarter results were once again demonstrative of the consistency in the Tucows business. Continuing strong cash generation from our Domains and Ting Mobile businesses contributed to record cash from operations for the year of $40 million to support investment in our outsized Ting Internet growth opportunity," said Elliot Noss, President and Chief Executive Officer, Tucows Inc.
Mr. Noss added, *"2019 was a year in which we took meaningful steps to position each of our businesses for long-term success. In our Domains business, we focused on strengthening the quality of the wholesale customer base to maximize gross profit of that channel, which expanded 15% over the prior year, as we made steady progress on our platform work to support future growth. In our Ting Mobile business, we announced positive changes to our service provider agreements that further enhance our already very compelling offering and **provide much improved economics**, setting the stage for better long-term prospects for our mobile business. And at Ting Internet, we invested more than $32 million in our network build, growing the number of passed homes by more than 60% and expanding our customer base by 46%, while adding four new towns that expanded our potential serviceable addresses by 74%. Tucows remains very well positioned to capitalize the greatest opportunity in telecom in a couple of generations."*

"Over the last four years -- from 2015 to 2019 -- a series of opportunistic and selective acquisitions have allowed us to take advantage of the scale and efficiency in our business, as well as our focus on maximizing profitability. During that period, we more than doubled the gross margin dollars for the Wholesale Domains channel. For the same period, we expanded gross margin dollars for the Retail Domains channel by two-and-a-half times. And we did it while deploying over $100 million in capital -- and meeting our lofty IRR targets." CEO 12 Feb 2020

"Heading into 2020, it feels more clear than ever that we entered this business at the right time, and for the right reasons. We brought core competencies from our ISP roots, from Domains and from Ting Mobile, and most importantly, we continue to learn, and evolve the operation in order to scale, and to set the stage for the long-term growth trajectory of the Ting Internet business."

Net Net: we think the downside on TCX is $45 and the upside is $75 over the next 12 months. At any time TCX could turn into a high yield bond if they stopped running Fiber. We would not want to see that, however, as we believe in TCX's Fiber strategy and their ability to execute.

Conclusion

To be a public company you need to be a winner. Winners do more with less: 1) faster than industry revenue growth 2) better than industry profit margins and 3) a simple to explain story. We have a study that shows approximately 4% of public companies over time generate meaningful shareholder value while the rest net to 30 day T-bills over time. Heading into 2020, are going to continue to press board and management teams aggressively to close the massive gaps between what businesses trade for and what believe they could be sold for. Public Boards, in theory, should be constantly pursuing the best risk adjusted path forward for their shareholders, but frankly, the incentive structure is to tread water and enjoy the ride versus doing the right thing and follow the harder path of potentially ending the ride and selling the company.

We will do what it takes to make sure investors know there are two options and that management and boards work on behalf of shareholders, which in many cases gets forgotten. We live by the motto: "All it takes, is all you have."

In our opinion, the small cap market remains, in certain pockets, deeply inefficient. This does not come as a surprise, but it is frustrating that what we consider obvious value drivers are getting ignored for the time being. This backdrop continues to offer us attractive long term investment opportunities, as most of our businesses are transforming to digital models, with attractive growth rates and valuations that are significantly below both public and private peers. We do feel we are well positioned going forward.

Our goal is not to minimize volatility on a day to day or month to month basis, but to capture the significant inefficiencies in underfollowed public companies on both the long and short side. On the long side, we are looking for companies that are aggressively growing per share value through business results and recapitalization when the share price is significantly undervalued. We are far less concentrated on our short portfolio and much more long term focused on the long side. Osmium Capital has a 30% correlation to the overall market. It is very hard/impossible to call when fundamentals get recognized and revalued in the marketplace. Our goal is to be right on the underlying intrinsic value of the businesses on both the long and short side, as opposed to calling an earnings number to the penny on a quarterly earnings report. We believe this is a higher probability and a far more tax efficient strategy that we have successfully executed over the last 16 years. It is important to emphasize that we may take very large equity positions when businesses we know very well become priced at a significant discount to our estimated business value.

If you are interested in adding to your position or becoming a limited partner, please contact us by phone or email. Thank you again for your support.

