NEW TECHNOLOGIES UNLIMITED, INC.

VALUATION REPORT

DECEMBER 31, 2016

SANITIZED REPORT

February 23, 2018

Mr. John E. Smith
New Technologies Unlimited, Inc.
233 East West Avenue
Emerald City, KS 20394

Dear Johnny:

We have prepared and enclose herewith our Valuation Report (the "Report") of the fair market value of New Technologies Unlimited, Inc. (the "Company" or "New Tech") as of December 31, 2016. The purpose of this engagement is to render a conclusion as to the fair market value of a 1% ownership interest in the Company on a non-controlling, non-marketable basis for gift tax reporting purposes. This Report should not be used for any other purpose or by any other party for any purpose. The value conclusion is considered a cash or cash equivalent value. The distribution of this Report is restricted to the Company's management, the Company's counsel, and any applicable taxing, governmental or judicial authorities. This Report may not be distributed to any other outside parties without our prior written consent.

Based on our valuation analysis and procedures, our conclusion of the fair market value of a 1% ownership interest in the Company on a non-controlling, non-marketable basis as of December 31, 2016 is:

$180,000

A description of the analysis, procedures and assumptions relied upon to reach this conclusion is presented in the accompanying Report. This letter should not be separated from, or considered independent of, the attached Report. This valuation is subject to the assumptions and limiting conditions detailed in **Appendix A** to this Report.

Very truly yours,

RONALDO & FELLAINI, INC.

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1 INTRODUCTION

1.1 Overview

We have performed a valuation engagement and present our detailed report in conformity with the *Statement on Standards for Valuation Services No. 1* ("SSVS") of the American Institute of Certified Public Accountants. The American Institute of Certified Public Accountants defines an engagement to estimate value as "an engagement, or any part of an engagement (for example, a tax, litigation, or acquisition-related engagement), that involves determining the value of a business, business ownership interest, security, or intangible asset." More specifically, it defines a valuation engagement as "an engagement to estimate value in which a valuation analyst determines an estimate of the value of a subject interest by performing appropriate valuation procedures, as outlined in SSVS, and is free to apply the valuation approaches and methods he or she deems appropriate in the circumstances. The valuation analyst expresses the results of the valuation engagement as a conclusion of value, which may be either a single amount or a range."

Our analysis is also in conformity with the National Association of Certified Valuators and Analysts' ("NACVA") standards. NACVA defines a valuation engagement as an engagement that is undertaken "to establish the value for an entire or partial interest in a closely-held business or professional practice, taking into account both quantitative and qualitative tangible and intangible factors associated with the specific business being valued."

Finally, our analysis takes into consideration various revenue rulings, including Revenue Ruling 59-60, which outline the approaches, methods and factors to be considered in valuing shares of capital stock in closely-held entities for Federal tax purposes. Revenue Ruling 65-192 extended the concepts in Revenue Ruling 59-60 to income and other tax purposes as well as to business interests of any type.

In performing a valuation of a closely-held company or other business entity, certain steps must be undertaken in order to perform a conceptually sound and commonly accepted method of determining value. By following established guidelines and references, a reasonable conclusion of value can be determined. These guidelines or practices include establishing the purpose of the valuation, determining the type of value being estimated, establishing the premise of value, analyzing the industry and economic climate, evaluating the entity's historical results of operations and normalizing financial activity to present a true "economic" picture of the entity's operations. The next step is selecting the valuation methodologies that are appropriate for the characteristics of the specific entity being valued and then properly applying the necessary steps associated with the methodologies in arriving at a determination of value. The last step in formulating a conclusion of the value of an ownership interest in an entity is evaluating the nature of the underlying ownership interest and applying any necessary control or marketability adjustments to reflect characteristics specific to the nature of the ownership interest being valued.

1.2 Purpose of Valuation

The purpose of the valuation is to render a conclusion as to the fair market value of a 1% ownership interest in New Technologies Unlimited, Inc. (the "Company" or "New Tech") on a non-controlling, non-marketable basis as of December 31, 2016 for gift tax reporting purposes.

This Report should not be used for any other purpose or by any other party for any purpose. The distribution of this Report is restricted to the Company's management, the Company's counsel, and any applicable taxing, governmental or judicial authorities. This Report may not be distributed to any other outside parties without our prior written consent.

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1.3 Type of Value to be Determined

While there are many types of value that can be determined, we have been engaged to render a conclusion of the "fair market value" of a 1% ownership interest in the Company on a non-controlling, non-marketable basis. The term "fair market value" is defined as "the price at which property would change hands between a willing buyer and a willing seller, when the former is not under any compulsion to buy, the latter is not under any compulsion to sell, and both parties have reasonable knowledge of the relevant facts," according to Revenue Ruling 59-60.

Fair market value is also defined in a similar way in the International Glossary of Business Valuation Terms as "the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts." The determination of fair market value is predicated on the fact that both the buyer and seller have in their possession the same group of pertinent facts, financial information and other items relevant to an entity's value.

1.4 Level and Premise of Value

We have valued a 1% ownership interest in the Company on a non-controlling, non-marketable basis as a going concern. It is assumed that management will maintain the Company's character and integrity as of the valuation date into the future.

1.5 Approach to Valuation

The objective of this valuation engagement was to render a conclusion as to the fair market value of a 1% ownership interest in the Company as of the date prescribed above, presented in this detailed Report, which would provide a fair and reasonable return on investment to an investor or owner using the facts available to us at the time of valuation.

Our conclusion is based on, among other things, our assessment of the risks facing the Company and the returns that would be realized on alternative investments with similar levels of risk.

Both internal and external factors which influence the value of the Company were reviewed, analyzed and interpreted. Internal factors include the Company's financial position, results of operations and projected results. External factors include, among other things, the status of the economy, the economic outlook, the status of the Company's industry, the position of the Company within the industry and the marketability of the ownership interest being valued.

1.6 Limiting Conditions of Valuation

The conclusion of value rendered in this Report is based on information provided in whole or in part by the management of the Company. We also had discussions and communications with John Smith (the Company's President) and Simon Pivonka (the Company's Controller) on various dates regarding the Company's operations. There were no restrictions or limitations in the scope of our work or data available for analysis.

We have no present or contemplated financial interest in the Company. Our fees for this valuation engagement are based upon our normal hourly billing rates, and are in no way contingent upon the results of our findings. Our compensation is also not contingent on any action or event resulting from the analyses, opinions, conclusion in, or the use of, this Report.

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Ronaldo & Fellaini is not a guarantor of value. The valuation of entities is an imprecise science, with value being a question of fact, and reasonable individuals can differ in their conclusions of value. Ronaldo & Fellaini has, however, performed conceptually sound and commonly accepted methods of valuation in determining the conclusion of value included in this Report. The reported analyses, opinions and conclusion of value are limited only by the reported assumptions and limiting conditions and were developed in conformity with SSVS and are our personal, impartial, independent, unbiased, objective professional analyses, opinions and conclusions.

This valuation reflects facts and conditions existing at the valuation date. The valuation and Report are to be used only as of this date and are not valid as of any other date. Subsequent events have not been considered, and we have no obligation to update our Report for such events and conditions, although we reserve the right to do so.

Appendix A, attached hereto, more fully details our assumptions and limiting conditions.

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2 GENERAL INFORMATION

2.1 Company Background

New Tech is a wholesaler and retailer of construction supplies and tools to residential and commercial construction contractors. New Tech's operations are primarily concentrated in STATE and STATE. Incorporated in YEAR, the Company traces its roots back to YEAR. New Tech's corporate headquarters is located in CITY, STATE.

Capitalization and Ownership

As of the valuation date, and prior to the contemplated gift that is the subject of this Report, the ownership of the Company was as follows:

Capitalization Table	
Shareholder	Ownership Percentage
John E. Smith	100.00%

Products and Vendors

The Company is a wholesale distributor and retailer of construction supplies and tools, specializing in drywall, metal studs, tile and insulation. The Company offers a wide array of construction products in addition to these items as it serves as a one-stop shop for contractors' general construction needs. New Tech is a member of PURCHASING GROUP, a buying group through which the Company purchases products and receives a discount/rebate based on the volume of its purchases. During 2016, nearly 50% of the products sold by the Company were purchased from three vendors (VENDOR 1, VENDOR 2, VENDOR 3).

Customers

New Tech sells primarily to general contractors in EAST and WEST, although management indicated that the Company has a small amount of sales to individual "do-it-yourself" customers. Some of the notable projects for which the Company supplied construction materials are as follows:

- Building (EAST)
- Casino (WEST)
- Headquarters (WEST)
- Hotel (WEST)
- Hospital (EAST)
- Structure (EAST)

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On average, the Company supplies approximately 10-12 large projects per year. Approximately 40%-50% of New Tech's revenue is by sales to smaller contractors and individual "do-it-yourself" customers. The Company has no material customer concentrations per its financial statements. Management indicated that the demand for the products the Company sells tends to increase when interest rates on construction loans are low and the economy is growing.

Key Employee

The following individual was identified as a key employee involved in the operation of the Company:

> **John E. Smith** – Johnny Smith is the Company's President and is responsible for overseeing its operation. Mr. Smith was also the sole owner of the Company as of the valuation date.

As of the valuation date, the Company had approximately 94 employees.

Locations

New Tech has offices in CITY, STATE (EAST location); CITY STATE (WEST location); CITY, STATE; CITY, STATE; and CITY STATE. The Company was also in the process of establishing a new location in CITY, STATE as of the valuation date.

The Company has an affiliate, Newer Technologies, Inc., which owns and manages commercial properties in STATE and STATE that are occupied by the Company. Management indicated that the lease terms between New Tech and Newer Technologies, Inc., are consistent with fair market value for the properties.

Tax Status

The Company is taxed as an S corporation.

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2.2 Industry Overview[1]

In the valuation of any entity, it is important to gain an understanding of the industry in which the entity operates, including the industry's composition, trends, and opportunities. The Company's business model is based on the wholesale distribution of construction supplies and tools to residential and commercial construction contractors. Therefore, we analyzed the building material dealers industry in determining the value of New Tech. Analysis of this industry provides general insight into certain industry issues that impact the Company.

Industry Overview

Companies in this industry are primarily engaged in retail sales of new building materials and supplies. Major companies include Home Depot, Lowe's, and Menard (all based in the U.S.) as well as Beijing Easyhome Investment Holding Group and Red Star Macalline International (both based in China), Home Improvement Hirose (Japan), Kingfisher (UK), and Praktiker and Tengelmann-owned OBI (both based in Germany). Some independently owned stores belong to wholesale cooperatives, such as Ace Hardware and True Value Company in the U.S., that buy materials in bulk and resell them to members.

Worldwide, the global do-it-yourself (DIY) and home improvement market, which includes building material dealers, is valued at more than $500 billion, according to the European Federation of DIY Manufacturers. Together, Europe and North America account for more than 90% of the global market.

The U.S. building materials dealer industry includes nearly 60,000 establishments (single-location companies and units of multi-location companies) with combined annual sales of approximately $290 billion. The industry includes home centers and hardware stores and paint and wallpaper stores, which are covered in separate industry profiles, as well as specialized building material retailers such as electrical supply and plumbing supply stores.

Competitive Landscape

Demand is driven mainly by residential real estate construction and renovation. The profitability of individual companies depends on merchandising and customer service. Large companies enjoy economies of scale in purchasing and have the ability to offer more products. Small companies can compete effectively by catering to contractors, by offering specialty products and services, and by serving areas unattractive to larger companies because of limited customer concentration. The U.S. industry is concentrated with the 50 largest companies accounting for nearly 65% of industry revenue.

Products, Operations and Technology

Major products are lumber and other structural building materials and supplies (approximately 38% of revenue), hardware, tools, plumbing and electrical supplies (approximately 27% of revenue), and paint and sundries (nearly 9% of revenue). Other products include lawn, garden, and farm equipment and supplies, and floor coverings. In addition to selling products, many companies sell installation services (so-called "installed sales") using employees or contractors.

A typical building supply store has approximately 20,000 square feet of floor space, and big-box home improvement retailers like Home Depot or Lowe's have more than 125,000 square feet of indoor and outdoor selling space. The items sold in largest volume by most companies are lumber and plywood panels, which are commodity products with relatively low margins. Some companies sell only lumber, but larger stores also carry an assortment of higher-margin goods. Inventory management is a major operating

[1] FirstResearch – Building Material Dealers (12/5/2016)

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concern for most retailers, including stocking the right products, pricing, re-ordering, and tracking sales. A typical Home Depot or Lowe's store carries between 30,000 and 40,000 items.
Big chains buy many products directly from large suppliers, while smaller companies buy from a large number of regional distributors. Lowe's buys products from more than 7,500 vendors. Chains with many retail outlets often operate their own distribution centers.

Larger building material retailers rely on point-of-sale systems and electronic bar code scanning systems to help manage inventory. The biggest companies offer self-checkout systems. For companies that offer delivery services, fleet efficiency can be enhanced with GPS technology. GPS fleet tracking systems can reduce labor and fuel costs, improve vehicle utilization, and safeguard vehicles and other equipment.

Larger building material retailers rely on point-of-sale systems and electronic bar code scanning systems to help manage inventory. The biggest companies offer self-checkout systems. For companies that offer delivery services, fleet efficiency can be enhanced with GPS technology. GPS fleet tracking systems can reduce labor and fuel costs, improve vehicle utilization, and safeguard vehicles and other equipment.

Harnessing big data is a priority for some larger building material dealers. Home Depot acquired BlackLocus, a data analytics and pricing firm, to help make better-informed merchandising decisions. At the store level, companies also use analytics to automate and optimize markdown and clearance processes.

Sales and Marketing

Typical customers are consumers and professionals such as contractors and tradesmen. Consumers fall into two main categories: do-it-yourself (DIY) and do-it-for-me (DIFM). DIY customers buy products and complete their own projects, and DIFM customers buy products to be installed by others. Larger stores often provide installation services.

Consumer-oriented merchants use typical retail marketing such as TV, radio, and print ads, direct mail campaigns, and special sales events. Building supply retailers are also using social media to reach customers to build relationships, promote their brands, and address customer service issues. Home Depot, for example, maintains an active presence on Facebook, Twitter, Pinterest, and YouTube.

Contractor-oriented companies establish and maintain long-term relationships with local builders and contractors. Credit availability is an important inducement for contractors, who typically aren't paid until a job is completed. A large percentage of contractor business is based on credit.

Large retailers like Home Depot and Lowe's offer thousands of products on their websites. Most products can be purchased online and shipped anywhere in the U.S. Customers can also use company websites to check for product availability at their local store, apply for consumer or contractor lines of credit, and access how-to project guides.

Finance and Regulation

Revenue for many building material and supply dealers is highly seasonal, with demand greatest in the spring and summer months. As a result, working capital requirements are generally greater during the winter months as companies build inventories ahead of the peak selling season and experience lower winter sales volumes. Inventories typically turn over about every 85 days. Working capital requirements are primarily funded through cash generated from operations, supplemented by short-term borrowings, as needed. On average, the working capital turnover ratio for the industry in the U.S. is about 20%.

Gross margins for lumber companies selling commodity products primarily to contractors can range from 5% to 20%. Home Depot and Lowe's, which sell mainly to consumers, have gross margins of about 35%.

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An important measure of performance is annual sales per square foot, since many overhead costs are determined by building size. Large home centers may have sales of more than $300 per square foot, and smaller stores an average of $150 per square foot. Same-store sales are another standard measure of retail performance.

Business credit or private-label credit offers convenience to a customer and, more important, reinforces the pattern for repeat purchases. Often credit is administered and serviced by a financial institution. Accounts receivable average about 30 days' sales for the industry in the U.S.

Building materials dealers that handle hazardous materials must comply with OSHA record keeping requirements and are subject to numerous federal, state, and local laws and regulations relating to the protection of the environment.

Critical Issues and Other Business Challenges

Volatile Supply Prices - Although price increases can often be passed to consumers, building material and supply dealers that maintain large inventories can be hurt if prices move sharply. Lumber prices, especially, can be volatile, affected by changing demand, domestic supply, and imports from Canada. Lumber prices can change significantly in just a couple of months. Import disputes between the U.S. and Canada increase the uncertainty of supply.

Cyclical Industry - The building material and supply industry is highly cyclical, depending on the level of new home construction, improvements, and repairs, and the volume of home sales. Homeowners and contractors are more likely to buy building materials when housing starts and home sales are increasing. Repair and remodeling are somewhat less cyclical than new construction.

Competition from Big Retailers - The expansion of large chains like Home Depot and Lowe's has driven many smaller stores out of business. Small companies that manage to survive are forced to adopt business strategies that don't rely on low prices. Big chain expansion draws do-it-yourself (DIY) customers from small stores, especially in larger metropolitan areas, forcing smaller companies to concentrate on the lower-margin contractor.

Credit Exposure to Commercial Contractors - Building material and supply retailers generally offer credit to contractors, who typically aren't paid until a construction or improvement contract is finished. Smaller companies may have large accounts receivable from big commercial customers. These small companies face greater risk from delinquent accounts.

Safety Issues - The "working warehouse" structure of many building material and supply stores means that shelves are stocked during the day, with employees spending substantial amounts of their time handling merchandise. Customers can be injured by stocking activity or improperly stacked merchandise on high shelves, leading to lawsuits and adverse publicity. Companies must follow OSHA's safety standards regarding operation of forklifts or other machinery in proximity to customers and some companies have stricter policies for additional safety.

Seasonal Cash Flow - Companies located in northern states typically have lower demand for products in winter, when home construction and outdoor improvement projects fall to low levels. For large chains, seasonality is somewhat mitigated by a wide geographic dispersion of stores. Large and small companies often attempt to offset the slower winter sales period by offering items associated with the winter holiday season.

Required Capital Investment in Inventory Systems - Because building material suppliers have to deal with thousands of different products, controlling inventory levels is critical. To control inventory and cut operating costs, companies have had to make large investments in computer technology. With rapid

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advances in technology and inventory systems, companies will have to make additional investments every few years.

Need for Knowledgeable Salespeople - Due to the increasing sophistication and large variety of products now available at building material and supply stores, salespeople must have a broad knowledge of many types of products and their applications. Experienced building material and supply salespeople are increasingly difficult to find. Salespeople who serve commercial customers typically require even higher levels of training and expertise.

Business Trends and Industry Opportunities

Increased Services to Contractors - New methods of appealing to contractors include renting construction equipment, tools, and delivery trucks. Companies hope to draw more commercial customers and increase walk-in sales by renting equipment. Some building material and supply retailers offer rental services as part of their own operations, others co-locate with third party rental outlets to offer contractors a one-stop shop. Some lumber retailers offer additional services such as insurance and home design packages.

More IT - New technology, especially in product tracking and supply chain efficiencies, has cut costs. Some large retailers have introduced wireless scanners that have greatly reduced the time spent in checkout lines. Large retailers are also equipping staff with mobile computing devices to better serve customers. Self-checkout systems, which reduce labor costs and improve traffic flow and overall customer service by allowing customers to scan their own purchases and pay with credit cards or cash, have made their way to the hardware industry.

Environmental Certification - In response to the anticipated continued increase in consumer demand for certified forest products, more building material and supply retailers are expanding their lines of certified wood products. Environmental concerns are driving the growth of environmental certification and labeling for wood products. Certification, or eco-labeling, is a way to reassure consumers that the wood was harvested in an environmentally responsible way that sustains the forest ecosystem.

Women Customers - Women are taking a bigger role in major home improvement purchasing decisions. New store designs are created to attract women, focusing on details like better lighting and merchandise racks and floor colors. Product selections include more home furnishings like curtains, lamps, and seasonal decorations. Home Depot offers workshops specifically targeting female do-it-yourselfers.

Value-Added Services - Rather than just reselling products bought from manufacturers and distributors, more building material and supply retailers are offering services such as equipment rental to customers. Other popular services include training and education, custom-assembly of items such as roof trusses, specialty ordering, and contacts with other contractors such as cement mixers and roofers.

Installation Services - Building material and supply dealers increase revenue by offering installed sales programs for a variety of products such as appliances, ceiling fans, windows, and kitchen cabinets and counter tops. Under these programs, consumers select and buy materials and the company provides professional installers. Some retailers are also pursuing in-home selling and consultation services for some categories of product installation.

E-Commerce - Large retailers like Home Depot and Lowe's offer thousands of products on their websites. Most products can be purchased online and shipped anywhere in the US. Customers can also use company websites to check for product availability at their local store, apply for consumer or contractor lines of credit, and access how-to project guides. To support its goal of providing a seamless shopping experience across various channels, Home Depot added new distribution centers in 2012 specifically to support direct-to-customer fulfillment, along with several new customer call centers for additional support.

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Remodeling Market - Remodeling activity tends to rise and fall with the cyclical movements of the overall economy. During slower economic times consumers may postpone major projects but make smaller improvements or repairs themselves. When the economy is growing, demand for the services of professional remodelers improves. The U.S.'s aging housing stock also favors remodeling activity: homes built more than 30 years ago made up 65% of the nation's housing stock in 2016, up from 47% in 1995.

