

January 2026

Dear Partners,

For the fourth quarter, 1 Main Capital Partners, L.P. (“1MC” or the “Fund”) returned 3.4%, compared to 2.7% and 2.2% for the S&P 500 and Russell 2000, respectively.<sup>1</sup>

	Inception		
	2025	Cumulative	Annualized
1 Main Capital Partners - net	20.1%	346.9%	20.8%
S&P 500	17.9%	176.0%	13.7%
Russell 2000	12.8%	74.6%	7.3%

ITD is from the Fund's inception, February 1, 2018.

1MC’s goal remains to generate strong *long-term* performance, without taking on *excess* risk. In the context of such an objective, there is little use reading too much into a given year. Fortunately, our since-inception results reflect sustained progress towards achieving that goal and validation of the strategy.

1MC’s three largest holdings in 2025 were our largest winners (IWG, BFIT and DNTL), contributing a combined 30% gross (25% net). DNTL was acquired by GTCR while we continue to hold material positions in IWG and BFIT, which account for just under half of our capital.

Meanwhile, the Fund’s three largest detractors in 2025 (SUP, WATR, PRKR) cost us a combined 6% gross (5% net). We sold SUP in May after it lost its two largest customers, before it was taken over by lenders. Our quick exit saved us from losing an additional 1% of our capital on the position. We also sold WATR, after I lost faith in management, and added to PRKR, about which I remain optimistic. Lastly, we added substantially to our position in LMB, making it a core holding for 1MC once again.

As has been the case over the last eight years, I continue to size my highest conviction core *investments* aggressively (5-25% of capital) and opportunistic bets as *options* (typically 1-3% of capital). In each case, I consider not just the expected upside, but also potential downside – an approach that has served us well.

Looking forward to 2026, I am excited to welcome a new analyst. With an MBA from Columbia Business School and nearly a decade of public equity buyside experience, I expect he will ramp quickly, allowing me to significantly accelerate the velocity of ideas evaluated for our portfolio. He starts next month.

### **Current Positioning**

At quarter-end, the Fund’s top five positions were Basic-Fit (BFIT NA), International Workplace Group (IWG), Limbach Holdings (LMB), Radiant Logistics (RLGT) and our ski/wake basket (MCFT and MBUU), which together accounted for approximately 65% of capital.

### **Round Three: Limbach Holdings (LMB)**

Limbach Holdings (LMB) was the Fund’s top contributor in 2020 and 2023 and has been our most lucrative investment since inception. In Q4, I added significantly to our position, once again making it a core holding for the Fund, after its shares declined 55% from their 2025 high due to concerns around a temporary

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<sup>1</sup> Performance data for the Fund’s Class A Interests is net of any accrued incentive allocation, management fees and sundry expenses (as disclosed in the Fund’s Confidential Private Offering Memorandum) and assume an investment from inception. Returns for month-end and year-to-date 2025 are estimated. For investor specific returns, please refer to your capital statements.



demand slowdown in Q2 and Q3, largely driven by uncertainty surrounding the 2025 government shutdown.

As a reminder, LMB is a leading building systems solution firm that partners with owners of mission-critical infrastructure to offer design, engineering, maintenance, and repair services. The company specializes in mechanical, electrical, and plumbing systems for customers in six core verticals: healthcare, industrial/manufacturing, data centers, life sciences, higher education, and entertainment.

Since coming public in 2016, LMB has transitioned from bidding almost entirely through general contractors (GCR) to owner-direct relationships (ODR). For 2025, the company's guidance suggests that ODR will have accounted for approximately 75% of its revenues and a greater share of gross profits.

The merits of this shift are clear: ODR projects are smaller, higher-margin, less capital-intensive, and less cyclical than GCR work. Roughly one-third of LMB's ODR revenue comes from high-velocity maintenance or fixed-price repairs under \$10k, while the rest is project-based work with an average size of \$250k—a stark contrast to the average GCR project of \$2-3 million. Crucially, ODR clients view LMB as a trusted strategic partner essential to their daily operations, whereas general contractors often view the firm as a replaceable subcontractor.

This transition has driven LMB's EBITDA margins from 3% in 2019 to 12% today. While consolidated revenue growth was muted during this period as the company walked away from lower-quality GCR work, I believe we are now at an inflection point where organic revenue growth will accelerate while margin expansion remains steady.

Additionally, LMB has very little debt and is highly cash generative with a robust acquisition pipeline. It has proven that it can acquire GCR-heavy businesses at just 5x EBITDA and transition them to ODR. This "buy and transform" strategy further reduces its entry multiple and represents an exceptional use of FCF.

Between organic ODR growth and accretive acquisitions, I believe LMB can grow FCF per share at approximately a 20% CAGR over the medium term without the need for financial leverage. As the company grows, diversifies its geographic footprint, and becomes better understood by the broader market, I expect growth in both its earnings power *and* multiple.

## Outlook

As we head into 2026, economic indicators appear strong and broader indices are at levels that suggest a degree of optimism regarding interest rates and the durability of growth. Specifically, mega-caps and new-economy winners are priced at valuations that leave little room for misstep. Conversely, there remains a pool of smaller, old-economy businesses that remain ignored and mispriced. The fact that smaller companies as a group have consistently underperformed larger companies since the Fund's inception has provided us with opportunities to acquire high-quality businesses at multiples that I believe to be bargains.