Best,

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Senior Adviser

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The analyses provided may include certain statements, assumptions, estimates and projections prepared with respect to, among other things, the historical and anticipated operating performance of the companies. Such statements, assumptions, estimates, and projections reflect various assumptions by Osmium Partners concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have included solely for illustrative purposes. No representations, express or implied, are made as to the accuracy or completeness of such statements, assumptions, estimates or projections or with respect to any materials herein. Actual results may vary materially from the estimates and projected results contained herein. Past Osmium performance is not indicative of future results. Osmium takes concentrated positions. Osmium Partners disclaims any obligation to update this letter.

A portion of the Partnership's assets may from time to time be invested in securities that have limited liquidity. The Partnership's investment strategy is to make concentrated investments in what it views as its best ideas. The Offering Memorandum and Limited Partnership Agreement offers a comprehensive overview of the risk factors involved in investing with Osmium Partners.

OSMIUM PARTNERS

STRATEGIC VALUE INVESTORS

OSMIUM CAPITAL, LP[1]	2020											
MICRO & SMALL CAP Long/Short	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**
Return information, net												
Monthly return	(5.6%)											
Quarter to date	(5.6%)											
Year to date	(5.6%)											
Since inception, November 2002	315.0%											
Month End Position summary[2]												
Long equity	162.7%											
Short equity	(79.9%)											
Gross exposure	242.6%											
Net exposure	82.9%											
Position information[2]												
Total number of positions, longs / shorts	16 / 6											
Performance attribution												
Longs - Gross % return attribution	(5.3%)											
Shorts - Gross % return attribution	(0.1%)											
Total Gross Return	(5.4%)											

OSMIUM SPARTAN, LP[1]	2020											
MICRO & SMALL CAP - LONG ONLY	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**
Return information, net												
Monthly return	(3.7%)											
Quarter to date	(3.7%)											
Year to date	(3.7%)											
Since inception, December 2005	276.9%											
Month End Position summary[2]												
Long equity	96.6%											
Total number of positions	15											

OSMIUM DIAMOND, LP[3]	2020											
MICRO & SMALL CAP Long/Short	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**
Return information, net												
Monthly return	(3.9%)											
Quarter to date	(3.9%)											
Year to date	(3.9%)											
Since inception, October 2013	8.2%											
Month End Position summary[2]												
Long equity	134.1%											
Short equity	(40.9%)											
Total number of positions, longs / shorts	9 / 5											

(1) Performance represents a Class A Investor with a 2% management fee and 20% performance fee
(2) Number of Positions and Position Exposures are not inclusive of Options, Warrants and Certificates
(3) Performance represents a Class A Investor with a 1.75% management fee and 20% performance fee
Note: Past Performance is not indicative of future results