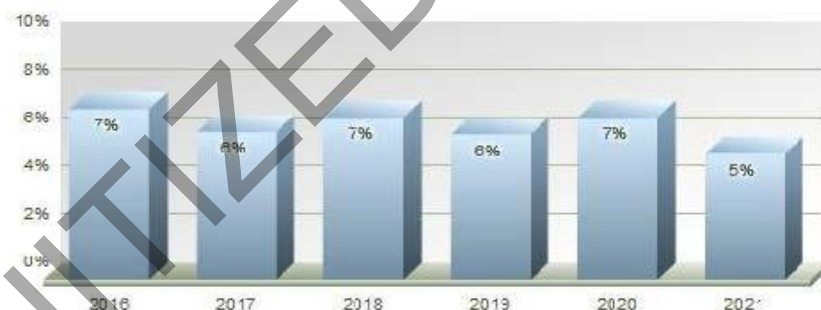
GPS Delivery Tracking - Many companies offer to deliver large materials orders to job sites. Fleet efficiency is increasingly being enhanced with GPS technology. GPS fleet tracking systems can reduce labor and fuel costs, improve vehicle utilization, and safeguard vehicles and other equipment.

RFID Implementation - The use of radio frequency identification (RFID) technology is expected to eventually replace traditional bar-coding for the purposes of tracking products in the retail supply chain. RFID technology has shown promise in its ability to reduce out-of-stocks and quicken product replenishment. Retailers are working on new ways to use RFID data and technology to streamline supply chains and improve overall efficiency.

Technology Lab Investment - Building material store operators are investing in technology to better compete with online retailers and keep up with consumer expectations. Lowe's, for example, debuted its Lowe's Holoroom in mid-2014 to help customers better envision home improvement projects. The simulation applies 3-D and augmented reality technologies to designs that customers created using Lowe's products. The Holoroom concept came from Lowe's Innovation Labs team, which worked with consulting firm SciFutures on the project. Home Depot started its Innovation Lab in Austin, TX in 2013.

Industry Forecast

The value of U.S. private and public building construction, which is a driver for building material supply sales, is forecasted to grow at an annual compounded rate of 6% between 2017 and 2021.



Conclusion and Impact on the Company

As discussed throughout this section of the Report, there are numerous industry factors, both positive and negative, which impact the Company.

Beginning with the positive factors, smaller companies such as New Tech have been able to compete against larger companies by offering superior customer service and specialty products. Since New Tech caters to a few contractors rather than thousands of individual do-it-yourself (DIY) customers, it is better suited to customize orders and respond to contractor-related issues given the personal relationship of only having a few customers. Also, smaller companies that serve contractors, rather than DIY customers, can compete against larger companies by having knowledgeable salespeople that have training and expertise in the construction industry. In addition, smaller companies may not rely as heavily on investments in

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inventory, which allow them to better manage cash during changing economic cycles. Lastly, the industry has favorable growth projected in the near term, with 6.0% growth expected between 2017 and 2021.

There are negative factors affecting this industry, as well. The building material dealers industry is highly concentrated and the largest companies hold significant market share and buying power. Smaller companies often rely on contractors as their primary source of revenue, which creates a level of collections risk. Since larger companies serve a vast array of customers, they do not have customer concentration issues that can impact smaller companies such as New Tech. Also, larger companies have more capital to address safety-related issues in relation to smaller competitors.

These factors have been taken into consideration in our determination of New Tech's growth, industry and specific company risk rates discussed in **Section 4.2** of this Report.

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2.3 Economic Outlook[2]

In the valuation of any company, it is important to note the economic climate in which the subject company operates. Gaining an understanding of the economic outlook is essential to developing reasonable expectations about the future of the economy and its effect on New Tech as of the valuation date.

General Economic Condition

The U.S. economy - as indicated by GDP - grew at an annual rate of 1.9% in the fourth quarter of 2016, which is slower than the 3.5% rate reported in the third quarter of 2016. The slowing rate is due to a decline in exports and federal government spending. Imports, however, which are subtracted in the calculation of GDP, increased. For the year 2016, GDP increased 1.6% compared with 2.6% in 2015. Consumer spending rose 2.5% in the fourth quarter. Increased spending on big-ticket items drove the fourth-quarter rise in consumer spending. Spending on long-lasting or durable goods leaped nearly 11.0%. Comparatively, consumer spending rose at a rate of 3.0% in the third quarter, although both quarters suggest the economy is growing at a steady pace. Private inventory investment also helped boost GDP. Excluding inventories, GDP rose at a 0.9% rate in the fourth quarter. Total government spending rose 1.2% in the fourth quarter, marking the second consecutive quarterly increase, while state and local government spending increased following two consecutive quarters of declines. Private fixed investment, which includes residential and business spending, increased 4.2%. This marks a trend reversal after private fixed investment dropped for four straight quarters. The trade deficit widened in the fourth quarter, lowering by 1.7%.

The Conference Board reported the Leading Economic Index increased 0.5% in December. Improving consumer sentiment towards the outlook for the economy drove the December increase. This indicates that the business cycle still showed strong momentum in the final months of 2016, which also suggests the economy will continue to grow, at least at a moderate pace, for the early months of 2017. For the last six months of 2016, the Leading Economic Index grew 1.4%, well ahead of the 0.2% growth recorded during the first half of the year.

Job growth continued on a solid pace in December, as employment rose by 156,000, but came in lower than the 170,000 initially projected. Job growth has averaged 165,000 jobs per month over the past three months, well above the 80,000-jobs-a-month pace the White House Council of Economic Advisers believes is needed to maintain a low and stable unemployment rate. For year-end 2016, job gains totaled nearly 2.2 million, a decline of more than a half a million from the previous year. The unemployment rate increased 0.1% in December, to 4.7%, while the labor-force participation rate remained unchanged, at 62.7%.

As job growth continued to move forward in December, wage growth also rose. Average hourly earnings for all private-sector employees increased 10 cents in December. Average hourly earnings grew at a 2.9% annual rate in 2016, the fastest year-over-year gain in nearly seven years and much faster than inflation.

In December, the Federal Open Market Committee voted unanimously to raise its target range for the federal funds rate by 0.25%, to between 0.5% and 0.75%. This was the second increase in the federal funds rate since the 2008 financial crisis. In deciding to raise the federal funds rate, the Federal Open Market Committee cited a change for the better in the economic environment since the election of President Trump.

Readings for consumer confidence improved in December. The Consumer Confidence Index improved 6.6 points, to 113.7, reaching its highest level since August 2001. The post-election surge in the index reflects consumer optimism in the economy, jobs, and their personal income. The survey is a leading indicator of consumer attitudes, measures of confidence toward business conditions, short-term outlook, and personal finances and jobs. The Consumer Sentiment Index rose 4.4 points in December, to 98.2, reaching its highest total since 2004. The median projection in a Bloomberg survey called for a reading of 98.0. The

[2] Economic Outlook Update – Q4 2016

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Thomson Reuters/University of Michigan's Consumer Sentiment Index survey found that 18.0% of consumers became more optimistic about prospects for the economy and the expected favorable impact of the new president's policies on the economy. Notably, this is twice as high as the 9.0% peak in 1981, when Ronald Reagan took office.

The 4Q 2016 Wells Fargo/Gallup Small Business Index, which was reported in August, surged 12.0 points, to a reading of 80.0. This represents the highest optimism reading since January 2008 and the largest quarterly increase in a year. The report highlighted that small-business owners are more optimistic about the operating environment in 2017. The 4Q survey asked small-business owners about their priorities for the incoming president and Congress. Eighty-one percent said actions relating to the tax code, tax regulations, and tax rates for small businesses were most important. Other top priorities included the healthcare law (76.0%), government regulation of small business (70.0%), and actions that could affect oil prices or energy costs (59.0%). The report went on to note that in six key areas - financial situation, cash flow, revenues, capital spending allocation, hiring, and credit availability - the present situation dipped 5.0 points, from a reading of 29.0 in July to 24.0 points in November, while the future expectations score rose 17.0 points, from 39.0 in July to 56.0 in November.

The RSM U.S. Middle Market Business Index (MMBI) jumped 4.5 points in the fourth quarter of 2016, climbing to a reading of 120.1. The MMBI reading indicated that overall growth in the U.S. middle market is likely to slow in the final quarter of the year, though the information was gathered before the results of the presidential election. Data for six months ahead are more encouraging, particularly with respect to capital expenditures, investments, and compensation, when compared to three months prior. U.S. long-term growth rebounded to 3.2%, from 1.4%, based on the Bureau of Economic Analysis's second estimate of gross domestic product. Of particular note, the analysis shows improvement in hiring and compensation, both of which stand near cyclical highs and are indicative of the sharp tightening seen in the U.S. labor markets, arriving at a point in the business cycle where rising wages and salaries are now likely to create narrowing profit margins for the middle market. The manufacturing sector continued to expand in December. The Institute for Supply Management (ISM) reported that its manufacturing index (PMI) rose 1.5 percentage points in December, to 54.7%. The component of the index that measures new orders rose 7.2 percentage points, and the component for production advanced 4.3 percentage points. Industrial production edged up 0.8% in December, which was the biggest increase for the index since November 2014. The manufacturing component, which is the biggest component of industrial production, advanced 0.2%. The production of durable goods increased 0.5% in December, while the production of nondurable goods declined 0.3%.

Growth in the services sector was unchanged in December and remained at the strong growth levels established in November. The ISM reported that its Non-Manufacturing Index (NMI) stayed at 57.2%, which is a 12-month high. The December reading marked the 89th consecutive month of growth for the services sector. The majority of respondents' comments were positive about business conditions and the overall economy, citing a very busy fourth quarter due to customers' year-end spending boost. The component that measures business activity decreased 0.3 percentage point, to 61.4%, but still indicated growth in business activity, while the component for new orders climbed 4.6 percentage points, to 61.6%.

The major stock indexes recorded gains in the fourth quarter and closed out 2016 with positive figures. The Dow Jones climbed 7.9% in the quarter and finished the year with a 13.4% gain. The Nasdaq Composite Index saw gains of 2.5% in the quarter and finished at 87% for the year. The Russell 2000 Index posted an 8.4% quarterly increase and finished the year up 19.5%, while the S&P 500 Index achieved a total return of 3.3% in the fourth quarter and recorded gains of 9.5% for the year. Treasury yields rose throughout the fourth quarter as a combination of anticipated higher levels of growth and inflation drove long-term yields higher. In addition, the Federal Reserve's decision to raise interest rates in December and raise their guidance of the pace of future rate hikes drove shorter-term yields higher. The 10-year Treasury peaked at a yield of 2.6% on December 15 as yield curves steepened and Treasury yields rose, putting downward pressure on bond prices in anticipation of the future economic policies of President Trump.

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Housing starts rose 11.3% in December. The 2016 growth in housing starts, the strongest since 2007, came in 5.7% higher than figures for 2015. The increase can be partly attributed to a rebound in multifamily units. Building permits authorized fell 0.2% in December but remained 0.7% above their levels from a year ago due to a rise in both single-family and multifamily permits. Existing-home sales fell 2.8% in December, halting a three-month upswing. Regardless, it was the best year for home sales in a decade. In December, homebuyers dealt with a lack of listings and quickly rising home prices as the major headwinds. Meanwhile, the surge in rates since early November ultimately caught some prospective buyers off guard and dimmed their appetite or ability to buy a home as 2016 ended. Three of the four major regions saw sales decrease in December, and the share of distressed home sales increased to 7%, up from 6% in November but down from 8% one year ago.

Housing starts increased in December, with privately owned housing starts rising at a seasonally adjusted annual rate of 1,226,000 in December, up 11.3% from the previous month and up 5.7% over the past 12 months. The construction of single-family homes decreased 4.0% in December but rose 3.9% over the past 12 months. The construction of multifamily homes increased 53.9% in December and 10.3% over the past year. The multifamily-home sector, which consists of buildings with five units or more, tends to be more volatile than the single-family-home sector.

Building permit authorizations for privately owned housing units, considered a leading indicator of demand for new homes, rose at a seasonally adjusted rate of 1,210,000 in December. This is 0.2% below the rate reported in the prior month but 0.7% above the rate from one year ago. Building permits for single-family housing units edged up 4.7% in December and were up 10.7% from one year ago. Building permits for multifamily housing units fell 10.1% in December and were down 17.1% from one year ago.

The U.S. Census Bureau reported that overall spending on construction was at a seasonally adjusted annual rate of $1,181.5 billion in December. This figure was 0.2% below the November rate of $1,184.4 billion but 4.2% above the $1,133.7 billion rate from one year ago. Overall construction spending amounted to $1,162.4 billion in 2016, 4.5% above the $1,112.4 billion spent in 2015.

Spending on all private construction was at a seasonally adjusted annual rate of $897.0 billion in December, 0.2% above the November rate of $894.8 billion and 6.3% above the rate from one year ago. Private residential construction spending was at a seasonally adjusted annual rate of $466.9 billion in December, 0.5% above the rate of $464.8 billion in November and 3.7% above the rate from one year ago. Private nonresidential construction was at a seasonally adjusted annual rate of $430.1 billion in December, nearly the same as the November rate of $430.1 billion but 9.2% above the rate from a year ago.

The total amount spent on private construction was $876.3 billion in 2016, up 6.4% from the amount spent during that same period in 2015. Spending on residential construction was $456.2 billion in 2016, 5.2% greater than the amount spent during that same period in 2015. Spending on nonresidential private construction was $420.1 billion in 2016, 7.8% above the amount spent during the same period in 2015.

The seasonally adjusted annual rate of total public construction spending was $284.5 billion in December, a 1.7% decrease from the November rate of $289.6 billion and 1.8% below the rate from a year ago. Educational construction was at a seasonally adjusted annual rate of $70.1 billion in December, 2.2% below the November rate of $71.6 billion but 1.5% above the rate from a year ago. Highway and street construction was at a seasonally adjusted annual rate of $94.3 billion in December, 0.6% below the November rate of $94.9 billion but 1.5% above the rate from one year ago.

The total amount spent on public construction was $286.0 billion in 2016, down 1.0% from the amount spent during that period in 2015. Spending on educational construction was $69.7 billion in 2016, 4.7% above the amount spent during that period in 2015. Spending on highway and street construction was $91.2 billion in 2016, up 2.0% from the amount spent during the same period in 2015.

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The National Association of Realtors Confidence Index for current conditions decreased 1.0 point in December, to a reading of 62.0 points, but remained 5.0 points higher than one year ago. Builder confidence, as measured by the National Association of Home Builders/Wells Fargo Housing Market Index, increased 7.0 points in December, to 70.0. The report noted that the indicators show that the housing market will continue on an upward path into 2017.

NAR's most recent "Commercial Real Estate Market Survey," analyzing the second quarter of 2016 (the third-quarter survey was not yet available as of this EOU publication date), found that commercial real estate investments continued to keep a positive pace. The report stated that 66.0% of realtors closed a commercial sale and sales volumes were up 8.4% from the same period one year ago.

Economic Outlook

The following table summarizes major historical economic indicators, as well as estimates for these figures through 2026.

Historical Economic Data (2011-2016) and Forecasts (2017-2026)

	Historical Data (Annual % Change)						Consensus Forecasts (Annual % Change)					
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022-2026**
Real GDP	1.6	2.2	1.7	2.4	2.6	1.6	2.3	2.3	2.2	2.2	2.2	2.2
Industrial production	2.9	2.8	1.9	2.9	0.3	(1.0)	1.5	2.3	2.4	2.5	2.4	2.3
Personal consumption	2.3	1.5	1.5	2.9	3.2	2.7	2.5	2.5	2.3	2.3	2.3	2.3
Real disposable personal income	2.5	3.1	(1.4)	3.5	3.5	2.7	2.5	2.7	2.5	2.3	2.2	2.3
Business investment	7.7	9.0	3.5	6.0	2.1	(0.4)	2.7	3.7	3.8	3.7	3.8	3.6
Total government spending	(3.0)	(1.9)	(2.9)	(0.9)	1.8	0.9	0.8	1.2	n/a	n/a	n/a	n/a
Consumer prices	3.2	2.1	1.5	1.6	0.1	1.3	2.4	2.3	2.3	2.3	2.3	2.3
Unemployment rate	8.9	8.1	7.4	6.2	5.3	4.9	4.6	4.5	n/a	n/a	n/a	n/a
Housing starts (millions)	0.6	0.8	0.9	1.0	1.1	1.2	1.3	1.4	n/a	n/a	n/a	n/a

Source of historical data: U.S. Department of Commerce, U.S. Department of Labor, U.S. Census Bureau, and The Federal Reserve Board.
Source of forecasts: Consensus Forecasts—USA, December 2016.

Conclusion and Impact on the Company

Beginning with the positive economic factors, job growth was strong in the fourth quarter and unemployment levels remain low. All of the major stock indexes recorded gains in Q4 2016. Consumer confidence and business optimism were both climbing. In addition, private construction spending had increased from 2015 levels. Additionally, long-term forecasts for the economy remained relatively positive with expectations for moderate growth.

While there were many positive economic factors, not all of the outlook was positive. GDP growth was only 1.9% in Q4 2016, which was a decrease from the 3.5% growth rate in Q3 2016. The Federal Open Market Committee voted to raise the target range for the federal funds rate by 0.25% in Q4 2016. Interest rates are expected to continue rising, which will put upward pressure on interest rates for construction loans and may have an adverse impact on the Company.

The factors above, when considered as a whole, indicate that current economic conditions are leaning toward the positive in the short-term and are relatively neutral for the long-term. These factors have been considered in developing the specific company risk rate and long-term growth rate utilized in our valuation analysis.

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3 FINANCIAL ANALYSIS

In determining the value of New Tech as of December 31, 2016, we analyzed the Company's financial statements and tax returns from December 31, 2012 through December 31, 2016. The Company's historical income statements are presented in **Exhibit 1** and its historical balance sheets are presented in **Exhibit 2**.

3.1 Financial Review

Income Statement Analysis

Revenues increased from $33.8 million in 2012 to $59.6 million in 2016 due to an improving economy, low interest rates, and growth in construction. Management indicated that lower interest rates benefit the Company since contractors are more inclined to build when money is borrowed at low interest rates, which increases demand for the products sold by the Company. Revenues at all five of the Company's locations grew from 2012 to 2016. The EAST yard had the most growth, as revenues nearly doubled from $10.4 million in 2012 to $20.4 million in 2016. The Company generated approximately $0.9 million of revenue in 2015 from various jobs in STATE, STATE, and STATE, which were new opportunities for New Tech. Management expects future revenue levels to be relatively consistent with the Company's 2016 performance based on current market conditions.

New Tech's gross profit margin was consistent over the time period analyzed, ranging from a low of 18.1% (2013) to a high of 19.1% (2015). Management expects the gross profit margin to be consistent with historical performance.

Operating expenses as a percent of revenue were also consistent and ranged from a low of 11.4% (2014) to a high of 12.9% (2012). The general decline in operating expense margins over the time period analyzed was driven primarily by salaries and wages remaining relatively constant as revenue grew, which reduced the expense as a percentage of revenue.

Overall, operating income margins increased over the period examined, from 5.4% in 2012 to 7.3% in 2016. Operating income increased from $1.8 million to $4.3 million from 2012 to 2016. This improvement was driven by a combination of the significant increase in revenue, increasing gross profit margins, and well-managed operating expense growth.

Other income and expenses were comprised primarily of tax refunds, gains and losses on the sale of assets, and interest expense. Other income and expenses were not significant and ranged from 0.6% to (0.1%) of revenue over the years examined.

Pre-tax net income increased each year, from $2.0 million in 2012 to $4.4 million in 2016 for the reasons outlined above. Accordingly, the Company's reported EBITDA margins increased from 7.0% (2012) to 8.1% (2016) over the time period examined. In dollars, EBITDA increased from $2.3 million to $4.9 million over this time period.

Balance Sheet Analysis

New Tech's most significant current asset balances historically have been accounts receivable and inventory, which combined comprised 67.0% of the Company's balance sheet as of 12/31/16. The other current asset balances as of the valuation date were cash (2.1%), accounts receivable – other (5.0%), advances due from Newer Technologies, Inc. (9.1%), current portion of notes receivable (0.3%), and prepaid expenses (1.4%). Collectively, current assets represented 84.9% of total assets as of the valuation date.

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From 2012 to 2016, capital expenditures ranged from 0.3% (2012) to 2.7% (2013) of revenue as the Company made investments in fixed assets to support its growth. The Company's net fixed asset balance grew from $0.7 million in 2012 to $2.4 million as of the valuation date due primarily to an investment in vehicles, including boom trucks and forklifts.

Total assets increased from $15.0 million in 2012 to $24.2 million as of the valuation date, primarily due to increases in accounts receivable and inventory balances to support the Company's revenue growth.

The Company's current liabilities as of the valuation date were $5.4 million (22.3% of total assets), which consisted primarily of the trade accounts payable of $4.4 million (18.3% of total assets). Interest-bearing debt as of the valuation date was approximately $0.3 million, which consisted of capital lease obligations.