While passive flows and "pod shops" dominate short-term price action, I remain confident that share prices follow the trajectory of free cash flow per share over the long term. Many of our top holdings currently generate double-digit FCF yields while reinvesting at high rates of return into long growth runways. These businesses are led by aligned management teams who take advantage of market dislocations to make acquisitions, widen their moats, and buy back shares.

For concentrated fundamental investors willing to do the work and able to build conviction, the market's shift toward passive and short-termism is a gift. It allows us to find attractive opportunities where high quality meets low valuation, and to concentrate our capital accordingly.

As we look toward 2026, 1MC remains focused on our best ideas. I continue to believe our portfolio is significantly more attractive than the indices. Additionally, I remain prepared to rebalance our capital into its highest and best use whenever the inevitable macro air pocket resurfaces.

I am grateful for your continued partnership and for the luxury of a long-term capital base that allows us to look past quarterly noise in pursuit of multi-year compounding. I remain incredibly excited about the future of 1MC.

### **Other Updates**

The Fund remains open to capital from existing and new like-minded partners; notably, the Founder's Class has \$10 million of capacity remaining. While the vast majority of my time is dedicated to research on current and prospective holdings, I continue to value referrals. Additionally, I will be attending several cap intro events in the coming months and would welcome the chance to meet in person.

- BTIG (Omaha, NE)
- Cannell Capital 3PM (Alta, WY)
- Jefferies (NYC)
- Raymond James (Virtual)
- Santangel's Roundtable (NYC)

Please reach out if you would like to connect at or around any of the above, or with any other thoughts or questions.

Sincerely,

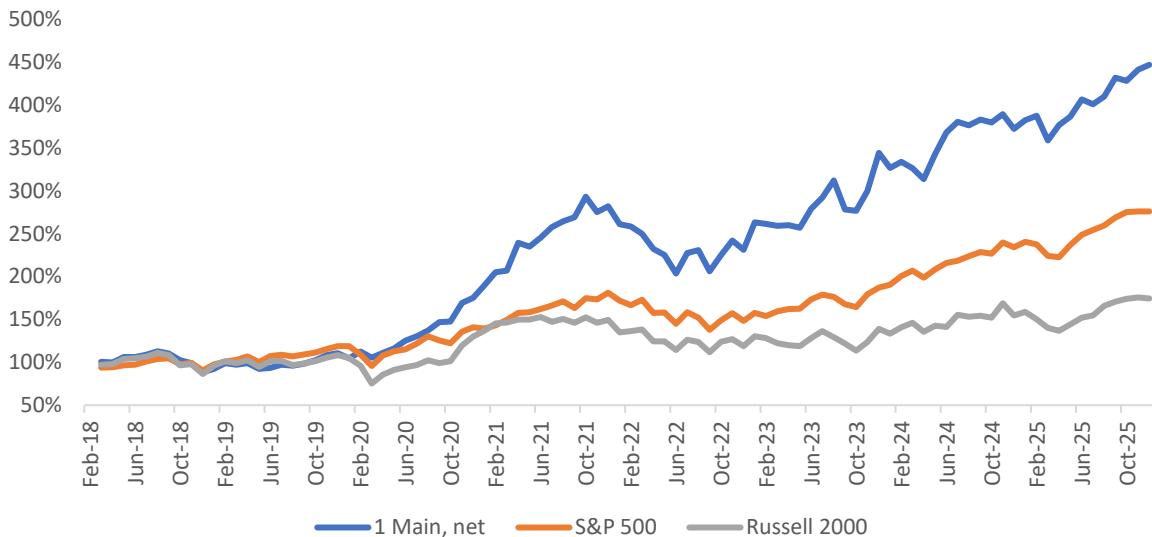
Yaron Naymark

### **Performance Summary<sup>2</sup>**

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
1 Main Capital Partners - Gross	3.5%	1.7%	-8.1%	5.2%	3.1%	6.5%	-1.7%	2.8%	6.7%	-1.0%	3.8%	1.6%	25.7%
1 Main Capital Partners - Net	2.8%	1.4%	-7.5%	5.1%	2.5%	5.2%	-1.4%	2.2%	5.5%	-0.9%	3.1%	1.2%	20.1%
S&P 500 index - incl dividends	2.8%	-1.3%	-5.6%	-0.7%	6.3%	5.1%	2.2%	2.0%	3.6%	2.3%	0.2%	0.1%	17.9%
Russell 2000 - incl dividends	2.6%	-5.4%	-6.8%	-2.3%	5.3%	5.4%	1.7%	7.1%	3.1%	1.8%	1.0%	-0.6%	12.8%

	One Year	Three Year	Five Year	Since Inception	Inception Annualized
1 Main Capital Partners - Gross	25.7%	29.5%	26.3%	545.2%	26.6%
1 Main Capital Partners - Net	20.1%	24.6%	20.6%	346.9%	20.8%
S&P 500 index - incl dividends	17.9%	23.0%	14.4%	176.0%	13.7%
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**Risk of loss.** An investment in the Fund will be highly speculative, and there can be no assurance that the Fund’s investment objective will be achieved. Investors must be prepared to bear the risk of a total loss of their invested capital.

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