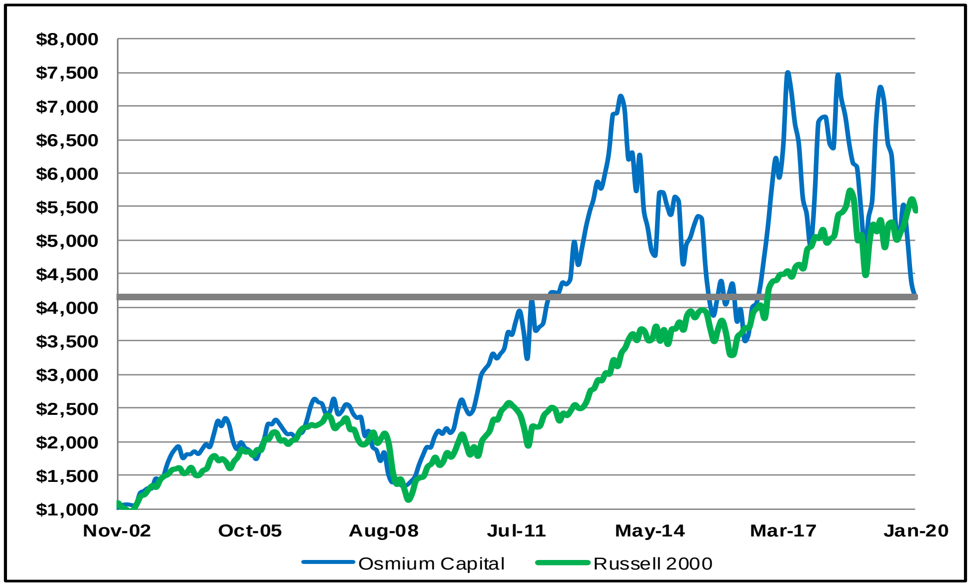
Osmium Capital, LP

Year to Date: -5.6% | **Since Inception: 315.0% | Annualized: 8.6%**

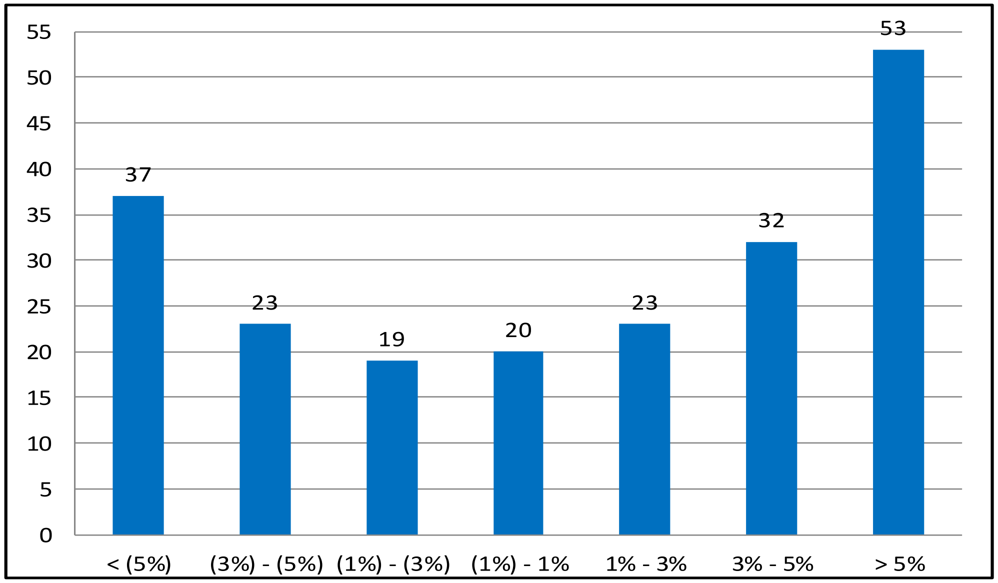
Monthly Net Performance [1] (% change)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since inception
2020	(5.6%)												(5.6%)	315.0%
2019	10.0%	4.8%	20.8%	7.5%	(2.9%)	(8.8%)	(3.1%)	(16.0%)	(3.2%)	9.1%	(8.7%)	(13.0%)	(9.8%)	339.4%
2018	1.3%	0.0%	(5.8%)	(0.9%)	16.7%	(4.5%)	(3.6%)	(6.1%)	(4.5%)	(1.0%)	(9.7%)	(11.4%)	(27.8%)	387.0%
2017	7.6%	(4.8%)	8.2%	16.5%	(3.1%)	(6.9%)	(4.6%)	(12.3%)	(4.2%)	(8.8%)	13.2%	21.1%	16.5%	574.9%
2016	4.2%	3.0%	(12.7%)	4.7%	(11.8%)	2.5%	11.3%	1.4%	6.2%	10.1%	9.7%	11.4%	43.1%	479.2%
2015	(16.4%)	5.9%	2.1%	3.7%	2.6%	(0.8%)	(14.4%)	(10.4%)	(5.0%)	7.1%	6.0%	(8.0%)	(27.4%)	304.9%
2014	(9.2%)	9.5%	(13.0%)	(4.8%)	(6.7%)	(1.4%)	19.4%	0.1%	(3.5%)	(2.5%)	5.0%	(1.4%)	(11.6%)	457.4%
2013	4.7%	3.1%	4.8%	(1.8%)	4.0%	5.1%	9.0%	0.3%	3.8%	(2.8%)	(10.7%)	1.6%	21.5%	530.8%