The Company's book value of equity increased from $11.1 million (74.1% of total assets) as of 12/31/12 to $18.7 million (77.5% of total assets) as of 12/31/16. This increase over the historical period was fueled by the Company retaining a significant portion of its net income each year to fuel its continued growth. Historically, distributions have not significantly exceeded the owner's flow-through tax liability, ranging from 35.9%-54.4% of pre-tax net income.

Financial Review Conclusion

The most significant trends observed in the historical income statements are the following: the material increase in revenue from 2012 to 2016, increasing gross profit and operating income margins, and increases in pre-tax net income in each year analyzed.

From the balance sheet perspective, the most significant items to consider are the Company's significant investments in accounts receivable and inventory along with its modest amount of interest-bearing debt.

We have factored these financial implications into our calculation of specific company risk in our discount rate analysis in **Section 4.2**.

3.2 Ratio Analysis

In **Exhibit 3**, the Company's historical results were compared to those of other companies in its industry. For this analysis, we analyzed data from RMA Annual Statement Studies for the following NAICS codes:

423330 – Roofing, Siding, and Insulation Material Merchant Wholesalers
423390 – Other Construction Material Merchant Wholesalers

We then compared certain industry ratios to the historical results of New Tech to determine the Company's performance relative to its competitors.

Looking first at New Tech's liquidity and solvency, the Company's measures were superior to the industry median in all of the years examined. This indicates that the Company has more liquidity and less leverage in relation to its competitors. Therefore, as of the valuation date, it appears that New Tech has less financial risk than its industry peers.

From a profitability standpoint, the Company's pre-tax returns on revenues and assets were above the industry median in all the years examined, both on a reported and a normalized basis. This superior profitability lowers New Tech's financial risk in relation to its industry peers.

Certain activity ratios were also reviewed to provide information about how well the Company manages its assets relative to its operating activity. The Company was slightly below the industry norm from a total asset turnover standpoint for all years examined. From an accounts receivable turnover standpoint, the

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Company collects receivables at approximately half the pace of others in its industry. Lastly, from an inventory turnover standpoint, the Company's performance improved in recent years and was consistent with the industry norm from 2014-2016. Overall, these metrics indicate a slightly higher level of risk for New Tech in relation to its competitors from an asset management standpoint.

These factors were considered in the determination of New Tech's specific company risk in **Section 4.2** of this Report.

3.3 Normalized Financial Statements

Performing a thorough analysis of the historical financial statements of a business is a prerequisite to performing a meaningful valuation. A company should be analyzed in comparison with its industry peers, as well as to itself, at different points in time. This analysis, which was performed in **Sections 3.1 and 3.2** of this Report, is an integral part of establishing any trends or relationships that may affect the conclusion of value. In addition, the valuator must search for normalizing adjustments to be made to the historical financial information in order to reflect the true economic financial position and results of operations of the business being valued. Adjustments are necessary to remove the effect of certain standard accounting principles that may contradict or imperfectly reflect economic reality, or, to eliminate any discretionary, non-essential or non-recurring expenditure that may distort the normal results of operations or financial position of the Company as of the valuation date. It is by performing this normalizing process that the analyst can more accurately determine the fair market value of the business.

Balance Sheets

Based upon our analysis, valuation procedures and discussions with management, the following normalizing adjustment was made to the Company's December 31, 2016 balance sheet, as summarized in **Exhibit 4**:

Goodwill – An adjustment was made to write off the Company's goodwill balance, since the value of this asset is better reflected by the income and market-based valuation approaches applied.

The following adjustments were not made, however, their importance necessitates further discussion:

Advances Due from Newer Technologies, Inc. – The advances due from Newer Technologies, Inc. are expected to be fully collectible.

Property and Equipment – Management indicated that the net book value of the Company's property and equipment reasonably approximated its fair market value.

Management indicated that there were no unrecorded assets or liabilities as of the valuation date and that all other asset and liability balances approximated fair market value.

Income Statements

Based on our analysis, valuation procedures and discussions with management, the following normalizing adjustments, summarized in **Exhibit 5**, were made to the historical income statements:

Bad Debts – An adjustment was made to normalize bad debt expense to $20,000 annually, consistent with managements' expectation for annual expense levels to be incurred going forward as well as the Company's actual bad debt expense in 2014-2016 ($0-$44,775).

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Delivery Expense – An adjustment was made to normalize delivery expense to 1.8% of revenue in 2012 and 2013, consistent with the average expense from 2014-2016 (1.8% of revenue) and managements' expectation of annual delivery expense as a percentage of revenue going forward.

Donations – An adjustment was made to normalize donations expense to $20,000 annually, consistent with the Company's average expense from 2012-2016 ($21,902) and managements' expectation of annual expense levels to be incurred going forward.

Employee Benefits – An adjustment was made to normalize earnings for non-recurring severance expense in 2012.

Insurance - Business – An adjustment was made to normalize insurance - business expense in 2016 to 0.4% of revenue, consistent with the Company's average expense from 2012-2015 (0.4%). The decrease in the Company's 2016 expense was due to a non-recurring refund that was received that year.

Officer Compensation – A normalizing adjustment was made based on the analysis in **Exhibit 7**. Management indicated that future officer compensation will likely differ from historical levels since non-recurring bonus payments were made in certain years while lower compensation was paid in other years. Officer compensation expense was normalized to an amount consistent with the median total compensation for a CEO based on the Company's revenue size each year according to data from Economic Research Institute (ERI). These normalized officer compensation amounts generally fall between the median and lower quartile of officer compensation as a percentage of revenue per the RMA data, which support their reasonableness. The normalized officer compensation amounts are consistent with management's expectations for future officer compensation if the Company were to perform at its historical revenue levels. Management also believes the normalized officer compensation amounts are consistent with fair market value for the services provided in each year. Therefore, the normalized expense in this valuation analysis is reflective of future expected officer compensation levels of the Company (and therefore, produces normalized earnings that a non-controlling owner could expect to realize). The reasonableness of the normalized officer compensation balances is also supported by the fact that the Company's normalized EBITDA margins (5.2%-8.4%) are consistent with the average (8.9%) and median (5.8%) of the guideline public companies in **Exhibit 15**.

Penalties – An adjustment was made to normalize earnings for non-recurring penalties.

Interest Income – An adjustment was made to normalize earnings for non-operating interest income.

Gain (Loss) on Sale of Assets – An adjustment was made to normalize earnings for non-operating and non-recurring gains (losses) on the sale of assets.

Interest Expense – An adjustment was made to normalize interest expense because the Company was valued on a debt-free basis.

Other Income – An adjustment was made to normalize earnings for non-recurring other income.

Officer's Life Insurance – An adjustment was made to normalize earnings for non-operating officer's life insurance income.

Based upon our analysis, valuation procedures and discussions with management, no other normalizing adjustments for non-recurring, extraordinary or unusual items or expenses were identified.

Following these normalizing adjustments, we arrived at normalized pre-tax income margins ranging from 4.3%-7.6%. Because no control-basis normalizing adjustments were made, the Company's normalized

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income in **Exhibit 5** reflects a non-controlling benefit stream that would be available to a non-controlling owner.

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4 BUSINESS VALUATION ANALYSIS

4.1 Adjusted Net Asset Method

The adjusted net asset method is an asset-based approach to valuation. This method is used to value a business on the basis of the difference between the fair market value of a company's assets and its liabilities. Under this method, the assets are adjusted from their book value to their fair market value and the total adjusted assets are then reduced by recorded and unrecorded liabilities. Tangible, as well as intangible, assets are valued in determining the total adjusted net assets.

Application of the adjusted net asset method allows us to establish a "floor-value" of a company based on the amount that would be realized upon a sale of a company's assets and satisfaction of its liabilities. This method does not necessitate the actual termination or liquidation of the business, however. Rather, it sets a "floor value" of the business based on the underlying value of a company's assets and liabilities as of the valuation date.

This methodology is appropriate in the case of a holding company or a capital-intensive company, when losses are continually generated, or when valuation methodologies based on a company's net income or cash flow levels indicate a value lower than its net asset value. New Tech, however, is not a holding company, has consistently generated profits, and the value of the Company indicated by income- and market-based approaches to value were higher than its adjusted net asset value, which lessens the reliability of the adjusted net asset method in determining the value of the Company's equity. Application of the adjusted net asset method, however, allows us to establish a "floor value" that can be used to judge the reasonableness of the values indicated by income- and market-based valuation approaches.

As presented in **Exhibit 4**, the adjusted fair market value of the Company's assets when offset against its liabilities is $17,900,000 on a controlling, marketable basis.

4.2 Capitalization of Cash Flow Method

The second method of valuation we used in reaching our conclusion of the fair market value of New Tech's equity was the capitalization of cash flow method, which is an income-based approach to valuation. The capitalization of cash flow method values a business based on an expected cash flow stream, capitalized by a risk-adjusted rate of return. A single-period capitalization approach is most appropriate when a company's current or historical level of operations is believed to be representative of future operations and is expected to grow at a relatively stable and modest rate. New Tech's management expects revenues, earnings and cash flows to be consistent with the Company's recent financial results, so the application of this valuation methodology is appropriate.

The steps taken in applying the capitalization of cash flow method include determining a sustainable earnings base (i.e., benefit stream), making the necessary adjustments to convert projected earnings into projected cash flow, developing an appropriate capitalization rate, and applying the capitalization rate to the cash flow base to arrive at a conclusion of the fair market value of New Tech's equity.

A "debt-free" capitalization of cash flow method was used to determine the Company's value. This approach requires the estimation of cash flows available to satisfy the return on both debt and equity. As a result, it was necessary to exclude interest expense and the impact of increases and reductions in debt balances from the capitalization of cash flow analysis. It was also necessary to capitalize New Tech's sustainable cash flow based on the Company's weighted-average cost of capital ("WACC") in order to properly consider that the cash flows include returns to both debt and equity investors. The calculation of the Company's WACC is discussed in further detail below.

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Benefit Stream

As discussed earlier in this Report, given the nature of v's operations as of the valuation date, analysis of the historical financial statements, research of the trends and characteristics of the Company's industry, and discussions with management concerning the Company's future operating performance, it was determined that New Tech's historical operations offer a reliable indication of how it can be expected to operate in the future.

Our analysis led us to conclude that New Tech's weighted-average, normalized debt-free after-tax net income was $2,750,000. As detailed in **Exhibit 7**, 2016 was given full weight in determining a normalized benefit stream for New Tech in order to take into account the following: 1) the revenue and profitability levels in 2016 are consistent with management's expectation for future revenue and profitability levels in the near term; and 2) management expects similar levels of demand for the Company's products in the near term based on the current economic outlook and interest rate levels, which directly impacts demand for the construction industry that the Company serves.

Because we are valuing a non-controlling, non-marketable ownership interest in New Tech, and since no control-basis adjustments were made in the normalized benefit stream analysis in **Exhibit 5**, the projected cash flows reflect that which would be available to a non-controlling owner, which produces a non-controlling value.

Calculation of Distributable Cash Flow

Calculation of a single-period cash flow benefit stream requires certain adjustments to New Tech's projected after-tax net income for depreciation, capital expenditure requirements and changes in net working capital. We did not need to adjust the benefit stream for changes in long-term debt because we valued the Company on a debt-free basis. The related adjustments made in **Exhibit 8** are explained in greater detail below:

Depreciation – Because depreciation is a non-cash expense, an adjustment must be made to the after-tax benefit stream to determine New Tech's estimated cash flow. The Company's weighted-average depreciation expense was $486,000, as presented in **Exhibit 7**. Therefore, we added $486,000 to New Tech's projected after-tax income benefit steam to adjust its cash flows for annual depreciation expense.

Capital Expenditures – Based on New Tech's expected depreciation expense of $486,000, annual capital expenditures would need to be approximately $505,400 to support a 4.0% long-term growth rate (the determination of which is described in greater detail below). This adjustment takes into account the fact that New Tech would need to replenish fixed assets at a rate that would support its projected growth after consideration of annual depreciation expense. Therefore, we subtracted $505,400 in **Exhibit 8** for capital expenditures in determining distributable cash flow.

Change in Net Working Capital – Presented in **Exhibit 10** are New Tech's historical Net Working Capital[3] ("NWC") levels from 2012 to 2016, which ranged from 21.0%-27.4% of revenues. The average and median net working capital levels as a percentage of revenue over the period analyzed were approximately 23.2% and 23.1%, respectively. From 2014-2016, the net working capital levels were slightly lower with an average and median of 21.7% and 21.1% of revenues, respectively. Based on these data points, and considering the full weight placed on the Company's 2016 activity in determining a weighted-average benefit stream, we estimated New Tech's required NWC balance

[3] Excludes cash, advances due from Newer Technologies, Inc, current portion of capital leases, current portion of shareholder debt, and interest-bearing debt. .

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to be 21.0% of revenues. Considering the long-term growth rate of 4.0% used in this analysis, the annual projected cash outflow from changes in NWC was determined to be $481,000 (**Exhibit 10**). Also in **Exhibit 10**, we took into consideration New Tech's cash and NWC balances as of the valuation date to determine what portion of these balances could be considered "excess," which could be distributed to the investors without negatively impacting the business. The first step was to determine the NWC required as of 12/31/16. To arrive at this figure, we multiplied New Tech 's weighted-average revenues by its estimated long-term NWC balance of 21.0% of revenues, as presented in **Exhibit 10**. Based on this estimate, we calculated the NWC required as of the valuation date to be $12,509,700. The next step was to determine the excess cash and NWC on hand as of the valuation date by comparing actual NWC as of 12/31/16 to the required NWC calculation described above. Actual NWC was $12,577,988, which is higher than the required NWC calculated above. Therefore, the amount of cash on hand in was added to the excess NWC and was determined to be "excess" and distributable with no negative impact on the Company's operations. The resulting excess cash and NWC balance as of the valuation date, which is presented in **Exhibit 10**, was determined to be $568,000.

As a result of the aforementioned adjustments to the weighted-average, normalized after-tax benefit stream, we arrive at a sustainable, distributable annual debt-free cash flow of $2,249,600 as presented in **Exhibit 8**.

Capitalization Rate

Capitalization rates vary among particular sizes and types of businesses from one period of time to another. Providers of capital require returns that will compensate them for the time value of money, plus the inherent risk in the specific investment being made. The capitalization rate reflects the total rate of return that would be expected by a reasonable investor given the nature, size and risks inherent in the underlying investment.

When applying the capitalization of cash flow method on a debt-free basis, a WACC should be used to capitalize the projected cash flows in order to properly consider that the cash flows include returns to both debt and equity investors. The four steps involved in determining the Company's debt-free capitalization rate include estimating its:

1. Required return on equity;
2. Cost of debt;
3. Appropriate capital structure; and
4. Expected long-term growth rate.

Our calculation of the four components of the Company's debt-free capitalization rate is described in detail below:

- ***Required Return on Equity*** – In calculating the required return on equity for the Company, we utilized the build-up method, as summarized in **Exhibit 9**.

  - ***Risk-Free Rate*** – Since an investment in a closely-held entity is generally a long-term investment, the risk-free rate must be expected to exist over a long-term investment horizon. Treasury rates incorporate a premium for the risk of holding the security over the long-term. In our valuation, we used the 20-year Treasury bond yield, which at December 31, 2016 was 2.79%.

  - ***Equity Risk Premium and Small Stock Risk Premium*** – The next step in the build-up process was to incorporate an equity risk premium and small stock risk premium, which serve to value the additional return required by an investor investing in a higher risk security (than a 20-year Treasury bond), such as the stock of a publicly-traded or privately-held company. A widely utilized study in developing equity risk premiums is the *2017 Duff & Phelps Valuation Handbook*.

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The study includes the long-term expected equity risk premium as well as additional premiums related to size (based on market capitalization).

The long-term supply-side expected equity risk premium as stated in *2017 Duff & Phelps Valuation Handbook* is 5.97%.

Since the equity risk premium includes the general equity risk premium associated with the entire equity market, we must consider adding an additional premium associated with the Company's smaller size relative to the market as a whole. Based on the *2017 Duff & Phelps Valuation Handbook* size premium data, the Company falls into the 10th decile. Therefore, we also added the 10th decile size premium of 5.59% in our build-up method to reflect the size premium associated with investing in a company the size of New Tech.

- ***Industry Risk Premium*** – The 2017 Duff & Phelps Valuation Handbook provides information on the risk premiums associated with various industries. The industries most applicable to the Company are listed below along with the related industry risk adjustments:

Industry Risk Rates from the *Duff & Phelps 2017 Valuation Handbook*		
SIC	**Industry Description**	**Adjustment**
50XX	Wholesale Trade - Durable Goods	0.47%
508X	Machinery, Equipment and Supplies	(0.64%)
Average		**(0.09%)**

Based on the industry risk adjustments indicated by the *2017 Duff & Phelps Valuation Handbook*, we applied a 0.00% risk premium to account for the unique risks associated with New Tech's industry compared to the market as a whole.

- ***Specific Company Adjustments*** – In addition to the components of the equity discount rate identified above, other risk factors must be evaluated for adjustments to the discount rate to account for risks specific to New Tech. These other risk factors can include the Company's financial risk and other operational and management characteristics.

In the case of New Tech, a specific company adjustment was considered for the following factors: economic risk, financial risk, operational risk, key employee risk and other company-specific factors.

Economic Risk

As stated in **Section 2.3** of this Report, the current economic climate was a mix of positive and negative factors, with long-term economic expectations being relatively positive. These factors, when considered as a whole, have a negligible impact on specific-company risk.

Financial Risk

As discussed in **Sections 3.1 and 3.2** of this Report, the Company had a very strong balance sheet with only a modest amount of interest-bearing debt ($0.3 million). These factors translate to a decrease in specific company risk.

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Operational Risk

New Tech s profitability levels were higher than the industry norm on both a reported and normalized basis. From an asset management standpoint, however, the Company's metrics were at or below the industry norm. The Company is also a smaller player in an industry controlled by a few large public competitors, which increases the risk associated with an investment in the Company. When these factors are considered as a whole, a slight increase to specific company risk for operational risk was appropriate.

Key Employee Risk

President John E. Smith was identified by management as being integral to the operation and leadership of the Company. Mr. Smith has developed many relationships in the construction industry and if he were not running the day-to-day operations of New Tech, the Company's revenue and profit margins could be expected to decline. However, management also indicated that New Tech has experienced sales and customer relationship teams, which serves to offset some of the reliance on Mr. Smithl. Therefore, a slight increase to specific company risk for this factor was appropriate.

Specific Company Risk Conclusion

Based the analysis above, we concluded that an increase to New Tech's required cost of equity of 1.00% was appropriate to account for its specific company risk.

- ***Pass-Through Entity Discount Rate Adjustment*** – There can be a benefit to having an ownership interest in an entity that bears a single level of tax relative to an entity that bears two levels of tax. One of the benefits of New Tech being taxed as a pass-through entity is that its earnings are only taxed once, at the shareholder/investor level. In comparison, if New Tech had been taxed as a C corporation, its earnings would first be taxed at the entity level and then again at the shareholder/investor level as dividends were paid. Hence, the earnings of a C corporation are "double-taxed," or taxed twice before they reach the investors' pocket. Consequently, a pass-through entity owner avoids the dividend tax for which he or she would have been liable had the company been organized as a C corporation. It is important to note, however, that income taxes are levied on the earnings of both pass-through entities and C corporations, although at different levels (the shareholder/investor level and entity level, respectively). In summary, pass-through entity investors benefit from the additional cash flow of the avoided dividend tax in comparison to a comparable C corporation.

  Many valuation analysts have confused which tax is avoided by a pass-through entity investor relative to a C corporation investor and have mistakenly capitalized benefit streams that have not taken income taxes into account. This approach treats pass-through entities and their investors as if they are not liable for any income tax at all, which significantly overstates the value of the company being analyzed. We know, however, that the income tax associated with pass-through entity earnings is just levied at the shareholder/investor level rather than at the entity level.

  Stated differently, when an investor pays taxes on the income from an investment, the investor ends up with less money in his or her pocket than would otherwise result if the investor did not have to pay taxes. Therefore, if one investment is taxed and another is not, all other things being equal, the investment that is not being taxed would be worth more than the one that is subject to tax. This is because the investor would end up with more cash in his pocket from the non-tax investment compared to the taxed investment. Accordingly, an investment in a pass-

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through entity should be worth more than an investment in an identical C corporation due to the absence of any taxes on distributions to the investors.

In addition to avoided dividend taxes, pass-through entity investors also benefit from the build-up in basis that they receive from earnings that are not distributed to them. This increase in basis benefits pass-through entity investors when they sell their ownership interest because the capital gain that they recognize at the time of sale is the difference between the selling price and their basis in their ownership interest. Therefore, the higher an investor's basis is in his or her pass-through entity ownership interest, the lower the taxable gain that will be realized upon the sale of the investment.

The pass-through taxation adjustment arises because in employing the discounted cash flow approach, we have applied a rate of return from the public markets (based on publicly traded C corporations) that is not an "apples to apples" match with the pass-through entity benefit stream that is being used to value the subject company. There is not an empirical rate of return available for pass-through entities, so we are forced to rely on rates of return from the public stock markets, which are comprised entirely of C corporations. This public market C corporation rate of return takes into account both the C Corporation's entity-level tax as well as the shareholder-level dividend tax that a company's earnings are reduced by before they end up in the shareholders' pockets. Therefore, we must make an adjustment since the discount rate utilized has embedded in it the impact of the dividend tax associated with the investment returns from C corporations.