2012	1.6%	7.5%	4.2%	0.2%	(0.2%)	3.6%	(0.6%)	1.9%	12.5%	(7.0%)	5.4%	6.3%	39.8%	419.0%
2011	(2.3%)	2.1%	2.5%	7.2%	(1.1%)	5.6%	4.0%	(7.9%)	(10.8%)	26.4%	(10.8%)	1.4%	11.9%	271.1%
2010	(3.3%)	3.3%	12.0%	6.7%	(5.0%)	(3.7%)	3.0%	9.8%	9.8%	3.3%	2.4%	4.9%	50.3%	231.7%
2009	(1.6%)	1.4%	4.2%	4.9%	11.7%	8.3%	6.8%	(0.4%)	8.3%	4.4%	(2.3%)	4.1%	61.4%	120.7%
2008	(2.5%)	0.7%	(11.9%)	3.6%	(11.1%)	(2.4%)	(8.7%)	7.6%	(17.0%)	(8.7%)	4.5%	(6.5%)	(43.5%)	36.8%
2007	9.2%	4.3%	(1.9%)	(0.9%)	(6.0%)	1.5%	8.0%	(8.7%)	1.5%	4.3%	(0.8%)	(4.7%)	4.2%	141.9%
2006	7.5%	10.6%	(0.3%)	3.2%	(2.8%)	(3.6%)	(3.1%)	0.3%	(2.0%)	1.6%	1.9%	7.7%	21.6%	132.1%
2005	9.3%	(3.6%)	5.5%	(4.4%)	(11.1%)	(5.6%)	5.5%	(4.0%)	(1.7%)	(3.2%)	(4.4%)	9.3%	(10.0%)	90.9%
2004	8.2%	4.5%	2.2%	(8.9%)	3.2%	0.0%	2.5%	(2.2%)	4.0%	3.9%	(2.1%)	10.1%	26.8%	112.0%
2003	1.5%	0.0%	(1.0%)	0.9%	16.0%	2.6%	3.2%	(0.4%)	11.2%	(1.7%)	4.0%	12.5%	58.5%	67.2%
2002											1.7%	3.8%	5.5%	5.5%