Research by Nancy Fannon and Keith Sellers in *Taxes and Value* (2015) analyzed the effect of the C corporation shareholder tax penalty embedded in public company returns (which were relied upon to determine the appropriate cost of capital for the subject company). It is this tax-related impact on value that does not exist for pass-through entity investors and which needs to be adjusted. Their research indicates that shareholder taxes on C corporation dividends and capital gains do not affect company value as if such taxes were paid at the statutory rate, but rather at a lower effective tax rate due to the presence of tax-favored institutional investors and other investors that pay income taxes at lower marginal rates. Fannon and Sellers determined the embedded tax affect to be 1.3%, which, once removed from a pass-through entity's cost of capital, results in a discount rate that is properly matched to the characteristics of a pass-through entity. Given the fact that additional research and regression analysis referenced by Fannon and Sellers indicates a relationship between the embedded tax penalty and its impact on the cost of capital of only 0.4 to 0.5, we reduced by 1.3% embedded tax affect by 50%. Therefore, we ultimately arrived at a downward adjustment to the company's cost of equity of (0.65%) to account for the fact that it is taxed as a pass-through entity.

- ***Cost of Debt*** – Based on the projected capital structure for the Company and the terms of the debt it had outstanding as of the valuation date, we utilized the Barron's intermediate grade bond interest rate of 4.86% as of the valuation date as the Company's cost of debt. After applying a 40.0% income tax rate to properly account for the fact that interest is a deductible expense, the Company's after-tax cost of debt was estimated to be approximately 2.9%.

- ***Capital Structure*** – In order to estimate an appropriate long-term capital structure for New Tech, we considered the Company's existing capital structure as well as the capital structures of comparable publicly-traded companies in similar industries, as identified in **Exhibit 14**. The selected capital structure was based primarily on consideration of the Company's actual capital structure as of the valuation date (1.0% debt) because we are valuing a non-controlling ownership interest, which does not have the ability to change the Company's capital structure. The Company also carried relatively low levels of debt during all of the years analyzed. We also took into consideration the borrowing capacity of the Company as we well as the capital structure of the guideline public companies in

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Exhibit 14 (median of 23.7% debt). Based on these data points (particularly the Company's current capital structure), we applied a 2.5% debt weighting in determining the Company's WACC, which is also consistent with the low (2.8%) of the guideline public companies in **Exhibit 14**.

- ***Growth Rate*** – Capitalizing is a process applied to an amount representing some measure of income for a single period. However, the overall theory in determining value incorporates a present value calculation of the earnings stream for the years going forward. Our build-up analysis up to this point has generated a discount rate of return. Accordingly, it is necessary to account for the single period estimate of the benefit stream in such a way as to be reflective and inclusive of all periods going forward, which is accomplished through a growth rate adjustment. If growth is anticipated for the single-period benefit stream that is being capitalized, the discount rate should be reduced by subtracting out the growth rate. As Shannon Pratt posits in his book *Valuing A Business - The Analysis and Appraisal of Closely Held Companies*, "for an investment with a perpetual life, the difference between the discount rate and capitalization rate is the annually compounded percentage rate of growth or decline in perpetuity in the economic income variable being discounted or capitalized."

  Considering the industry growth expectations of 6.0% according to FirstResearch (Building Material Supply), projected inflation of 2%-3%, projected real GDP growth of approximately 2%-3%, and management's estimates for future growth, we have determined the long-term growth rate for New Tech to be 4.0%.

After adjusting the WACC discount rate for New Tech's long-term projected growth, the debt-free capitalization rate was determined to be 10.4%, as presented in **Exhibit 9**.

Capitalization of Cash Flow Value

By dividing the after-tax distributable cash flow projected for the following year by the capitalization rate of 10.4%, as well as making a mid-period adjustment to take into account the fact that the projected cash flows are expected to be earned relatively evenly throughout the year, the enterprise value of New Tech was determined to be $24,070,000. After adjusting the Company's enterprise value for excess cash and net working capital, interest-bearing debt, and non-operating assets, the non-controlling, marketable value of New Tech's equity was determined to be $27,100,000, as presented in **Exhibit 8**.

Capitalization of Cash Flow Value Conclusion

Based on our analysis, the fair market value of New Tech's equity on a non-controlling, marketable basis based on the capitalization of cash flow method is $27,100,000, as detailed in **Exhibit 8**.

4.3 Guideline Transaction Method

Guideline Transaction Method Overview

The guideline transaction method values a business based on pricing multiples derived from the sale of companies that are similar to the subject company. The steps taken in using the guideline transaction method include finding transactions involving the purchase of comparable companies, selecting the transactions that closely mirror the company's operations and which occurred in similar industry and economic conditions, and finally, applying the indicated pricing multiples from the representative transactions.

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We used Pratt's Stats (a widely-utilized private company transaction database) to determine the revenue and EBITDA multiples of privately-held companies that had recently been purchased in the following industries:

- Wholesale – Brick, Stone, and Related Construction Materials (SIC 5032)
- Wholesale – Roofing, Siding, and Insulation Materials (Merchant Wholesalers Except Those Selling Via Retail Method) (SIC 5033)
- Wholesale – Construction Materials, NEC (SIC 5039)

We found 17 transactions involving companies in lines of business similar to that of the Company, which are presented in **Exhibit 11**. These companies differ from New Tech in their respective stages of development and size, but they have comparable operational models and financial risks. They also reflect economic conditions of the industry in which the Company operates. Thus, the comparative analysis to the Company is based on the performance and characteristics of the sample as a whole rather than on any individual transaction selected.

In applying the guideline transaction method using a non-controlling benefit stream and the Pratt's Stats transaction database, we arrive at a non-controlling, semi-marketable value. The value is considered semi-marketable because the Pratt's Stats data involves the sale of controlling interests in privately-held companies. Therefore, the Pratt's Stats multiples already take into consideration the lack of marketability associated with a controlling, non-marketable ownership interest in a privately-held company, which would be approximately 5.0% for New Tech (as discussed in **Section 5.2** of this Report). However, a further marketability adjustment will still be required to reach a non-controlling, non-marketable level of value because non-controlling interests are significantly less marketable than the controlling interests considered in the Pratt's Stats transactions, which will be discussed further in **Section 5.2**.

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Guideline Transaction Method Analysis

We broke the guideline transaction data down into various subsets (**Exhibit 12**) in order to analyze the data in a manner that best reflects current economic conditions and the Company's operating characteristics. The following sections describe each guideline transaction data subset:

- ***All Transactions (17 Transactions)*** – This population includes transactions occurring from 1996 to 2016. While the range of transaction dates is broad, the number of transactions makes it a good sample for analysis.

- ***Transactions Within Preceding 5 Years (8 Transactions)*** – This population includes transactions occurring from 2012 to 2016 which better reflect the impact of current economic conditions on the value of the Company.

- ***Revenue – $25MM - $100MM (5 Transactions)*** – This population includes transactions involving companies with revenue ranging from $25 to $100 million. As a result, this population reflects the multiples for entities similar in size to the Company.

- ***EBITDA Margin – 2.5% - 12.5% (7 Transactions)*** – This population includes transactions involving companies with EBITDA margins of 2.5%-12.5%, similar to that of the Company. As a result, this population reflects the multiples for companies with levels of profitability similar to the Company.

Based on our analysis of the transaction subsets, we selected multiples appropriate for the valuation of the Company, as described in detail below:

- ***Revenue Multiples*** – The revenue multiples for the entire population ranged from 0.10x to 1.35x with a median of 0.36x. Since analyzing only a company's revenue does not provide an indication

of how profitably it can turn that revenue into cash flow, it is necessary to apply revenue multiples from guideline transactions with a similar level of profitability to the subject company. The table below summarizes the revenue multiples indicated by each of the transaction subsets based on the quartiles with EBITDA margins similar to the Company's.

Guideline Transaction Method - Revenue Multiple Analysis			
Population	Quartile	Quartile EBITDA Margin	Implied Revenue Multiple
All Transactions	Upper Quartile	11.1%	0.55
	Median	4.4%	0.36
Transactions Within Preceding 5 Years	High	11.8%	0.66
	Upper Quartile	4.0%	0.43
Net Sales - $25MM - $100MM	Lower Quartile	8.3%	0.41
EBITDA Margin - 2.5% - 12.5%	Upper Quartile	9.3%	0.36

Based on these data points, we utilized multiples from 0.35x to 0.50x in determining the Company's value based on its revenue levels.

- ***EBITDA Multiples*** – The EBITDA multiples for the entire population ranged from 2.75x to 13.09x with a median of 6.40x. EBITDA multiples are not as sensitive to the subject company's profitability as revenue multiples since the company's profitability is implicitly considered in the EBITDA stream. Therefore, an EBITDA multiple similar to the median is typically most appropriate. The table below summarizes the median EBITDA multiples indicated by each of the transactions subsets.

Guideline Transaction Method - EBITDA Multiple Analysis		
Population	Quartile	Implied EBITDA Multiple
All Transactions	Median	6.40
Transactions Within Preceding 5 Years	Median	7.53
Net Sales - $25MM - $100MM	Median	6.33
EBITDA Margin - 2.5% - 12.5%	Median	5.05

Based on consideration of these data points, we utilized EBITDA multiples from 5.50x to 6.50x in determining the Company's value based on its EBITDA levels.

Because the transaction multiples in Pratt's Stats are based on the "latest full year" financials available, we used both the Company's 2016 revenue/EBITDA and weighted-average revenue/EBITDA in order to determine its enterprise value.

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Consideration was given to the enterprise values indicated by the application of both the revenue and EBITDA multiples, as summarized below:

Summary of Values Indicated by Guideline Transaction Method					
	Indicated Enterprise Value				
Revenue Multiples	$	20,850,000	to	$	29,790,000
EBITDA Multiples	$	27,880,000	to	$	32,950,000

The mid-point of the revenue multiple value range was $25.3 million and the mid-point of the EBITDA multiple value range was $30.4 million. Based on the range of values indicated above, we concluded that the Company's non-controlling, semi-marketable enterprise value (on an acquisition basis) indicated by the guideline transaction method was $28,000,000, as presented in **Exhibit 12**. The concluded value falls on the higher end of the revenue multiple range and the lower end of the EBITDA multiple range, which gives consideration to both of the indicated ranges of value.

Adjustments to Determine Equity Value

Because the multiples that we utilized were based on the enterprise value of the purchased companies, we arrived at an "enterprise value" of the Company when using the guideline transaction method. Enterprise value incorporates all of a company's operating assets, except for cash, and includes working capital, fixed assets and intangible assets.

In addition, because the multiples analyzed involve acquisitions in which premiums above fair market value may have been paid for synergistic and control factors specific to those transactions, it is necessary to adjust the value derived from the application of this method for the synergistic and control premiums embedded in the multiples to arrive at a synergy- and control-neutral multiple/value. The Mergerstat/BVR Control Premium Study (the "Mergerstat Study") was used to determine the enterprise value acquisition premium embedded within the transaction multiples. According to the Mergerstat Study, the median enterprise value acquisition premium of the entire population of transactions was approximately 18%, which equates to an implied discount of 15%. Therefore, an acquisition discount (the inverse of the acquisition premium) of 15% was applied to the enterprise value indicated by the guideline transaction method to arrive at a non-controlling, semi-marketable enterprise value on a fair market value basis.

Since enterprise value represents the value of a company's equity *and* interest-bearing debt (excluding cash), we must subtract the debt and add the cash balance of the Company as of the valuation date in order to arrive at its equity value. We must also take into account the value of any non-operating assets and other debt-like liabilities, as well as the Company's excess/deficient net working capital balance as of the valuation date, as noted in **Section 4.2** of this Report. After adjusting for these items in **Exhibit 12**, we arrived at a non-controlling, semi-marketable equity value on a fair market value basis.

Guideline Transaction Method Conclusion

After adjusting for the preceding factors, the non-controlling, semi-marketable equity value of the Company indicated by the guideline transaction method was determined to be $26,800,000, as outlined in **Exhibit 12**.

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4.4 Guideline Public Company Method

Guideline Public Company Method Overview

The guideline public company method values a business based on trading multiples derived from publicly-traded companies that are similar to the subject company. The steps taken in using the guideline public company method include identifying comparable public companies, eliminating potential comparables that have thinly-traded stock that does not trade on major exchanges (such as NYSE and NASDAQ) because the trading prices are likely to be speculative rather than reflective of fair market value, and then applying the adjusted pricing multiples from the representative companies. We arrive at a non-controlling, marketable value using this method because the stock of the guideline public companies is readily marketable (unlike that of New Tech) and we are utilizing a non-controlling benefit stream.

Ideally, the guideline companies selected for analysis compete in the same industry as the subject company. When such publicly-traded companies do not exist (or when only a small number of them exist), other companies with similar underlying characteristics such as markets serviced, growth, risks or other relevant factors can be considered – exact comparability is not required under this method of valuation, although closer comparables are preferred.

We gathered information on 8 publicly-traded companies in the following industry:

- Wholesale – Lumber & Other Construction Materials (SIC 5030)
- Wholesale – Lumber, Plywood, Millwork & Wood Panels (SIC 5031)
- Wholesale – Construction Materials, NEC (SIC 5039)
- Hardware Stores; Retail-Lumber & Other Building Materials Dealers (SIC 5211)

These guideline public companies are presented in **Exhibits 13 to 17** along with certain information relevant to the application of the guideline public company method. Similar to the guideline transaction method, these companies differ from New Tech in their respective stages of development and size, but they have comparable operational models and financial risks. They also reflect the general economic conditions that the Company faced as of the valuation date. Thus, the comparative analysis to New Tech is based on the performance and characteristics of the sample as a whole rather than on any individual company selected.

Guideline Public Company Method Analysis

Our approach in applying the various guideline public company multiples to the Company is described below:

- ***Revenue*** – The population's revenue multiples ranged from 0.20x to 3.50x, with a median of 0.71x. Before applying multiples, however, it was necessary to adjust them for the lower risk that the guideline public companies have due to their larger size and lower specific company risk compared to New Tech. The public company multiples were adjusted based on the public companies' estimated rate of return relative to New Tech's 14.7% equity discount rate. The public company rates of return were determined based on 1) the same risk-free rate (2.79%) and equity risk premium (5.97%) used in New Tech's build-up; 2) the appropriate *2017 Duff & Phelps Valuation Handbook* equity and size risk premium based on the companies' market value of equity; and 3) the industry risk premium (0.00%) for the Company's industry. The ratio of each public company's rate of return relative to New Tech was multiplied by the revenue multiple to account for the higher risk of investing in New Tech compared to the public company comparables. After adjusting for the relative risk of New Tech compared to the guideline public companies, the revenue multiples ranged from 0.20x to 2.24x, with a median of 0.50x.

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When applying revenue multiples, one must keep in mind that the subject company's profitability plays a significant factor in selecting an appropriate multiple since looking simply at a company's revenue gives no indication of how efficiently that company turns revenues into profit. New Tech's 2016 and weighted-average EBITDA margins were consistent with the median and upper quartile of the comparable companies in **Exhibit 17**. However, because the projected growth rates for the guideline public companies were significantly in excess of New Tech's projected long-term growth rate of 4.0%, which indicates that lower multiples than might otherwise be selected are appropriation. Based on consideration of these factors, we utilized multiples from 0.30x to 0.50x in determining New Tech's value based on its revenue levels.

- ***EBITDA*** – The population's EBITDA multiples ranged from 7.46x to 15.40x, with a median of 11.58x. Again, we adjusted the guideline public company multiples for the lower risk of the guideline public companies due to their larger size and lower specific company risk compared to New Tech. After adjusting for the relative risk of New Tech compared to the guideline public companies, the EBITDA multiples ranged from 6.13x to 9.86x, with a median of 7.77x. EBITDA multiples are not as sensitive to the subject company's profitability as revenue multiples since the subject company's profitability is implicitly considered in the EBITDA stream, which indicates that an EBITDA multiple similar to the median is appropriate. Again, however, because the projected growth rates for the guideline public companies were significantly in excess of New Tech's projected long-term growth rate of 4.0%, which indicates that lower multiples than might otherwise be selected are appropriation. Therefore, we applied EBITDA multiples ranging from 6.50x to 7.50x in valuing the Company, consistent with the lower quartile of the adjusted guideline public company range.

Consideration was given to the enterprise values indicated by the application of both the revenue and EBITDA multiples, as summarized below:

Summary of Values Indicated by Guideline Public Company Method					
	Indicated Enterprise Value				
Revenue Multiples	**$**	**17,870,000**	to	**$**	**29,790,000**
EBITDA Multiples	**$**	**32,950,000**	to	**$**	**38,020,000**

The mid-point of the revenue multiple value range was $23.8 million and the mid-point of the EBITDA multiple value range was $35.5 million. Based on the range of values indicated above, we concluded that the enterprise value indicated by the guideline public company method was $30,000,000, as presented in **Exhibit 17**, which falls just above the high end of the revenue multiple range and just below the low end of the EBITDA multiple range.

Adjustments to Determine Equity Value

Because the multiples that we utilized were based on the enterprise value of the guideline public companies, we arrived at an "enterprise value" of New Tech when using the guideline public company method. Enterprise value incorporates all of a company's operating assets, except for cash, and includes working capital, fixed assets and intangible assets.

The enterprise value indicates the value of a company's equity and interest-bearing debt (excluding cash), so we must subtract the debt and add the cash balance of the Company as of the valuation date in order to arrive at its equity value. We must also take into account the value of any non-operating assets and other debt-like liabilities, as well as the Company's excess/deficient net working capital balance as of the valuation date, as noted in **Section 4.2** of this Report. After adjusting for these items, the non-controlling, marketable equity value of the Company was determined to be $33,000,000, as presented in **Exhibit 17**.

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Guideline Public Company Method Conclusion

The fair market value of New Tech's equity on a non-controlling, marketable basis based on the guideline public company method is $33,000,000, as detailed in **Exhibit 17**.

4.5 Valuation Methods Considered But Not Used

Performing a proper valuation of any company requires the valuator to consider all of the available approaches when determining a value. The three types of approaches in valuing a company include the asset approach, income approach and market approach. Within each approach, there are several commonly accepted methods used to value companies. While the following methods are required to be considered in valuing the Company, each method had limitations in its application in determining the proper value of its equity.

Capitalization of Excess Earnings Method

The capitalization of excess earnings method is an income and asset-based approach to valuation where the adjusted tangible and intangible assets of a business are valued independently. These component assets are then combined to determine the total fair market value of the business. The adjusted net tangible assets are comprised of the fair market value of the total tangible assets of the business less the total liabilities as of the valuation date. The intangible assets are valued by capitalizing the excess earnings of the business, where the excess earnings represent the earnings of the business in excess of the level that would provide a reasonable rate of return on the business' net tangible assets, as determined by industry standards.

There are inherent limitations in utilizing the capitalization of excess earnings method in valuing any type of business. One such limitation is the fact that there is no literature indicating what level of earnings should be utilized in determining a base level of earnings to which the comparison would be made in determining "excess earnings". Additionally, there is no readily observable market rate of return directly applicable to many tangible assets and, therefore, determining "excess earnings" is a highly subjective calculation. As stated in Revenue Ruling 68-609, this methodology should only be utilized when no other method is appropriate. Based on the discussion above, we have not utilized this methodology in determining the value of the Company.

Recent Transactions

There were no recent transactions involving the Company's shares that would provide an indication of its fair market value.

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5 NATURE OF THE UNDERLYING SECURITY

Before a final conclusion of value can be rendered for the Company, the nature of the ownership interest being valued must be considered. The value of an ownership interest is influenced by many of its characteristics, including marketability and control.

5.1 Control

The definition of a non-controlling (minority) interest is ownership of less than a sufficient number of voting units that would enable an owner to control company policy and make decisions for or on behalf of that entity. Such an ownership interest limits one's ability to control the affairs of the entity, so the interest is considered a minority interest and a lack of control adjustment is appropriate since a non-controlling (minority) owner is unable to:

1. Elect directors or appoint management;
2. Set levels of management compensation and perquisites;
3. Determine cash dividends/distributions;
4. Set company policies or business course;
5. Decide on what investments and what projects are undertaken and how they are financed;
6. Purchase or sell assets;
7. Determine when to liquidate the company;
8. Force the liquidation of one's investment in the company.

Lack of Control Adjustment

The methodologies employed in arriving at our conclusion of value (capitalization of cash flow, guideline transaction and guideline public company methods) produced non-controlling values because non-controlling benefit streams were used in each of those analyses. Therefore, a lack of control adjustment is not applicable to the values indicated by those methods.

5.2 Marketability

There are certain marketability differences between ownership interests in New Tech and an interest in the stock of publicly-traded companies. An owner of publicly-traded securities can know at all times the market value of his or her holding. He or she can sell that holding on virtually a moment's notice and receive cash, net of brokerage fees, within several working days.