Growth of $1,000 Invested at Inception



Monthly Return Histogram



1) Represents net returns for an investor with a 2% management fee and a 20% performance fee.

Note: Past performance is not indicative of future results.

Data as of Jan 31, 2020

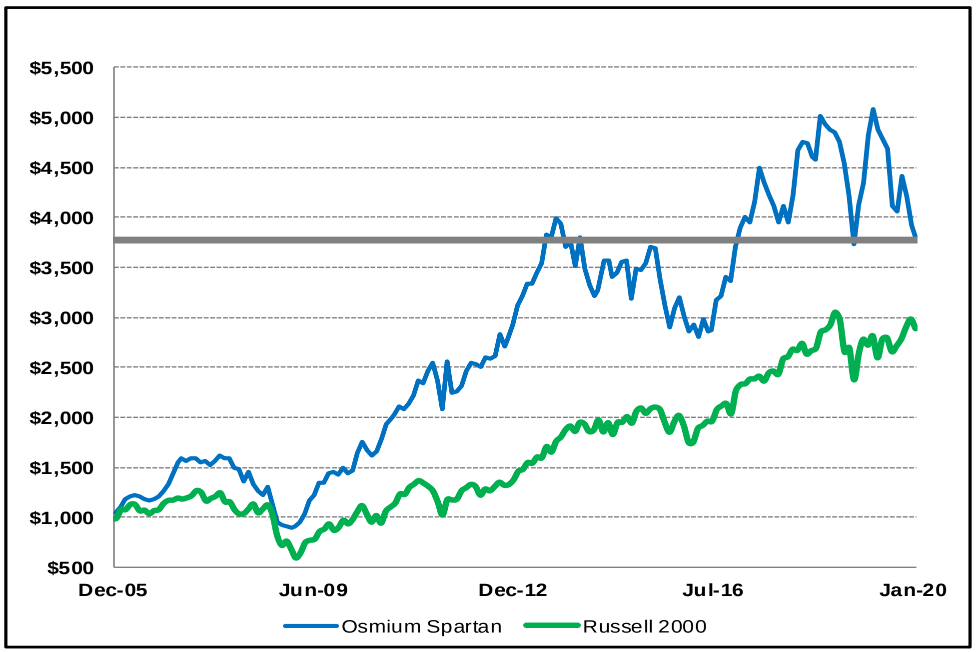
Osmium Spartan, LP

Year to Date: -3.7% | **Since Inception: 277.0% | Annualized: 9.8%**

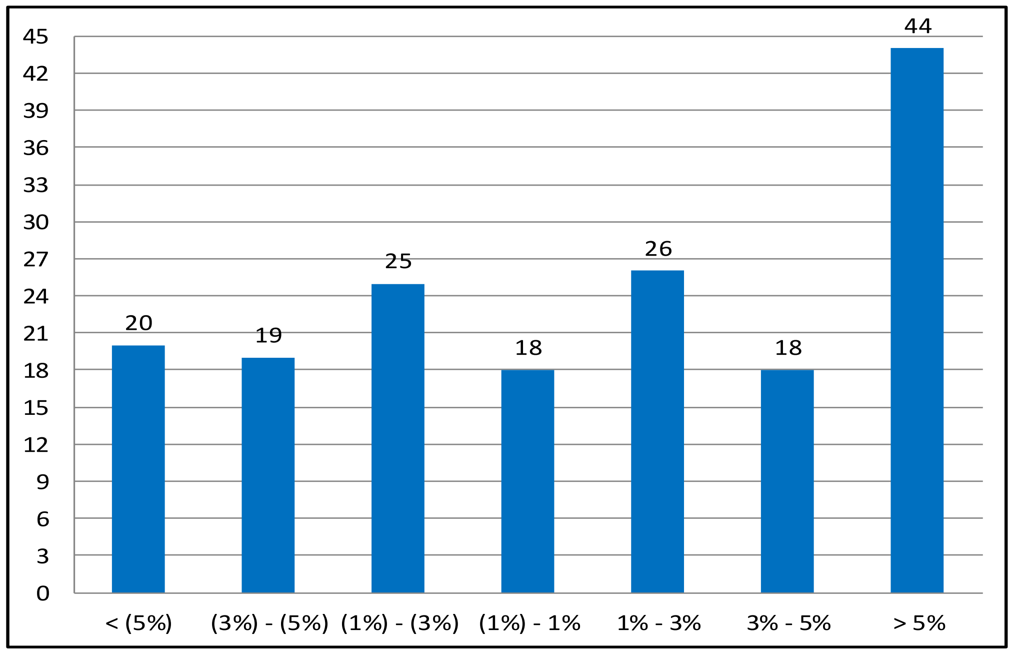
Monthly Net Performance [1] (% change)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since inception
2020	(3.7%)												(3.7%)	277.0%
2019	10.5%	5.5%	11.0%	5.3%	(4.0%)	(2.2%)	(1.8%)	(12.3%)	(1.2%)	8.5%	(4.5%)	(7.0%)	5.0%	291.6%
2018	1.6%	(0.2%)	(2.9%)	(0.5%)	9.6%	(1.7%)	(1.1%)	(0.6%)	(2.1%)	(4.5%)	(7.3%)	(11.3%)	(20.2%)	272.9%
2017	3.0%	(1.6%)	5.2%	8.2%	(3.1%)	(3.0%)	(2.7%)	(3.9%)	4.0%	(3.9%)	6.8%	10.9%	20.1%	367.5%
2016	(4.9%)	2.3%	(4.1%)	6.5%	(4.4%)	0.7%	10.1%	1.2%	6.0%	(1.0%)	9.8%	5.2%	29.4%	289.2%