This would not be the case with an interest with New Tech. Consequently, liquidating a position in New Tech would be a more costly, uncertain and time-consuming process than liquidating stock in a publicly-traded entity. An investment in which the owner can achieve liquidity in a timely fashion is worth more than an investment in which the owner cannot liquidate the investment quickly. Privately-held companies sell at a discount that reflects the additional costs, increased uncertainty and longer time commitments associated with liquidating these types of investments.

The data most frequently used to compute lack of marketability discounts for non-controlling ownership interests in privately-held entities comes in two forms: restricted stock studies and pre-IPO studies. In

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addition, we considered the lack of marketability adjustment indicated by the Stout Restricted Stock Study (a more granular restricted stock study analysis). Finally, we considered the factors listed as most important in the quantification of an appropriate lack of marketability discount in *Bernard Mandelbaum, et al. v. Commissioner*.

Restricted Stock Studies

Professional valuators often focus on the restricted stock study approach since restricted stock closely resembles an ownership interest in a privately-held entity due to the limited market available in which to sell the interest and the length of time required to sell certain amounts of restricted stock (i.e., large-block transactions) because of holding period requirements and volume limitations, thus making restricted stock very illiquid.

Restricted stock refers to shares that have not been registered with the SEC (Securities and Exchange Commission), meaning they cannot be sold in the public market and are the product of private transactions, often acquired directly from the issuing company. Restricted stock is used in different situations, many times for start-up or expansion capital. A number of studies have been conducted in the last 40 years which demonstrate that the sale of restricted stock of publicly-traded companies is generally accomplished at a discount from the price of otherwise comparable unrestricted shares trading on the open market.

Restricted stock of publicly-traded companies is both similar to, and different from, privately-held shares, all things being equal with regard to the underlying fundamentals of the company. The similarity is that both classes of stock are illiquid compared with publicly-traded shares. On the other hand, privately-held shares are not as marketable as publicly-traded shares, while restricted shares eventually will be. Therefore, in most cases the average discounts observed in these studies should be the minimum discounts used to value non-controlling ownership interests in privately-held entities. Included in **Exhibit 18** is a summary of the studies mentioned above and the average/median marketability discounts observed.

The decline in average/median discounts observed in the studies is attributable to changes in the rules governing the public sale of restricted stocks (Rule 144), including their required holding periods and registration. In 1990, Rule 144A was adopted, which permitted qualified institutional investors to trade unregistered securities amongst themselves, resulting in increased restricted stock trading and greater marketability of restricted stock ownership interests. Also in 1990, the “tacking” concept of Rule 144 was amended, which allowed non-affiliate purchasers the ability to “tack” the previous non-affiliate owner’s holding period onto their own, rather than having the required holding period restart upon their purchase. In 1997, the holding period requirements under Rule 144 were amended to permit the resale of restricted stock after one year (for non-affiliates), rather than the prior minimum holding period of two years, with unlimited public resale allowed after one additional year. In 2008, Rule 144 was further amended to permit the resale of restricted stock after six months (for non-affiliates), as opposed to one year, with reduced holding periods for unlimited public resale, as well.

The recent trend in the studies reflects that as the expected time horizon for holding an ownership interest in an entity increases, so does the lack of marketability discount observed. Prior to the easing of restricted stock regulations in 1990 (and the adoption of relaxed minimum holding periods in later years), the median discounts observed in the restricted stock studies ranged from 31.2% to 45.0% with a median of 33.0%. The pre-1990 studies also had average discounts ranging from 25.8% to 35.6% with a median of 33.5%. Since privately-held companies will never have an active market, marketability adjustments in most cases should be similar to or larger than those indicated by the pre-1990 restricted stock studies analyzed. Therefore, the discount for lack of marketability indicated by the restricted stock studies is approximately 30% to 40%.

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Pre-IPO Studies

Another approach to determining lack of marketability discounts is based on pre-IPO studies. Such studies calculate lack of marketability discounts based on the difference in a company's stock price in an initial public offering ("IPO") compared to the prices at which its shares traded in the months leading up to the IPO. Therefore, these studies are appropriate in determining marketability adjustments because a company's shares are privately held or thinly traded prior to an IPO and become more liquid after shares have been offered to the public. The difference in pre- and post-IPO price is generally considered to be a result of the increased marketability of the company's stock (although some of this difference may sometimes be attributable to increases in company value as a result of the IPO or companies issuing shares at artificially low prices prior to an IPO so that certain pre-IPO investors receive larger returns). Numerous pre-IPO studies, which analyze data over a 30 year period from 1975-2006, reflect median discounts ranging from 31.6% to 68.0% with a median discount of 42.7% as presented in **Exhibit 18**. The pre-IPO studies also had average discounts ranging from 23.9% to 59.0% with a median of 43.0%. Therefore, the discount for lack of marketability indicated by the pre-IPO studies is approximately 40% to 50%.

Stout Restricted Stock Study

The Stout Restricted Stock Study is a database of transactions used to determine discounts for lack of marketability. The database is constructed from transactions involving the restricted stock of public companies under SEC Rule 144. The discount for lack of marketability from these transactions is calculated based on the percentage difference between the private placement (restricted stock) price per share and the market trading price per share. In other words, it is the discount at which a restricted share trades in relation to a freely-traded share.

In utilizing the data from the Stout Restricted Stock Study, we are able to take into consideration the specific characteristics of the Company and the impact that these characteristics have on the applicable discount for lack of marketability. The key inputs to the analysis are presented in **Exhibit 19** along with the Stout Restricted Stock Study discount analysis.

The application of the Stout Restricted Stock Study data is a three step process, as summarized below and presented in **Exhibit 19**:

1. ***Restricted Stock Equivalent Discount ("RSED") Calculation*** – The first step in the analysis is to determine the discount applicable to an equity interest in a private-held company as if they were restricted shares of a publicly-traded company. The determination of the RSED is based on a comparative analysis of the Company to the companies in the Stout Restricted Stock Study that issued small blocks of restricted stock (less than 30% shares placed). A specific RSED is calculated based on a weighted-average of the discounts indicated by the Company's characteristics. A range of RSEDs is also calculated based on an analysis of the number of companies in the Stout Restricted Stock Study with characteristics in the same quintile as the Company on a cumulative basis (those that share 1 quintile characteristic, 2 quintile characteristics, etc.).

2. ***Market Volatility Adjustment*** – An adjustment to the RSED is required if the equity markets are demonstrating unusually high volatility around the valuation date. The adjustment factor is derived from a comparison of Stout Restricted Stock Study transactions occurring during months with normal volatility (normal trailing six-month average VIX values) versus those occurring during months with high volatility (high trailing six-month average VIX values). After applying the market volatility adjustment to the RSED, we arrive at an adjusted restricted stock equivalent discount ("ARSED").

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3. ***Private Equity Discount ("PED") Analysis*** – The final step in the calculation is the PED analysis, which reflects the fact that ownership interests in privately-held companies are significantly less liquid than all but the most illiquid issues (i.e., the largest blocks) of restricted stock in public companies. The PED adjustment is based on the comparison of discounts associated with small-block versus large-block transactions in the Stout Restricted Stock Study.

Based on the Company's characteristics, the applicable range of marketability discounts indicated by the FMV Study was 35.7% to 42.0%, from which we arrived at an indicated discount of 38.5%. It should be noted that both the multiplicative and inverse multiplicative discount ranges were considered, as suggested by Stout when the ARSED is between 20%-25%.

Mandelbaum Factor Analysis

The following factors were listed as most important in the quantification of an appropriate lack of marketability discount in *Bernard Mandelbaum, et al. v. Commissioner.*

- ***Financial Statement Analysis*** – Financial statement analysis was conducted in **Sections 3.1 and 3.2** of this Report and was considered in determining the applicable discount for lack of marketability. New Tech's strong balance sheet and profitability levels in relation to its industry peers (based on analysis in **Exhibit 3**) indicate that a lower lack of marketability adjustment is appropriate.

- ***Company's Dividend/Distribution Policy*** – New Tech's distribution policy and historical distribution behavior were considered in determining the applicable discount for lack of marketability. Specifically, New Tech has a history of paying distributions to its sole shareholder in amounts only slightly higher than what was necessary to satisfy the owner's pass-through income tax liability. Therefore, no significant adjustment to the applicable lack of marketability discount for the Company's distribution policy was necessary.

- ***Nature of the Company, the Company's History and Position Within the Industry, and Economic Outlook*** – These items are addressed in **Sections 2.1, 2.2 and 2.3** of this Report and were considered in determining the applicable discount for lack of marketability. These factors have little impact on the applicable lack of marketability discounts applied in this case.

- ***Company's Management*** – New Tech's management depth and key person risk, which were highlighted in **Section 4.2**, were considered in determining the applicable discount for lack of marketability. The Company's reliance on John Smith indicates that a slightly higher discount for lack of marketability is appropriate.

- ***Restrictions on Transferability of Stock*** – There were no material restrictions noted related to the transfer of ownership interests in New Tech. As a result, no adjustment to the applicable lack of marketability discount was necessary for this factor.

- ***Amount of Control in Transferred Shares*** – The amount of control inherent in the ownership interests being valued was considered in determining the applicable discount for lack of marketability. In this case, a non-controlling interest is being valued, which indicates that a higher discount for lack of marketability is appropriate.

- ***Holding Period for Stock*** – The expected holding period, if any, for the ownership interest being valued was considered in determining the applicable discount for lack of marketability. Because 1) an investment in a closely-held entity is generally a long-term investment; 2) the ownership interest being valued cannot unilaterally decide to sell New Tech; and 3) there are no

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immediate plans to sell New Tech, we estimated a long-term holding period for the ownership interest being valued, which indicates that a higher lack of marketability discount is appropriate.

- ***Company's Redemption Policy*** – New Tech does not have a redemption policy that would give an investor the opportunity to monetize his or her holding at their discretion. This indicates that the application of a lack of marketability discount is appropriate.

- ***Costs Associated with Making a Public Offering*** – Costs of flotation, or the costs associated with taking a company public, are generally recognized as an accepted approach in estimating the lack of marketability of a controlling ownership interest in a privately-held company. As discussed in **Section 4.3** of this Report, the lack of marketability discount to be applied to the value of New Tech indicated by the guideline transaction method must be reduced in order to take into consideration the fact that the transactions analyzed involved the sale of controlling interests in privately-held entities (for which some level of lack of marketability is already implicit in the transaction price). Therefore, it was necessary to determine the approximate marketability discount embedded in these transactions.

  The SEC Cost of Flotation Study indicated an average flotation cost of 12.6% (sum of compensation and other expenses) of the total public offering, but the indicated discount was near or below 10.0% when the size of the transaction was greater than $2.0 million. Specifically, for equity values of $20.0 - $49.99 million (similar to the Company before discounts), the average cost of flotation was 5.0%.

SEC Cost of Flotation Study (1974)

Size of Issue ($ Millions)	Number	Compensation (% of Gross Proceeds)	Other Expense (% of Gross Proceeds)	Total Expense (% of Gross Proceeds)
Under 0.5	3	8.2%	10.9%	19.1%
0.5 - 0.99	227	12.5%	8.3%	20.7%
1.0 - 1.99	271	10.6%	5.9%	16.5%
2.0 - 4.99	450	8.2%	3.7%	11.9%
5.0 - 9.99	287	6.7%	2.0%	8.7%
10.0 - 19.99	170	5.5%	1.1%	6.6%
20.0 - 49.99	109	4.4%	0.6%	5.0%
50.0 - 99.99	30	3.9%	0.3%	4.3%
100.0 - 499.99	12	3.0%	0.2%	3.2%
Over 500.0	0	0.0%	0.0%	0.0%
Total/Averages	1,559	8.3%	4.3%	12.6%

  A more recent study published by Jay R. Ritter in 1987 indicated that total cash expenses incurred in IPOs were approximately 14.0% for firm-commitment IPOs and 17.8% for best-effort IPOs, but were between approximately 10.4% and 17.4% when the size of the transaction was greater than $2.0 million. Specifically, for equity values of $10.0 - $120.2 million (similar to the Company), the average cost of flotation ranged from 9.3%-10.4%.

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Ritter Study (1987)				
Gross Proceeds ($ Millions)	Number of Offers	Underwriting Discount (%)	Other Expenses (%)	Total Cash Expenses (%)
Firm-Commitment Offers				
0.0 - 1.99	68	9.9%	9.7%	19.6%
2.0 - 3.99	165	9.8%	7.6%	17.4%
4.0 - 5.99	133	9.1%	5.7%	14.8%
6.0 - 9.99	122	8.0%	4.3%	12.3%
10.0 - 120.2	176	7.2%	2.1%	9.3%
All Offers	664	8.7%	5.4%	14.0%
Best-Effort Offers				
0.0 - 1.99	175	10.7%	9.6%	20.2%
2.0 - 3.99	146	10.0%	6.2%	16.2%
4.0 - 5.99	23	9.9%	3.7%	13.6%
6.0 - 9.99	15	9.8%	3.4%	13.2%
10.0 - 120.2	5	8.0%	2.4%	10.4%
All Offers	364	10.3%	7.5%	17.8%

Based on the analysis above, particularly the discount range indicated by the SEC Cost of Flotation Study (which had the most applicable set of similar-sized companies in relation to New Tech), we estimated that a 5.0% discount for the lack of marketability was embedded in the guideline transaction multiples from the Pratt's Stats database and, therefore, already reflected in the guideline transaction method value for New Tech.

Lack of Marketability Conclusion

A summary of the results from the various marketability discount analyses is presented below:

Summary of Marketability Discount Analyses				
	Low	Median	High	Notes
Restricted Stock Studies (Pre-1990)	31.2%	33.0%	45.0%	Median Discounts
Pre-IPO Studies	31.6%	42.7%	68.0%	Median Discounts
	Low	Indicated	High	
Stout Restricted Stock Study **[1]**	35.7%	38.5%	42.0%	Multiplicative and Inverse Multiplicative Range

Footnotes:
[1] Because the Stout Restricted Stock Study Adjusted Restricted Stock Equivalent Discount is between 20%-25%, both the multiplicative and inverse multiplicative discount ranges should be considered according to Stout.

Based on an analysis of the restricted stock studies and pre-IPO studies, as well as the application of the Stout Restricted Stock Study and consideration of the *Mandelbaum* factors affecting marketability, we concluded that a 35.0% adjustment for lack of marketability was appropriate in determining the value of a 1.0% non-controlling, non-marketable ownership interest in New Tech. The selected lack of marketability discount of 35.0% is reasonable as it falls between the medians of the restricted stock (33.0%) and Pre-IPO (42.7%) studies. The 35.0% lack of marketability discount is also slightly below the low-end of the range indicated by the Stout Restricted Stock Study (35.7%-42.0%).

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6 RECONCILIATION OF VALUATION METHODS

A company's value is comprised of the market assessment of the predominant factors of value. The influence of each factor may vary among particular companies, or for the same company, from year-to-year.

Because the values of the Company based on the capitalization of cash flow, guideline transaction and guideline public company methods were higher than the adjusted net asset value, or "floor value," it can be deduced that the representative earnings/cash flow of the Company indicate a value that is higher than what would be netted if all of the assets were sold and liabilities satisfied as of the valuation date. Accordingly, we dismissed the adjusted net asset value method in determining the value of the Company as of December 31, 2016.

The value of the Company's equity (prior to any discounts) indicated by the capitalization of cash flow, guideline transaction and guideline public company methods ranged from $27,100,000 to $33,000,000. After the application of appropriate lack of marketability discounts, the indicated value of the Company's equity on a non-controlling, non-marketable basis ranged from $17,610,000 to $21,450,000:

Capitalization of Cash Flow Method	**$17,610,000**
Guideline Transaction Method	**$18,760,000**
Guideline Public Company Method	**$21,450,000**

We believe that there is merit in the values indicated by all of the valuation methods summarized above and that the valuation methodologies applied arrive at reasonable and supportable indications of the Company's value. Given the consistency of the capitalization of cash flow and guideline transaction method, we believe greater weight should be given to the values indicated by those methodologies. Placing less weight on the guideline public company method value, which appears to be an outlier, is reasonable given that the projected growth rates of the guideline public companies were significantly higher than that of the Company. Based on these factors, we conclude that the value of the Company's equity on a non-controlling, non-marketable basis as of December 31, 2016 is $18,000,000, as presented in **Exhibit 20**.

In light of the above analysis, we conclude that the value of a 1.0% non-controlling, non-marketable ownership interest in the Company as of December 31, 2016 is $180,000 as set forth in **Exhibit 20**.

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7 REVENUE RULING 59-60

An additional authoritative source of guidance that is considered in performing a business valuation is Revenue Ruling 59-60. The factors discussed below are the components included within Revenue Ruling 59-60 that must be considered when rendering a conclusion of value. While the following discussion may be somewhat repetitive with previous sections, the importance of the components of Revenue Ruling 59-60 necessitates such discussion.

The concluded value of the Company was determined after a detailed consideration of the following factors:

- ***The Nature and History of the Business*** – A detailed description of the nature and history of New Tech (**Section 2.1**) was included in this Report.

- ***Economic Outlook*** – This factor was described in great detail in **Section 2.3** of this Report and was considered in arriving at our conclusion of value.

- ***The Book Value of the Company and the Company's Current Financial Condition*** – The book value of the Company served as a starting point in our arrival at a conclusion of value using the adjusted net asset method, as discussed in **Section 4.1** of this Report.

- ***Future Earnings Capacity*** – This factor involves analyzing potential future earnings, as well as current and historical earnings, and takes into consideration the nature of the business and its corresponding risks. The future earnings of New Tech were considered in determining the value of the Company using the capitalization of cash flow method, as discussed in **Section 4.2** of this Report.

- ***Dividend-Paying Capacity*** – Our analysis of the Company's dividend behavior and its impact on the applicable discount for lack of marketability was considered and discussed in **Section 5.2** of this Report.

- ***Marketability and Size of the Interest Being Valued*** – When assessing the value of an ownership interest in a privately-held company, the size of the interest being valued and the marketability of the interest are important factors in the valuation process. The appropriateness and extent of lack of control and lack of marketability discounts for a non-controlling, non-marketable ownership interest in New Tech were considered in **Sections 5.1 and 5.2** of this Report.

- ***The Value of Comparable Publicly-Traded Stocks*** – We considered the application of the guideline public company method in valuing New Tech, as discussed in **Section 4.4**.

- ***Goodwill and the Existence of Other Intangible Assets*** – In the case of New Tech, any goodwill that exists is present in the earnings of the entity. Therefore, it is appropriate to focus on the earnings of the Company to determine the fair market value of any goodwill that it may have. In utilizing the capitalization of cash flow, guideline transaction and guideline public company methods, proper consideration has been given to the existence of goodwill or other intangible assets.

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8 CONCLUSION

We have performed a valuation engagement, as that term is defined in SSVS, of a 1.0% non-controlling, non-marketable ownership interest in New Tech as of December 31, 2016 for gift tax reporting purposes. The resulting estimate of value is to be used only in connection the previously stated purpose and should not be used for any other purpose or by any other party for any purpose.

The valuation engagement was performed in accordance with SSVS and NACVA standards. The estimate of value that results from a valuation engagement is expressed as a conclusion of value. There were no restrictions or limitations in the scope of our work or data available for analysis.

This conclusion is subject to the statement of Assumptions and Limiting Conditions in **Appendix A** and the Valuation Analyst's Representation/Certification found in **Appendix C**. We have no obligation, but reserve the right, to update this Report or our conclusion of value for information that comes to our attention after the date of this Report.

On the basis of the foregoing, our conclusion of the fair market value of a 1.0% ownership interest in New Tech on a non-controlling, non-marketable basis as of December 31, 2016 is $180,000, as detailed in **Exhibit 20**.