2015	(10.8%)	9.3%	(0.2%)	2.1%	4.5%	(0.3%)	(8.6%)	(7.7%)	(7.0%)	6.7%	3.4%	(6.1%)	(15.8%)	200.7%
2014	(6.7%)	8.3%	(8.4%)	(4.4%)	(3.4%)	1.5%	9.2%	0.1%	(4.5%)	1.1%	3.2%	0.5%	(5.1%)	257.1%
2013	6.5%	2.7%	4.2%	(0.2%)	3.4%	2.6%	8.1%	(0.4%)	5.0%	(1.5%)	(6.0%)	1.6%	28.3%	276.3%
2012	2.6%	6.3%	3.4%	(0.4%)	(1.3%)	3.9%	(0.4%)	1.3%	8.3%	(4.6%)	3.3%	4.9%	30.0%	193.2%
2011	(1.4%)	3.0%	3.7%	6.9%	(1.3%)	5.0%	3.6%	(7.3%)	(11.8%)	22.8%	(12.4%)	0.6%	7.0%	125.5%
2010	(3.9%)	1.9%	12.6%	6.2%	(4.5%)	(3.4%)	2.7%	7.8%	8.4%	2.7%	2.3%	3.7%	41.1%	110.7%
2009	(1.5%)	1.2%	5.4%	8.2%	12.7%	5.3%	9.6%	0.2%	6.9%	1.3%	(2.3%)	5.1%	64.5%	49.4%
2008	(6.0%)	(0.7%)	(7.8%)	6.3%	(8.5%)	(4.7%)	(3.4%)	6.7%	(13.9%)	(15.8%)	(2.3%)	(1.5%)	(42.7%)	(9.2%)
2007	6.8%	3.0%	(2.0%)	1.8%	(0.0%)	(2.5%)	1.4%	(2.5%)	2.2%	3.3%	(1.5%)	(0.2%)	9.6%	58.5%
2006	5.1%	7.2%	2.0%	2.1%	(1.2%)	(2.8%)	(1.5%)	1.2%	2.6%	4.5%	5.5%	8.8%	38.0%	44.6%
2005												4.8%	4.8%	4.8%

Growth of $1,000 Invested at Inception



Monthly Return Histogram



1) Represents net returns for an investor with a 2% management fee and a 20% performance fee.

Note: Past performance is not indicative of future results.

Data as of Jan 31, 2020

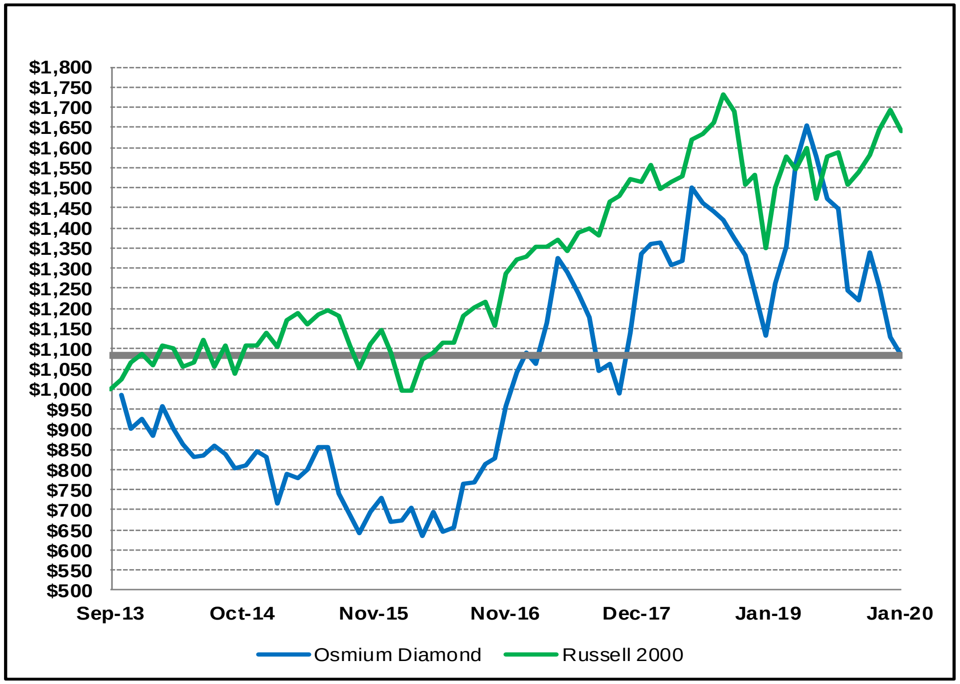
Osmium Diamond, LP

Year to Date: -3.9% | **Since Inception: 8.2% | Annualized: 1.3%**

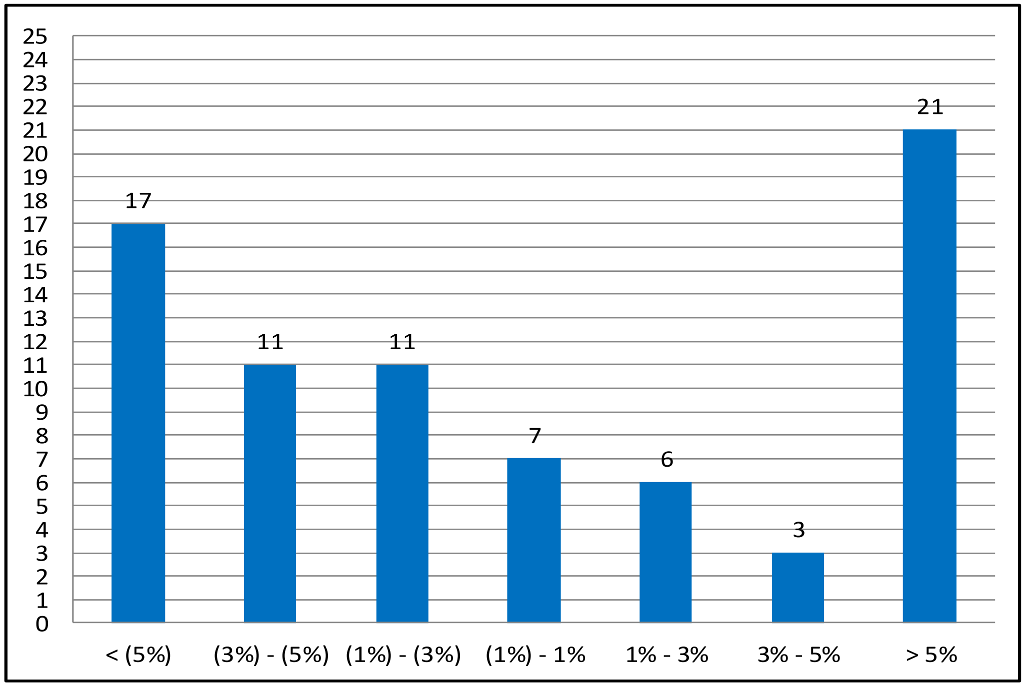
Monthly Net Performance [1] (% change)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since inception
2020	(3.9%)												(3.9%)	8.2%
2019	11.6%	7.3%	15.3%	6.1%	(4.8%)	(6.6%)	(1.7%)	(14.0%)	(1.8%)	9.8%	(6.3%)	(10.1%)	(0.2%)	12.6%
2018	1.8%	0.3%	(4.1%)	0.6%	13.9%	(2.5%)	(1.5%)	(1.3%)	(3.3%)	(3.1%)	(6.9%)	(8.8%)	(15.4%)	12.9%
2017	4.8%	(2.6%)	9.6%	14.0%	(2.7%)	(4.1%)	(4.7%)	(11.4%)	1.8%	(7.1%)	15.5%	17.3%	28.5%	33.4%
2016	0.2%	5.0%	(9.9%)	9.5%	(7.1%)	1.6%	16.6%	0.5%	5.7%	1.7%	15.8%	8.6%	55.1%	3.8%
2015	(14.1%)	10.3%	(1.2%)	2.5%	7.0%	0.0%	(13.2%)	(7.6%)	(6.3%)	8.1%	5.2%	(8.2%)	(19.5%)	(33.1%)
2014	(4.7%)	8.6%	(6.0%)	(4.2%)	(3.7%)	0.1%	3.3%	(2.6%)	(4.1%)	0.7%	4.6%	(1.7%)	(10.2%)	(16.9%)
2013										(1.3%)	(8.9%)	2.9%	(7.4%)	(7.4%)

Growth of $1,000 Invested at Inception



Monthly Return Histogram



1) Represents net returns for an investor with a 1.75% management fee and a 20% performance fee.

Note: Past performance is not indicative of future results.

Data as of Jan 31, 2020