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EXHIBIT 1
NEW TECHNOLOGIES UNLIMITED, INC.
HISTORICAL INCOME STATEMENTS
VALUATION DATE - DECEMBER 31, 2016

	12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues	$ 33,754,093	100.0%	$ 44,250,692	100.0%	$ 50,519,483	100.0%	$ 52,557,116	100.0%	$ 59,565,412	100.0%
Cost of Goods Sold	27,563,256	81.7%	36,223,961	81.9%	41,193,056	81.5%	42,511,612	80.9%	48,390,562	81.2%
Gross Profit	6,190,837	18.3%	8,026,731	18.1%	9,326,427	18.5%	10,045,504	19.1%	11,174,850	18.8%
Operating Expenses										
Advertising	34,883	0.1%	43,410	0.1%	51,702	0.1%	54,929	0.1%	65,673	0.1%
Bad Debts	145,030	0.4%	158,305	0.4%	35,003	0.1%	-	- %	44,775	0.1%
Bank Service Charge	50,075	0.1%	58,449	0.1%	79,376	0.2%	109,366	0.2%	93,023	0.2%
Delivery Expense	418,862	1.2%	509,618	1.2%	977,615	1.9%	836,122	1.6%	1,049,865	1.8%
Depreciation	29,032	0.1%	31,638	0.1%	27,427	0.1%	23,348	0.0%	22,937	0.0%
Donations	(450)	0.0%	3,255	0.0%	20,936	0.0%	38,481	0.1%	47,290	0.1%
Employee Benefits	203,535	0.7%	168,590	0.4%	186,023	0.4%	215,066	0.4%	189,704	0.3%
Insurance - Business	127,546	0.4%	221,732	0.5%	223,748	0.4%	216,488	0.4%	168,778	0.3%
IT Supplies	19,245	0.1%	55,913	0.1%	10,439	0.0%	24,246	0.0%	25,270	0.0%
Licenses, Permits, and Fees	83,008	0.2%	78,163	0.2%	95,370	0.2%	83,484	0.2%	100,032	0.2%
Miscellaneous Taxes	67,590	0.2%	84,707	0.2%	104,186	0.2%	107,347	0.2%	90,711	0.2%
Office Supplies and Expense	64,560	0.2%	65,640	0.1%	74,274	0.1%	85,415	0.2%	92,978	0.2%
Officer Compensation	-	- %	102,437	0.2%	183,826	0.4%	706,700	1.3%	700,000	1.2%
Payroll Taxes	142,646	0.4%	173,514	0.3%	192,697	0.4%	233,550	0.4%	534,097	0.9%
Penalties	366	0.0%	4,237	0.0%	5,628	0.0%	3,839	0.0%	6,691	0.0%
Personal Property Tax Expenses	1,624	0.0%	974	0.0%	1,441	0.0%	6,521	0.0%	3,110	0.0%
Professional Fees	204,788	0.6%	163,475	0.4%	166,051	0.3%	211,934	0.4%	200,917	0.3%
Real Estate Taxes	106,616	0.3%	118,369	0.3%	117,466	0.2%	94,463	0.2%	108,653	0.2%
Rent - Office	586,532	1.7%	799,655	1.7%	837,344	1.7%	964,740	1.8%	1,016,780	1.7%
Rent - Equipment and Vehicles	3,126	0.0%	23,782	0.1%	3,458	0.0%	7,046	0.0%	13,832	0.0%
Repairs and Maintenance	72,547	0.2%	74,937	0.2%	83,420	0.2%	97,053	0.2%	128,170	0.2%
Retirement Expense	6,045	0.0%	6,825	0.0%	10,330	0.0%	15,084	0.0%	16,850	0.0%
Salaries and Wages	1,714,158	5.1%	1,969,307	4.5%	1,885,921	3.7%	1,885,753	3.6%	1,607,904	2.7%
Telephone and Internet	81,000	0.2%	57,009	0.1%	43,305	0.1%	114,223	0.2%	125,812	0.2%
Travel and Entertainment	146,409	0.4%	150,721	0.2%	177,934	0.4%	248,433	0.5%	282,365	0.5%
Utilities	91,223	0.3%	121,851	0.2%	150,178	0.3%	113,159	0.3%	93,820	0.1%
	4,399,996	12.9%	5,246,513	11.6%	5,745,098	11.4%	6,496,790	12.3%	6,830,037	11.5%
Operating Income	1,790,841	5.4%	2,780,218	6.5%	3,581,329	7.1%	3,548,714	6.8%	4,344,813	7.3%
Other Income (Expenses)										
Interest Income	6,253	0.0%	3,516	0.0%	3,719	0.0%	1,547	0.0%	4,080	0.0%
Gain (Loss) on Sale of Assets	122,912	0.4%	16,100	0.0%	(244)	0.0%	33,799	0.1%	1,867	0.0%
Interest Expense	(18,938)	(0.1%)	(29,675)	(0.1%)	(46,860)	(0.1%)	(39,770)	(0.1%)	(23,639)	0.0%
Other Income	110,061	0.3%	11,590	0.0%	2,390	0.0%	40,991	0.1%	29,732	0.0%
Officer's Life Insurance	3,639	0.0%	21,202	0.0%	4,276	0.0%	20,739	0.0%	7,966	0.0%
	223,927	0.6%	22,733	(0.1%)	(36,719)	(0.1%)	57,306	0.1%	20,006	0.0%
Pre-Tax Net Income	2,014,768	6.0%	2,802,951	6.4%	3,544,610	7.0%	3,606,020	6.9%	4,364,819	7.3%
Income Taxes	27,811	0.1%	27,885	0.1%	55,336	0.1%	41,329	0.1%	74,269	0.1%
Net Income	$ 1,986,957	5.9%	$ 2,775,066	6.3%	$ 3,489,274	6.9%	$ 3,564,691	6.8%	$ 4,290,550	7.2%
EBITDA Calculation										
Pre-Tax Net Income	$ 2,014,768	6.0%	$ 2,802,951	6.4%	$ 3,544,610	7.0%	$ 3,606,020	6.9%	$ 4,364,819	7.3%
Interest Income	(6,253)	0.0%	(3,516)	0.0%	(3,719)	0.0%	(1,547)	0.0%	(4,080)	0.0%
Interest Expense	18,938	0.1%	29,675	0.1%	46,860	0.1%	39,770	0.1%	23,639	0.0%
Depreciation **[1]**	317,762	0.9%	354,142	0.8%	428,484	0.8%	471,600	0.9%	486,195	0.8%
EBITDA	**$ 2,345,215**	**7.0%**	**$ 3,183,252**	**7.3%**	**$ 4,016,235**	**7.9%**	**$ 4,115,843**	**7.9%**	**$ 4,870,573**	**8.1%**
Other Information										
Net Working Capital **[2]**	$ 9,256,964	27.4%	$ 10,386,499	23.5%	$ 11,654,079	23.1%	$ 11,036,279	21.0%	$ 12,577,988	21.1%
Capital Expenditures	91,057	0.3%	1,196,270	2.7%	668,346	1.3%	478,150	0.9%	1,108,549	1.9%
Distributions **[3]**	723,131	35.9%	1,293,244	46.1%	1,693,400	47.8%	1,735,347	48.1%	2,375,699	54.4%

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Footnotes:

[1] Includes depreciation expense classified in cost of goods sold.
[2] Excludes cash, advances due from Newer Technologies, Inc., current portion of capital leases, current portion of shareholder debt, and interest-bearing debt.
[3] As a percentage of pre-tax income

Source:
2012 - 2016 Reviewed financial statements
2012 - 2016 Federal income tax returns (1120S)
2012 - 2016 Trial balances

EXHIBIT 2
NEW TECHNOLOGIES UNLIMITED, INC.
HISTORICAL BALANCE SHEETS
VALUATION DATE - DECEMBER 31, 2016

	12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
ASSETS										
Current Assets										
Cash	$ 131,257	0.9%	$ 339,212	1.9%	$ 486,467	2.3%	$ 876,199	4.2%	$ 499,228	2.1%
Trade Accounts Receivable - Net	5,426,577	36.2%	6,903,013	38.6%	8,780,969	41.2%	8,293,429	39.6%	9,041,357	37.4%
Accounts Receivable - Other	679,901	4.5%	706,925	4.0%	918,256	4.3%	670,390	3.2%	1,212,262	5.0%
Advances Due from Newer Technologies, Inc.	502,332	3.4%	642,329	3.6%	919,073	4.3%	1,820,163	8.7%	2,195,198	9.1%
Current Portion of Notes Receivable	81,109	0.5%	55,956	0.3%	43,596	0.2%	117,385	0.6%	60,775	0.3%
Inventory	6,117,022	40.8%	6,382,189	35.7%	7,101,662	33.3%	6,016,917	28.7%	7,150,421	29.6%
Prepaid Expenses	66,740	0.4%	24,319	0.1%	38,883	0.2%	40,441	0.2%	349,106	1.4%
	13,004,938	86.7%	15,053,943	84.2%	18,288,906	85.8%	17,834,924	85.2%	20,508,347	84.9%
Property and Equipment										
Warehouse Equipment	145,268	1.0%	160,167	0.9%	178,342	0.8%	239,462	1.1%	402,576	1.7%
Office and Computer Equipment	144,116	1.0%	162,647	0.9%	191,130	0.9%	232,280	1.1%	222,259	0.9%
Leasehold Improvements	9,147	0.1%	9,147	0.1%	4,000	0.0%	-	- %	-	- %
Vehicles	1,333,985	8.9%	2,442,120	13.7%	3,063,807	14.4%	3,399,568	16.3%	4,311,331	17.7%
	1,632,516	11.0%	2,774,081	15.6%	3,437,279	16.1%	3,871,310	18.5%	4,936,166	20.3%
Less: Accumulated Depreciation	(904,468)	(6.0%)	(1,203,906)	(6.7%)	(1,627,986)	(7.6%)	(2,067,467)	(9.9%)	(2,525,103)	(10.4%)
	728,048	5.0%	1,570,175	8.9%	1,809,293	8.5%	1,803,843	8.6%	2,411,063	9.9%
Other Assets										
Cash Surrender Value of Life Insurance	325,759	2.2%	362,154	2.0%	381,623	1.8%	417,555	2.0%	440,625	1.8%
Goodwill	785,692	5.2%	785,692	4.4%	785,692	3.6%	785,692	3.8%	785,692	3.2%
Notes Receivable	131,352	0.9%	96,670	0.5%	54,819	0.3%	87,705	0.4%	37,938	0.2%
	1,242,803	8.3%	1,244,516	6.9%	1,222,134	5.7%	1,290,952	6.2%	1,264,255	5.2%
TOTAL ASSETS	$ 14,975,789	100.0%	$ 17,868,634	100.0%	$ 21,320,333	100.0%	$ 20,929,719	100.0%	$ 24,183,665	100.0%
LIABILITIES AND SHAREHOLDER'S EQUITY										
Current Liabilities										
Line of Credit	$ 755,000	5.0%	$ 808,000	4.5%	$ 808,000	3.8%	$ -	- %	$ -	- %
Current Portion of Capital Leases	-	- %	301,375	1.7%	461,212	2.2%	470,757	2.2%	227,360	0.9%
Current Portion of Shareholder Debt	99,645	0.7%	-	- %	-	- %	-	- %	-	- %
Trade Accounts Payable	2,461,588	16.5%	2,817,475	15.9%	4,519,564	21.3%	2,901,707	13.8%	4,416,550	18.3%
Goods Received Not Invoiced	133,617	0.9%	136,470	0.8%	97,881	0.5%	14,981	0.1%	84,712	0.4%
Accrued Salaries and Wages	93,168	0.6%	120,929	0.7%	157,060	0.7%	160,190	0.8%	235,512	1.0%
Accrued Taxes	20,951	0.1%	25,131	0.1%	27,021	0.1%	34,502	0.2%	7,727	0.0%
Accrued Other Liabilities	245,699	1.6%	325,627	1.8%	297,039	1.4%	789,965	3.8%	363,862	1.5%
Deferred Revenue	78,253	0.5%	204,315	1.1%	87,126	0.4%	83,553	0.4%	57,997	0.2%
Other Liabilities	-	- %	-	- %	-	- %	-	- %	8,798	0.0%
	3,887,921	25.9%	4,739,322	26.6%	6,454,903	30.4%	4,455,655	21.3%	5,402,518	22.3%
Non-Current Liabilities										
Notes Payable - Capital Leases	-	- %	559,622	3.1%	499,866	2.3%	279,156	1.3%	51,795	0.2%
TOTAL LIABILITIES	3,887,921	25.9%	5,298,944	29.7%	6,954,769	32.7%	4,734,811	22.6%	5,454,313	22.5%
Shareholder's Equity										
Common Stock	125	0.0%	125	0.0%	125	0.0%	125	0.0%	125	0.0%
Additional Paid-in Capital	9,988,057	66.8%	9,988,057	55.9%	9,988,057	46.8%	9,988,057	47.7%	10,607,650	43.9%
Retained Earnings	1,099,686	7.3%	2,581,508	14.4%	4,377,382	20.5%	6,206,726	29.7%	8,121,577	33.6%
	11,087,868	74.1%	12,569,690	70.3%	14,365,564	67.3%	16,194,908	77.4%	18,729,352	77.5%
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 14,975,789	100.0%	$ 17,868,634	100.0%	$ 21,320,333	100.0%	$ 20,929,719	100.0%	$ 24,183,665	100.0%

Source:
2012 - 2016 Reviewed financial statements
2012 - 2016 Federal income tax returns (1120S)
2012 - 2016 Trial balances

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EXHIBIT 3
NEW TECHNOLOGIES UNLIMITED, INC.
RATIO ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Liquidity					
Current Ratio					
Company	**3.3**	**3.2**	**2.8**	**4.0**	**3.8**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	1.7	1.8	1.9	2.0	1.9
Industry - Other Construction Material Merchant Wholesalers (423390)	1.8	1.9	1.8	1.8	1.9
Quick Ratio					
Company	**1.6**	**1.7**	**1.6**	**2.2**	**2.0**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	0.8	0.9	0.9	0.9	0.9
Industry - Other Construction Material Merchant Wholesalers (423390)	0.9	0.9	1.0	1.0	1.0
Debt/Tangible Net Worth					
Company	**0.4**	**0.4**	**0.5**	**0.3**	**0.3**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	1.6	1.5	1.2	1.4	1.3
Industry - Other Construction Material Merchant Wholesalers (423390)	1.8	1.7	1.6	1.5	1.3
Profitability					
Pre-Tax Return on Revenues					
Company	**6.0%**	**6.4%**	**7.0%**	**6.9%**	**7.3%**
Company - Normalized	**4.3%**	**5.6%**	**6.6%**	**7.3%**	**7.6%**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	2.9%	2.7%	3.7%	3.9%	4.3%
Industry - Other Construction Material Merchant Wholesalers (423390)	3.0%	3.2%	4.1%	4.9%	4.3%
Pre-Tax Return on Assets					
Company	**13.5%**	**15.7%**	**16.6%**	**17.2%**	**18.0%**
Company - Normalized	**9.4%**	**13.1%**	**15.8%**	**18.3%**	**19.0%**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	7.7%	7.0%	7.4%	8.4%	8.8%
Industry - Other Construction Material Merchant Wholesalers (423390)	6.2%	8.8%	10.2%	9.5%	10.0%
Asset Management					
Total Asset Turnover					
Company	**2.3**	**2.5**	**2.4**	**2.5**	**2.5**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	2.8	2.8	2.9	2.8	2.6
Industry - Other Construction Material Merchant Wholesalers (423390)	2.8	3.0	2.8	2.7	2.9
A/R Turnover					
Company	**5.5**	**5.8**	**5.2**	**5.9**	**5.8**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	9.5	9.2	9.4	9.4	9.4
Industry - Other Construction Material Merchant Wholesalers (423390)	8.9	9.2	9.4	9.6	10.4
Inventory Turnover					
Company	**4.5**	**5.7**	**5.8**	**7.1**	**6.8**
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)	6.3	5.9	5.8	5.9	5.1
Industry - Other Construction Material Merchant Wholesalers (423390)	5.9	6.7	6.7	6.7	7.0

Growth	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	**CAGR [1]**
Revenue Growth	n/a	31.1%	14.2%	4.0%	13.3%	15.3%
Pre-Tax Net Income Growth	n/a	39.1%	26.5%	1.7%	21.0%	21.3%
Total Assets	n/a	19.3%	19.3%	(1.8%)	15.5%	12.7%

Notes:
The industry ratios were taken from RMA Annual Statement Studies for 2012-2016

Footnotes:
[1] Compound annual growth rate from 2012-2016

SANITIZED REPORT

EXHIBIT 4
NEW TECHNOLOGIES UNLIMITED, INC.
ECONOMIC BALANCE SHEET
VALUATION DATE - DECEMBER 31, 2016

	12/31/2016 HISTORICAL	NORMALIZING ADJUSTMENTS		12/31/2016 ECONOMIC
ASSETS				
Current Assets				
Cash	$ 499,228	$ -		$ 499,228
Trade Accounts Receivable - Net	9,041,357	-		9,041,357
Accounts Receivable - Other	1,212,262	-		1,212,262
Advances Due from Newer Technologies, Inc.	2,195,198	-	[1]	2,195,198
Current Portion of Notes Receivable	60,775	-		60,775
Inventory	7,150,421	-		7,150,421
Prepaid Expenses	349,106	-		349,106
	20,508,347	-		20,508,347
Property and Equipment				
Warehouse Equipment	402,576	-		402,576
Office and Computer Equipment	222,259	-		222,259
Vehicles	4,311,331	-		4,311,331
	4,936,166	-		4,936,166
Less: Accumulated Depreciation	(2,525,103)	-		(2,525,103)
	2,411,063	-	[2]	2,411,063
Other Assets				
Cash Surrender Value of Life Insurance	440,625	-		440,625
Goodwill	785,692	(785,692)	[3]	-
Notes Receivable	37,938	-		37,938
	1,264,255	(785,692)		478,563
TOTAL ASSETS	$ 24,183,665	$ (785,692)		$ 23,397,973
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current Liabilities				
Current Portion of Capital Leases	$ 227,360	$ -		$ 227,360
Trade Accounts Payable	4,416,550	-		4,416,550
Goods Received Not Invoiced	84,712	-		84,712
Accrued Salaries and Wages	235,512	-		235,512
Accrued Taxes	7,727	-		7,727
Accrued Other Liabilities	363,862	-		363,862
Deferred Revenue	57,997	-		57,997
Other Liabilities	8,798	-		8,798
	5,402,518	-		5,402,518
Non-Current Liabilities				
Notes Payable - Capital Leases	51,795	-		51,795
TOTAL LIABILITIES	5,454,313	-		5,454,313
RESIDUAL EQUITY	**$ 18,729,352**	**$ (785,692)**		**$ 17,943,660**
RESIDUAL EQUITY (ROUNDED)				**$ 17,900,000**

Normalizing Adjustments

[1] Management indicated that this receivable balance relates to related-party loans to New Technologies, Inc. that the Company expects to collect in full.

[2] Management indicated that the net book value of the Company's property and equipment approximated its fair market value.

[3] To write off the goodwill balance, the value of which is better reflected by the income- and market-based valuation approaches applied.

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EXHIBIT 5
NEW TECHNOLOGIES UNLIMITED, INC.
NORMALIZED BENEFIT STREAM SUMMARY
VALUATION DATE - DECEMBER 31, 2016

	12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Revenues	**$ 33,754,093**	**100.0%**	**$ 44,250,692**	**100.0%**	**$ 50,519,483**	**100.0%**	**$ 52,557,116**	**100.0%**	**$ 59,565,412**	**100.0%**
Historical Pre-Tax Net Income	2,014,768	6.0%	2,802,951	6.4%	3,544,610	7.0%	3,606,020	6.9%	4,364,819	7.3%
Normalizing Adjustments:										
1 Bad Debts	125,030	0.4%	138,305	0.3%	15,003	0.0%	(20,000)	0.0%	24,775	0.0%
2 Delivery Expense	(188,712)	(0.6%)	(286,894)	(0.6%)	-	- %	-	- %	-	- %
3 Donations	(20,450)	(0.1%)	(16,745)	0.0%	936	0.0%	18,481	0.0%	27,290	0.0%
4 Employee Benefits	60,000	0.2%	-	- %	-	- %	-	- %	-	- %
5 Insurance - Business	-	- %	-	- %	-	- %	-	- %	(69,484)	(0.1%)
6 Officer Compensation	(352,000)	(1.0%)	(282,000)	(0.6%)	(229,000)	(0.5%)	286,000	0.5%	249,000	0.4%
7 Penalties	366	0.0%	4,237	0.0%	5,628	0.0%	3,839	0.0%	6,691	0.0%
8 Interest Income	(6,253)	0.0%	(3,516)	0.0%	(3,719)	0.0%	(1,547)	0.0%	(4,080)	0.0%
9 Gain (Loss) on Sale of Assets	(122,912)	(0.4%)	(16,100)	0.0%	244	0.0%	(33,799)	(0.1%)	(1,867)	0.0%
10 Interest Expense	18,938	0.1%	29,675	0.1%	46,860	0.1%	39,770	0.1%	23,639	0.0%
11 Other Income	(110,061)	(0.3%)	(11,590)	0.0%	(2,390)	0.0%	(40,991)	(0.1%)	(29,732)	0.0%
12 Officer's Life Insurance	(3,639)	0.0%	(21,202)	0.0%	(4,276)	0.0%	(20,739)	0.0%	(7,966)	0.0%
Normalized Pre-Tax Income	1,415,075	4.3%	2,337,121	5.6%	3,373,896	6.6%	3,837,034	7.3%	4,583,085	7.6%
Less: Income Tax Expense (40.0%) **[1]**	(566,030)	(1.7%)	(934,848)	(2.1%)	(1,349,558)	(2.7%)	(1,534,814)	(2.9%)	(1,833,234)	(3.1%)
Normalized After-Tax Net Income	**$ 849,045**	**2.6%**	**$ 1,402,273**	**3.5%**	**$ 2,024,338**	**3.9%**	**$ 2,302,220**	**4.4%**	**$ 2,749,851**	**4.5%**

Normalized EBITDA Calculation										
Normalized Pre-Tax Income	$ 1,415,075	4.3%	$ 2,337,121	5.6%	$ 3,373,896	6.6%	$ 3,837,034	7.3%	$ 4,583,085	7.6%
Interest Income **[2]**	-	- %	-	- %	-	- %	-	- %	-	- %
Interest Expense **[2]**	-	- %	-	- %	-	- %	-	- %	-	- %
Depreciation	317,762	0.9%	354,142	0.8%	428,484	0.8%	471,600	0.9%	486,195	0.8%
Normalized EBITDA	**$ 1,732,837**	**5.2%**	**$ 2,691,263**	**6.4%**	**$ 3,802,380**	**7.4%**	**$ 4,308,634**	**8.2%**	**$ 5,069,280**	**8.4%**

Footnotes:

[1] 40.0% effective income tax rate was used to reflect the combined Federal, state and local income tax liability.

[2] Normalized pre-tax net income already includes normalizing adjustments eliminating interest income and interest expense. Therefore, adjustments for these items were not necessary in calculating normalized EBITDA.

Normalizing Adjustments:

1 To normalize bad debt expense to $20,000 annually, consistent with managements' expectation for annual expense levels to be incurred going forward as well as the Company's actual bad debt expense in 2014-2016 ($0-$44,775).

2 To normalize delivery expense to 1.8% of revenue in 2012 and 2013, consistent with the average expense from 2014-2016 (1.8% of revenue) and managements' expectation of annual delivery expense as a percentage of revenue going forward.

3 To normalize donations expense to $20,000 annually, consistent with the Company's average expense from 2012-2016 ($21,902) and managements' expectation of annual expense levels to be incurred going forward.

4 To normalize earnings for non-recurring severance expense in 2012.

5 To normalize insurance - business expense in 2016 to 0.4% of revenue, consistent with the Company's average expense from 2012-2015 (0.4%). The decrease in the Company's 2016 expense was due to a non-recurring refund that was received that year.

6 Based on analysis in **Exhibit 6**.

7 To normalize earnings for non-recurring penalties.

8 To normalize earnings for non-operating interest income.

9 To normalize earnings for non-operating and non-recurring gains (loss) on the sale of assets.

10 To normalize interest expense because the Company was valued on a debt-free basis.

11 To normalize earnings for non-recurring other income.

12 To normalize earnings for non-operating officer's life insurance income.

SANITIZED REPORT

EXHIBIT 6
NEW TECHNOLOGIES UNLIMITED, INC.
OFFICER COMPENSATION ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

	12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Revenues	**$ 33,754,093**	**100.0%**	**$ 44,250,692**	**100.0%**	**$ 50,519,483**	**100.0%**	**$ 52,557,116**	**100.0%**	**$ 59,565,412**	**100.0%**
Officer Compensation										
John E. Smith	$ -	- %	$ 102,437	0.2%	$ 183,826	0.4%	$ 706,700	1.3%	$ 700,000	1.2%
RMA Officers' Compensation [1]										
Industry - Roofing, Siding, and Insulation Material Merchant Wholesalers (423330)										
Upper quartile %		5.8%		5.2%		4.4%		5.1%		3.2%
Median %		3.3%		2.4%		2.3%		2.7%		1.2%
Lower quartile %		1.1%		1.5%		0.9%		0.6%		0.4%
Industry - Other Construction Material Merchant Wholesalers (423390)										
Upper quartile %		2.8%		7.8%		2.3%		3.1%		2.1%
Median %		1.3%		2.4%		1.4%		1.7%		1.1%
Lower quartile %		0.6%		1.2%		0.5%		1.1%		0.6%
Economic Research Institute (ERI) Compensation Analysis - Chief Executive Officer [2]										
SIC 5030 (Lumber and Other Construction Materials Wholesalers)										
Upper quartile	$	447,790	$	501,433	$	543,417	$	570,761	$	615,966
Median		342,317		381,275		408,833		427,148		456,183
Lower quartile		261,393		289,089		305,596		316,994		333,649
Normalized Officer Compensation [3]										
John E. Smith	$ 340,000	1.0%	$ 380,000	0.9%	$ 410,000	0.8%	$ 425,000	0.8%	$ 455,000	0.8%
Normalized Officer Compensation [3]	**$ 340,000**	**1.0%**	**$ 380,000**	**0.9%**	**$ 410,000**	**0.8%**	**$ 425,000**	**0.8%**	**$ 455,000**	**0.8%**
Normalizing Analysis										
Officer Compensation	$ -	- %	$ 102,437	0.2%	$ 183,826	0.4%	$ 706,700	1.3%	$ 700,000	1.2%
Less: Normalized Officer Compensation **[3]**	(340,000)	(1.0%)	(380,000)	(0.9%)	(410,000)	(0.8%)	(425,000)	(0.8%)	(455,000)	(0.8%)
Officer Compensation Normalizing Adjustment	(340,000)	(1.0%)	(277,563)	(0.7%)	(226,174)	(0.4%)	281,700	0.5%	245,000	0.4%
Change in Payroll Taxes	(11,756)	0.0%	(4,723)	0.0%	(3,280)	0.0%	4,085	0.0%	3,553	0.0%
Officer Compensation Normalizing Adjustment	**$ (351,756)**	**(1.0%)**	**$ (282,286)**	**(0.7%)**	**$ (229,454)**	**(0.4%)**	**$ 285,785**	**0.5%**	**$ 248,553**	**0.4%**
Officer Compensation Normalizing Adjustment (Rounded)	**$ (352,000)**	**(1.0%)**	**$ (282,000)**	**(0.6%)**	**$ (229,000)**	**(0.5%)**	**$ 286,000**	**0.5%**	**$ 249,000**	**0.4%**

Footnotes:

[1] Based on $25+ million revenue companies from the RMA data.

[2] Total cash compensation (base, bonus and cash incentives) based on revenue during each period analyzed.

[3] Management indicated that future officer compensation will likely differ from historical levels since non-recurring bonus payments were made in certain years while lower compensation was paid in other years. Officer compensation expense was normalized to an amount consistent with the median ERI total compensation for a CEO based on the Company's revenue size each year. These normalized officer compensation amounts generally fall between the median and lower quartile of officer compensation as a percentage of revenue per the RMA data, which support their reasonableness. The normalized officer compensation amounts are consistent with management's expectations for future officer compensation if the Company were to perform at its historical revenue levels. Management also believes the normalized officer compensation amounts are consistent with fair market value for the services provided in each year. Therefore, the normalized expense in this valuation analysis is reflective of future expected officer compensation levels of the Company (and therefore, produces normalized earnings that a non-controlling owner could expect to realize). The reasonableness of the normalized officer compensation balances is also supported by the fact that the Company's normalized EBITDA margins (5.2%-8.4%) are consistent with the average (8.9%) and median (5.8%) of the guideline public companies in **Exhibit 15**.

SANITIZED REPORT

EXHIBIT 7
NEW TECHNOLOGIES UNLIMITED, INC.
WEIGHTED-AVERAGE BENEFIT STREAMS
VALUATION DATE - DECEMBER 31, 2016

Revenue

Year	Weight	Revenue	Weighted Amount
2012	0	$ 33,754,093	$ -
2013	0	44,250,692	-
2014	0	50,519,483	-
2015	0	52,557,116	-
2016	1	59,565,412	59,565,412
Total	1		59,565,412
Total Weighted-Average Revenue (Rounded)			**$ 59,570,000**

Normalized Debt-Free After-Tax Net Income

Year	Weight	Normalized Debt-Free After-Tax Net Income	Weighted Amount	% of Revenue
2012	0	$ 849,045	$ -	2.5%
2013	0	1,402,273	-	3.2%
2014	0	2,024,338	-	4.0%
2015	0	2,302,220	-	4.4%
2016	1	2,749,851	2,749,851	4.6%
Total	1		2,749,851	
Total Weighted-Average Normalized Debt-Free After-Tax Net Income (Rounded)			**$ 2,750,000**	**4.6%**

Normalized EBITDA

Year	Weight	Normalized EBITDA	Weighted Amount	% of Revenue
2012	0	$ 1,732,837	$ -	5.1%
2013	0	2,691,263	-	6.1%
2014	0	3,802,380	-	7.5%
2015	0	4,308,634	-	8.2%
2016	1	5,069,280	5,069,280	8.5%
Total	1		5,069,280	
Total Weighted-Average Normalized EBITDA (Rounded)			**$ 5,069,000**	**8.5%**

Depreciation

Year	Weight	Depreciation	Weighted Amount	% of Revenue
2012	0	$ 317,762	$ -	0.9%
2013	0	354,142	-	0.8%
2014	0	428,484	-	0.8%
2015	0	471,600	-	0.9%
2016	1	486,195	486,195	0.8%
Total	1		486,195	
Total Weighted-Average Depreciation (Rounded)			**$ 486,000**	**0.8%**

SANITIZED REPORT

EXHIBIT 8
NEW TECHNOLOGIES UNLIMITED, INC.
CAPITALIZATION OF CASH FLOW ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

Capitalization of Cash Flow Analysis		
Weighted-Average Normalized Debt-Free After-Tax Net Income **[1]**	$	2,750,000
Adjustments to Determine Debt-Free Cash Flow:		
Depreciation **[1]**		486,000
Capital Expenditures **[2]**		(505,400)
Change in Net Working Capital **[3]**		(481,000)
Change in Interest-Bearing Debt **[4]**		-
Estimated Sustainable, Distributable Debt-Free Cash Flow		2,249,600
Times: (1+Long-Term Growth Rate)		1.040
After-Tax Distributable Debt-Free Cash Flow Projected for the Following Year		2,339,584
Divided by: Capitalization Rate **[5]**		10.4%
Times: Mid-Period Adjustment Factor **[6]**		107.0%
Indicated Enterprise Value		24,070,000
Plus: Excess Cash and Net Working Capital **[3]**		568,000
Plus: Advances Due from Newer Technologies, Inc. **[7]**		2,195,198
Plus: Notes Receivable **[7]**		98,713
Plus: Cash Surrender Value of Life Insurance **[7]**		440,625
Less: Interest-Bearing Debt		(279,155)
Non-Controlling, Marketable Value of the Company's Equity	$	27,093,381
Non-Controlling, Marketable Value of the Company's Equity	**$**	**27,100,000**

Footnotes:

[1] Based on the analysis in **Exhibit 7**.
[2] Capital expenditures were projected to exceed depreciation expense by the long-term growth rate in order to appropriately reflect the annual investment that must be made to support the Company's projected level of long-term growth.
[3] Based on the analysis in **Exhibit 10**.
[4] This approach values the Company on a debt-free basis, so debt-related cash flow adjustments were not necessary.
[5] Based on the analysis in **Exhibit 9**.
[6] To account for the fact that the Company's cash flows are expected to be earned relatively evenly throughout the year. Calculated based on the following formula: (1 + Discount Rate)^0.5.
[7] Non-operating asset.

SANITIZED REPORT

EXHIBIT 9
NEW TECHNOLOGIES UNLIMITED, INC.
WEIGHTED-AVERAGE COST OF CAPITAL
VALUATION DATE - DECEMBER 31, 2016

Cost of Equity	
Build-Up Method	
Risk Free Rate of Return **[1]**	2.79%
Market Equity Risk Premium **[2]**	5.97%
Small Stock Risk Premium **[3]**	5.59%
Industry Risk Premium **[4]**	0.00%
Specific Company Adjustments **[5]**	1.00%
Pass-Through Entity Discount Rate Adjustment **[6]**	(0.65%)
Calculated Return on Equity	14.70%
Cost of Equity (Rounded)	**14.70%**

Cost of Debt	
Fixed Rate, Pre-tax Cost of Debt **[7]**	4.77%
Less: Income Taxes (40%)	(1.91%)
Calculated Cost of Debt	2.86%
Cost of Debt	**2.90%**

Weighted-Average Cost of Capital		
Equity Allocation of Capital Structure **[8]**	97.5%	14.33%
Debt Allocation of Capital Structure **[8]**	2.5%	0.07%
Calculated WACC		14.40%
WACC (Rounded)		**14.40%**
Less: Long-Term Sustainable Growth Rate **[9]**		(4.00%)
Debt-Free Capitalization Rate		**10.40%**

Footnotes:

[1] 20-Year U.S. Treasury rate as of December 31, 2016.

[2] Supply-side equity risk premium from *2017 Duff & Phelps Valuation Handbook* .

[3] 10th decile size premium from *2017 Duff & Phelps Valuation Handbook* .

[4] Based on industry risk adjustments for SIC 50XX - Wholesale Trade - Durable Goods (0.47%) and 508X - Machinery, Equipment, and Supplies (-0.64%) from the *2017 Duff & Phelps Valuation Handbook* .

[5] Based on consideration of economic risk, financial risk, operating risk, key man risk and other company-specific factors.

[6] Research by Nancy Fannon and Keith Sellers in *Taxes and Value* (2015) analyzed the effect of the C corporation shareholder tax penalty embedded in public company returns (which were relied upon to determine the appropriate cost of capital for the subject company). It is this tax-related impact on value that does not exist for pass-through entity investors and which needs to be adjusted. Their research indicates that shareholder taxes on C corporation dividends and capital gains do not affect company value as if such taxes were paid at the statutory rate, but rather at a lower effective tax rate due to the presence of tax-favored institutional investors and other investors that pay income taxes at lower marginal rates. Fannon and Sellers determined the embedded tax affect to 1.3%, which, once removed from a pass-through entity's cost of capital, results in a discount rate that is properly matched to the characteristics of a pass-through entity. Given the fact that additional research and regression analysis referenced by Fannon and Sellers indicates a relationship between the embedded tax penalty and its impact on the cost of capital of only 0.4 to 0.5, we reduced by 1.3% embedded tax affect by 50%. Therefore, we ultimately arrived at a downward adjustment to the subject company's cost of capital of (0.65%) to account for the fact that it is taxed as a pass-through entity.

[7] Barron's intermediate grade bond rate of return as of the valuation date.

[8] Based primarily on consideration of the Company's actual capital structure as of the valuation date (1.0% debt) because we are valuing a non-controlling ownership interest, which does not have the ability to change the Company's capital structure. The Company also carried relatively low levels of debt during all of the years analyzed. We also took into consideration the borrowing capacity of the Company as we well as the capital structure of the guideline public companies in **Exhibit 14** (median of 23.7% debt). Based on these data points (particularly the Company's current capital structure), we applied a 2.5% debt weighting in determining the Company's WACC, which is also consistent with the low (2.8%) of the guideline public companies in **Exhibit 14**.

[9] Based on consideration of the Company's historical growth rates, the projected growth rate for the Building Material Supply (6.0%) industry according to FirstResearch, management's expectations for future growth, and expectations for long-term inflation and GDP growth.

SANITIZED REPORT

EXHIBIT 10
NEW TECHNOLOGIES UNLIMITED, INC.
NET WORKING CAPITAL ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

	12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Revenues	$ 33,754,093	100.0%	$ 44,250,692	100.0%	$ 50,519,483	100.0%	$ 52,557,116	100.0%	$ 59,565,412	100.0%
Non-Cash, Non-Debt Working Capital ("NWC") [1]	$ 9,256,964	27.4%	$ 10,386,499	23.5%	$ 11,654,079	23.1%	$ 11,036,279	21.0%	$ 12,577,988	21.1%

	2012 - 2016	2014 - 2016
Average NWC as a % of Revenues	23.2%	21.7%
Median NWC as a % of Revenues	23.1%	21.1%

Determination of NWC Required at 12/31/2016:	
Weighted-Average Revenues	$ 59,570,000
Projected NWC as a % of Revenues **[2]**	21.0%
Required NWC (Rounded)	$ 12,509,700
Excess (Deficient) NWC at 12/31/2016	
NWC at 12/31/2016	$ 12,577,988
Less: Required NWC	12,509,700
Excess (Deficient) NWC	68,288
Plus: Cash as of 12/31/2016	499,228
Excess NWC and Cash (Rounded)	$ 567,516
Excess NWC and Cash (Rounded)	**$ 568,000**
Projected Annual (Investment) Reduction in NWC:	
Weighted-Average Revenues	$ 59,570,000
Divided by: (1 + Long-Term Growth Rate)	104.0%
Revenues for NWC Adjustment Calculation	57,278,846
Times: Projected NWC as a % of Revenues	21.0%
NWC Required as of 12/31/2015	12,028,558
Less: NWC Required as of 12/31/2016	12,509,700
Projected Annual (Investment) Reduction in NWC (Rounded)	$ (481,142)
Projected Annual (Investment) Reduction in NWC (Rounded)	**$ (481,000)**

Footnotes:

[1] Excludes cash, advances due from Newer Technologies, Inc., current portion of capital leases, current portion of shareholder debt, and interest-bearing debt.

[2] Based on consideration of historical NWC balances, a NWC requirement of 21.0% of revenue was projected, which is consistent with the upper quartile (13.6%) and high (33.9%) of the guideline public companies in **Exhibit 15**.

SANITIZED REPORT

EXHIBIT 11
NEW TECHNOLOGIES UNLIMITED, INC.
GUIDELINE TRANSACTION POPULATION
VALUATION DATE - DECEMBER 31, 2016

Guideline Transaction Summary

SIC Codes: 5032 (Wholesale - Brick, Stone, and Related Construction Materials); 5033 (Wholesale - Roofing, Siding, and Insulation Materials (Merchant Wholesalers Except Those Selling Via Retail Method)); 5039 (Wholesale - Construction Materials, NEC)

Business Description	Sale Date	SIC Code	Enterprise Value (EV)	Revenue	EV Multiple of Revenue	EBITDA	EV Multiple of EBITDA	EBITDA Profit Margin
Distribution, Repair and Maintenance Products to the Apartment Housing Market	7/8/1996	5039	$ 7,600,000	$ 24,858,213	0.31	n/a	n/a	n/a
Wholesale Distribution, Building Products	2/28/1997	5039	18,000,000	42,704,650	0.42	3,562,247	5.05	8.3%
Wholesale Distribution, Roofing Materials	11/3/1997	5033	66,000,000	202,639,518	0.33	8,895,411	7.42	4.4%
Wholesaler of Building Materials and Supplies	1/19/2000	5039	1,750,000	5,795,000	0.30	205,071	8.53	3.5%
Supplier of Concrete, Cement, Gypsum Drywall, and Other Construction Materials	8/12/2003	5032	123,950,000	91,541,000	1.35	19,588,000	6.33	21.4%
Distribution of Builder's Hardware and Supplies	6/30/2004	5039	30,568,000	26,306,124	1.16	4,722,309	6.47	18.0%
Retail Sales of Building Supplies	4/27/2005	5039	3,400,000	11,987,000	0.28	1,237,000	2.75	10.3%
Distributor of Roofing and other Building Products	10/14/2005	5033	169,276,000	313,033,000	0.54	n/a	n/a	n/a
Multiproduct Distributor of Construction Materials	6/3/2008	5039	1,250,000	1,073,904	1.16	n/a	n/a	n/a
Wholesale Distributor Vinyl Products	6/29/2012	5033	457,514	824,993	0.55	n/a	n/a	n/a
Building Materials and Supplies	8/22/2012	5039	90,000	927,950	0.10	(42,760)	n/m	(4.6%)
Building Products Wholesale - Doors and Hardware	6/5/2013	5039	1,463,065	8,419,000	0.17	339,000	4.32	4.0%
Distributes Lumber and Building Materials to Builders, Contractors, and Tradesmen in the United States	7/31/2015	5039	1,630,000,000	4,478,723,000	0.36	n/a	n/a	n/a
Supplier of Specialty Building Materials	7/2/2016	5039	3,860,000	12,262,000	0.31	359,000	10.75	2.9%
Distributor of Building Materials and Supplies	9/21/2016	5039	5,200,000	7,886,764	0.66	n/a	n/a	n/a
Distributor of Commercial Building Materials	9/30/2016	5039	25,000,000	64,877,000	0.39	7,684,043	3.25	11.8%
Building Materials Wholesaler	10/15/2016	5039	7,278,000	29,178,000	0.25	556,000	13.09	1.9%

SANITIZED REPORT

EXHIBIT 12
NEW TECHNOLOGIES UNLIMITED, INC.
GUIDELINE TRANSACTION METHOD
VALUATION DATE - DECEMBER 31, 2016

All Transactions (17 Transactions)

	Enterprise Value (EV)	Revenue	EV Multiple of Revenue	EBITDA	EV Multiple of EBITDA	EBITDA Profit Margin
High	$ 1,630,000,000	$ 4,478,723,000	1.35	$ 19,588,000	13.09	21.4%
Upper Quartile	30,568,000	64,877,000	0.55	6,203,176	8.26	11.1%
Median	7,278,000	24,858,213	0.36	1,237,000	6.40	4.4%
Lower Quartile	1,750,000	7,886,764	0.30	349,000	4.50	3.2%
Low	90,000	824,993	0.10	(42,760)	2.75	(4.6%)

Transactions Within Preceding 5 Years (8 Transactions)

	Enterprise Value (EV)	Revenue	EV Multiple of Revenue	EBITDA	EV Multiple of EBITDA	EBITDA Profit Margin
High	$ 1,630,000,000	$ 4,478,723,000	0.66	$ 7,684,043	13.09	11.8%
Upper Quartile	11,708,500	38,102,750	0.43	556,000	11.34	4.0%
Median	4,530,000	10,340,500	0.34	359,000	7.53	2.9%
Lower Quartile	1,211,677	6,147,061	0.23	339,000	4.05	1.9%
Low	90,000	824,993	0.10	(42,760)	3.25	(4.6%)

Revenue - $25 - $100 Million (5 Transactions)

	Enterprise Value (EV)	Revenue	EV Multiple of Revenue	EBITDA	EV Multiple of EBITDA	EBITDA Profit Margin
High	$ 123,950,000	$ 91,541,000	1.35	$ 19,588,000	13.09	21.4%
Upper Quartile	30,568,000	64,877,000	1.21	7,684,043	6.47	18.0%
Median	25,000,000	42,704,650	0.79	4,722,309	6.33	11.8%
Lower Quartile	18,000,000	29,178,000	0.41	3,562,247	5.05	8.3%
Low	7,278,000	26,306,124	0.39	556,000	3.25	1.9%

EBITDA Margin - 2.5% - 12.5% (7 Transactions)

	Enterprise Value (EV)	Revenue	EV Multiple of Revenue	EBITDA	EV Multiple of EBITDA	EBITDA Profit Margin
High	$ 66,000,000	$ 202,639,518	0.42	$ 8,895,411	10.75	11.8%
Upper Quartile	21,500,000	53,790,825	0.36	5,623,145	7.98	9.3%
Median	3,860,000	12,262,000	0.31	1,237,000	5.05	4.4%
Lower Quartile	2,575,000	10,203,000	0.29	349,000	3.78	3.8%
Low	1,463,065	5,795,000	0.17	205,071	2.75	2.9%

Transaction Multiple Analysis

	Amount	EBITDA Profit Margin	Selected Guideline Multiple			Indicated Enterprise Value		
Revenue Multiple								
12/31/2016 Revenue	$ 59,565,412	8.5%	0.35	to	0.50	**$ 20,850,000**	to	**$ 29,780,000**
Weighted-Average Revenue	59,570,000	8.5%	0.35	to	0.50	**20,850,000**	to	**29,790,000**
EBITDA Multiple								
12/31/2016 Normalized EBITDA	5,069,280		5.50	to	6.50	**27,880,000**	to	**32,950,000**
Weighted-Average Normalized EBITDA	5,069,000		5.50	to	6.50	**27,880,000**	to	**32,950,000**

Valuation Analysis

Concluded Non-Controlling, Semi-Marketable Enterprise Value of the Company (Acquisition Basis)	**$ 28,000,000**
Less: Inverse of Enterprise Value Acquisition Premium - 15% **[1]**	(4,200,000)
Non-Controlling, Semi-Marketable Enterprise Value of the Company (Fair Market Value Basis)	23,800,000
Plus: Cash	499,228
Plus: Excess Net Working Capital **[2]**	68,288
Plus: Advances Due from Newer Technologies, Inc. **[3]**	2,195,198
Plus: Notes Receivable **[3]**	98,713
Plus: Cash Surrender Value of Life Insurance **[3]**	440,625
Less: Interest-Bearing Debt	(279,155)
Non-Controlling, Semi-Marketable Equity Value of the Company	$ 26,822,897
Non-Controlling, Semi-Marketable Equity Value of the Company (Rounded	**$ 26,800,000**

Footnotes:

[1] The multiples analyzed involve acquisitions in which premiums above fair market value may have been paid for synergistic and control factors specific to those transactions. Therefore it is necessary to adjust the value derived from the application of this method for the synergistic and control premiums embedded in the multiples to arrive at a control and synergy-neutral multiple/value. The Mergerstat/BVR Control Premium Study indicates that the median enterprise value acquisition premium is approximately 18%, which equates to an implied discount of 15%. Therefore, an enterprise value acquisition discount (the inverse of the acquisition premium) of 15% was applied to the value indicated by the guideline transaction method to arrive a non-controlling, semi-marketable enterprise value on a fair market value basis.

[2] As determined in **Exhibit 10**.

[3] Non-operating asset.

SANITIZED REPORT

EXHIBIT 13
NEW TECHNOLOGIES UNLIMITED, INC.
ENTERPRISE VALUE DETERMINATION
VALUATION DATE - DECEMBER 31, 2016

Determination of Enterprise Value

In 000's except for stock price

SIC Codes: 5030 (Wholesale - Lumber & Other Construction Materials); 5031 (Wholesale - Lumber, plywood, millwork & wood panels); 5039 (Construction Materials, NEC); and other comparable companies identifie

Guideline Company	Exchange	Ticker Symbol	SIC Code	Closing Price on 12/31/2016		Shares Outstanding		Market Value of Equity		Minority Int. / Pref. Stock		Total Debt		Cash and Equivalents		Enterprise Value
Boise Cascade	NYS	BCC	5030	$ 22.50	x	38,353.000	=	$ 862,943	+	$ -	+	$ 437,629	-	$ 103,978	=	$ 1,196,594
BlueLinx	NYS	BXC	5031	7.47	x	9,031.263	=	67,464	+	-	+	321,957	-	5,540	=	383,881
GMS	NYS	GMS	5030	29.28	x	40,942.905	=	1,198,808	+	-	+	644,493	-	16,387	=	1,826,914
Huttig Building Products	NAS	HBP	5030	6.61	x	25,638.862	=	169,473	+	-	+	55,500	-	300	=	224,673
BMC Stock Holdings	NAS	BMCH	5039	19.50	x	66,700.000	=	1,300,650	+	-	+	376,563	-	8,917	=	1,668,296
Fastenal	NAS	FAST	5039	46.98	x	289,161.924	=	13,584,827	+	-	+	390,000	-	112,735	=	13,862,092
The Home Depot	NYS	HD	5211	134.08	x	1,220,000.000	=	163,577,600	+	-	+	22,881,000	-	3,589,000	=	182,869,600
Lowe's Companies	NYS	LOW	5211	71.12	x	873,000.000	=	62,087,760	+	109,000	+	15,195,000	-	1,083,000	=	76,308,760

All balance sheet data as of most recent reporting date as of or prior to 12/31/2016 available as of date of report

SANITIZED REPORT

EXHIBIT 14
NEW TECHNOLOGIES UNLIMITED, INC.
CAPITAL STRUCTURE ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

Capital Structure Analysis
In 000's

Guideline Company	Exchange	Ticker Symbol	SIC Code	Debt Capitalization %		Total Debt		Enterprise Value
Boise Cascade	NYS	BCC	5030	36.6%	=	$ 437,629	/	$ 1,196,594
BlueLinx	NYS	BXC	5031	83.9%	=	321,957	/	383,881
GMS	NYS	GMS	5030	35.3%	=	644,493	/	1,826,914
Huttig Building Products	NAS	HBP	5030	24.7%	=	55,500	/	224,673
BMC Stock Holdings	NAS	BMCH	5039	22.6%	=	376,563	/	1,668,296
Fastenal	NAS	FAST	5039	2.8%	=	390,000	/	13,862,092
The Home Depot	NYS	HD	5211	12.5%	=	22,881,000	/	182,869,600
Lowe's Companies	NYS	LOW	5211	19.9%	=	15,195,000	/	76,308,760

High	**83.9%**
Upper Quartile	**35.6%**
Average	**29.8%**
Median	**23.7%**
Lower Quartile	**18.1%**
Low	**2.8%**

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EXHIBIT 15
NEW TECHNOLOGIES UNLIMITED, INC.
GUIDELINE PUBLIC COMPANY FUNDAMENTAL ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

Guideline Public Company Fundamental Analysis
In 000's

Guideline Company	Exchange	Ticker Symbol	TTM Revenue	TTM EBITDA	Net Working Capital [1]	TTM Capital Expenditures	TTM EBITDA Margin	Net Working Capital to Revenue [1]	Capital Expenditures to Revenue
Boise Cascade	NYS	BCC	$ 3,911,215	$ 144,530	$ 343,617	$ 83,583	3.7%	8.8%	2.1%
BlueLinx	NYS	BXC	1,881,043	51,446	237,094	631	2.7%	12.6%	0.0%
GMS	NYS	GMS	2,089,310	146,773	349,084	10,046	7.0%	16.7%	0.5%
Huttig Building Products	NAS	HBP	713,900	26,600	80,700	4,100	3.7%	11.3%	0.6%
BMC Stock Holdings	NAS	BMCH	3,093,743	143,957	366,368	38,067	4.7%	11.8%	1.2%
Fastenal	NAS	FAST	3,962,036	899,891	1,342,873	189,451	22.7%	33.9%	4.8%
The Home Depot	NYS	HD	93,368,000	15,002,000	1,871,000	1,565,000	16.1%	2.0%	1.7%
Lowe's Companies	NYS	LOW	62,470,000	6,600,000	(188,000)	1,173,000	10.6%	(0.3%)	1.9%

All data as of most recently reported quarter as of or prior to 12/31/2016 available on date of report

	TTM EBITDA Margin	Net Working Capital to Revenue [1]	Capital Expenditures to Revenue
High	**22.7%**	**33.9%**	**4.8%**
Upper Quartile	**11.9%**	**13.6%**	**1.9%**
Average	**8.9%**	**12.1%**	**1.6%**
Median	**5.8%**	**11.6%**	**1.5%**
Lower Quartile	**3.7%**	**7.1%**	**0.6%**
Low	**2.7%**	**(0.3%)**	**0.0%**

Footnotes

[1] Net working capital excludes cash, interest-bearing debt and deferred income taxes

SANITIZED REPORT

EXHIBIT 16
NEW TECHNOLOGIES UNLIMITED, INC.
GUIDELINE PUBLIC COMPANY DESCRIPTIONS
VALUATION DATE - DECEMBER 31, 2016

Guideline Public Company Descriptions

Guideline Company	Ticker Symbol	SIC Code	SIC Description	Company Description
Boise Cascade	BCC	5030	Wholesale - Lumber & Other Construction Materials	Manufacturer and provider of diversified paper and lumber products. The company also provides wood products, softwood lumber and plywood, laminated veneer lumber, particleboard, I-joists, laminated beams, ponderosa pine lumber, MDF, EWP, studs and decking and distributes building materials, such as oriented strand board, drywall supplies, composite decking, adhesive sealants, concrete/foundation products, fasteners, flashing, vents, framing and related accessories, gypsum, masonry and insulating products, locks and roofing products.
BlueLinx	BXC	5031	Wholesale - Lumber, plywood, millwork & wood panels	Provider of construction management services. The company provides residential and commercial construction material, manufactured and modular housing, building blocks, remodeling and repairing products.
GMS	GMS	5030	Wholesale - Lumber & Other Construction Materials	Distributor of drywall, acoustical and other specialty building materials. The company's products offering of wallboard, ceilings and complementary interior construction products providing interior contractor to install these products in commercial and residential buildings
Huttig Building Products	HBP	5030	Wholesale - Lumber & Other Construction Materials	Huttig Building Products, Inc., and subsidiaries is a distributor of building materials and wood products used in new residential construction and in home improvement, remodeling and repair work.
BMC Stock Holdings	BMCH	5039	Construction Materials, NEC	Provider of building materials and installation services in the United States. The company leverages green building programs that promote the use of sustainable materials, energy efficiency and environmentally responsible construction practices. The company also provides services like account management, construction services, green building concepts, product services and project handling.
Fastenal	FAST	5039	Construction Materials, NEC	Fastenal opened its first fastener store in 1967 in Winona, Minnesota. In the subsequent years, Fastenal greatly expanded its footprint as well as its products and services. Today, Fastenal serves its 400,000 active customers through approximately 2,400 stores and 14 distribution centers. Since 1993, the company has added other product categories, but fasteners remain its largest category at about 37% of sales. Fastenal also offers customers supply-chain solutions, such as vending and vendor-managed inventory.
The Home Depot	HD	5211	Hardware Stores; Retail-lumber & other building materials dealers	Retailer of home improvement products. The company's product portfolio consists of several major brands including Chem-Dry (carpet cleaning, upholstery cleaning, tile and grout services), Behr paints, Rheem (water heaters), Homelite (outdoor and power tools), Martha Stewart Living Omnimedia (outdoor furniture, indoor organization) and others, enabling customers to avail a wide range of products.
Lowe's Companies	LOW	5211	Hardware Stores; Retail-lumber & other building materials	The Company is a home improvement retailer, which focuses on retail do-it-yourself customers, do-it-for-me customers who utilize its installation services and Commercial Business Customers.

SANITIZED REPORT

EXHIBIT 17
NEW TECHNOLOGIES UNLIMITED, INC.
GUIDELINE PUBLIC COMPANY METHOD
VALUATION DATE - DECEMBER 31, 2016

Guideline Public Company Multiple Summary

In 000's

SIC Codes: 5030 (Wholesale - Lumber & Other Construction Materials); 5031 (Wholesale - Lumber, Plywood, Millwork & Wood Panels); 5039 (Construction Materials, NEC); and other comparable companies identified

Guideline Company	Exchange	Ticker Symbol	SIC Code	Market Value of Equity	Enterprise Value	TTM Revenue	Multiple of Revenue	TTM EBITDA	Multiple of EBITDA	EBITDA Margin	Projected 5 Year Rate
Boise Cascade	NYS	BCC	5030	$ 862,943	$ 1,196,594	$ 3,911,215	0.31	$ 144,530	8.28	3.7%	5.0%
BlueLinx	NYS	BXC	5031	67,464	383,881	1,881,043	0.20	51,446	7.46	2.7%	25.0%
GMS	NYS	GMS	5030	1,198,808	1,826,914	2,089,310	0.87	146,773	12.45	7.0%	7.0%
Huttig Building Products	NAS	HBP	5030	169,473	224,673	713,900	0.31	26,600	8.45	3.7%	14.0%
BMC Stock Holdings	NAS	BMCH	5039	1,300,650	1,668,296	3,093,743	0.54	143,957	11.59	4.7%	26.8%
Fastenal	NAS	FAST	5039	13,584,827	13,862,092	3,962,036	3.50	899,891	15.40	22.7%	14.3%
The Home Depot	NYS	HD	5211	163,577,600	182,869,600	93,368,000	1.96	15,002,000	12.19	16.1%	15.2%
Lowe's Companies	NYS	LOW	5211	62,087,760	76,308,760	62,470,000	1.22	6,600,000	11.56	10.6%	15.0%

	Multiple of Revenue	Multiple of EBITDA	EBITDA Margin	Projected 5 Year Rate
High	**3.50**	**15.40**	**22.7%**	**26.8%**
Upper Quartile	**1.41**	**12.25**	**11.9%**	**17.7%**
Median	**0.71**	**11.58**	**5.8%**	**14.7%**
Lower Quartile	**0.31**	**8.40**	**3.7%**	**12.3%**
Low	**0.20**	**7.46**	**2.7%**	**5.0%**

All data as of most recently reported quarter as of or prior to 12/31/2016 available on date of report

Adjusted Multiples

Guideline Company	Public Company Size Premium [1]	Calculated Public Company Rate of Return [2]	Multiple Adjustment Factor [3]	Adjusted EV Multiple of Revenue [4]	Adjusted EV Multiple of EBITDA [4]
Boise Cascade	2.08%	10.84%	74.0%	0.23	6.13
BlueLinx	5.59%	14.35%	98.0%	0.20	7.31
GMS	1.72%	10.48%	71.0%	0.62	8.84
Huttig Building Products	5.59%	14.35%	98.0%	0.31	8.28
BMC Stock Holdings	1.72%	10.48%	71.0%	0.38	8.23
Fastenal	0.61%	9.37%	64.0%	2.24	9.86
The Home Depot	(0.35%)	8.41%	57.0%	1.12	6.95
Lowe's Companies	(0.35%)	8.41%	57.0%	0.70	6.59

	Adjusted EV Multiple of Revenue	Adjusted EV Multiple of EBITDA
High	**2.24**	**9.86**
Upper Quartile	**0.81**	**8.42**
Median	**0.50**	**7.77**
Lower Quartile	**0.29**	**6.86**
Low	**0.20**	**6.13**

Public Company Multiple Analysis

	Amount	EBITDA Profit Margin	Selected Guideline Multiples			Indicated Enterprise Value (EV)		
Revenue Multiples								
12/31/2016 Revenue	$ 59,565,412	8.5%	0.30	to	0.50	**$ 17,870,000**	to	**$ 29,780,000**
Weighted-Average Revenue	59,570,000	8.5%	0.30	to	0.50	**17,870,000**	to	**29,790,000**
EBITDA Multiple								
12/31/2016 Normalized EBITDA	5,069,280		6.50	to	7.50	**32,950,000**	to	**38,020,000**
Weighted-Average Normalized EBITDA	5,069,000		6.50	to	7.50	**32,950,000**	to	**38,020,000**

Valuation Analysis

Concluded Non-Controlling, Marketable Enterprise Value of the Company	**$ 30,000,000**
Plus: Cash	499,228
Plus: Excess Net Working Capital **[5]**	68,288
Plus: Advances Due from Newer Technologies, Inc. **[6]**	2,195,198
Plus: Notes Receivable **[6]**	98,713
Plus: Cash Surrender Value of Life Insurance **[6]**	440,625
Less: Interest-Bearing Debt	(279,155)
Non-Controlling, Marketable Equity Value of the Company	$ 33,022,897
Non-Controlling, Marketable Equity Value of the Company (Rounded)	**$ 33,000,000**

Footnotes:

[1] Based on applicable CSRP size premium from *2017 Duff & Phelps Valuation Handbook* based on market value of equity of guideline public companies.
[2] Risk-free rate (2.79%) + equity risk premium (5.97%) + applicable size premium + industry risk adjustment (0.00%).
[3] Based on ratio of estimated cost of equity for public company comparables compared to the Company's cost of equity (14.7%).
[4] Unadjusted multiple x Multiple adjustment factor.
[5] As determined in **Exhibit 10**.
[6] Non-operating asset.

SANITIZED REPORT

EXHIBIT 18
NEW TECHNOLOGIES UNLIMITED, INC.
SUMMARY OF MARKETABILITY DISCOUNT STUDIES
VALUATION DATE - DECEMBER 31, 2016

Restricted Stock Studies

Study	Period	Number of Transactions	Average Discount	Median Discount
SEC Institutional Investor	1966-1969	398	25.8%	n/a
SEC Non-Reporting OTC Companies	1966-1970	n/a	32.6%	n/a
Gelman	1968-1970	89	33.0%	33.0%
Moroney	1968-1972	146	35.6%	33.0%
Trout	1968-1972	60	33.5%	n/a
Maher	1969-1973	34	35.4%	33.0%
Standard Research Consultants	1978-1982	28	n/a	45.0%
Willamette Management Associates	1981-1984	33	n/a	31.2%
Silber	1981-1988	69	33.8%	n/a
Johnson	1991-1995	72	20.0%	n/a
FMV Opinions	1980-1997	243	22.1%	20.1%
Columbia Financial Advisors - Two Year Holding Period	1996-1997	23	21.0%	n/a
Columbia Financial Advisors - One Year Holding Period	1997-1998	15	13.0%	9.0%
Management Planning	1980-2000	53	27.4%	24.8%
Pluris Valuation Advisors LLC - Liquistat	2005-2006	61	32.8%	34.6%
All Studies (16 Studies)				
High			**35.6%**	**45.0%**
Median			**32.6%**	**33.0%**
Low			**13.0%**	**9.0%**
Pre-1990 Studies (9 Studies)				
High			**35.6%**	**45.0%**
Median			**33.5%**	**33.0%**
Low			**25.8%**	**31.2%**

Pre-IPO Studies

Study	Period	Number of Transactions	Average Discount	Median Discount
Emory	1980-1981	12	59.0%	68.0%
Emory	1985-1986	19	43.0%	43.0%
Emory	1987-1989	21	38.0%	43.0%
Emory	1989-1990	17	46.0%	40.0%
Emory	1990-1992	30	34.0%	33.0%
Emory	1992-1993	49	45.0%	43.0%
Emory	1994-1995	45	45.0%	47.0%
Emory	1995-1997	84	43.0%	41.0%
Emory	1997-2000	266	50.0%	52.0%
Willamette Management Associates	1975-1997	1007	44.2%	50.4%
Willamette Management Associates	1999-2002	73	23.9%	31.6%
Valuation Advisors	1999	690	58.2%	63.3%
Valuation Advisors	2000	653	51.8%	56.4%
Valuation Advisors	2001	115	34.4%	37.5%
Valuation Advisors	2002	81	38.6%	42.7%
Valuation Advisors	2003	123	41.3%	40.1%
Valuation Advisors	2004	334	38.2%	40.8%
Valuation Advisors	2005	296	32.9%	38.4%
Valuation Advisors	2006	348	34.9%	39.1%
High			**59.0%**	**68.0%**
Median			**43.0%**	**42.7%**
Low			**23.9%**	**31.6%**

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EXHIBIT 19
NEW TECHNOLOGIES UNLIMITED, INC.
STOUT RESTRICTED STOCK STUDY - MARKETABILITY DISCOUNT ANALYSIS
VALUATION DATE - DECEMBER 31, 2016

Inputs [1]

Market Value of Equity **[2]**	$	27,700
Revenues		59,565
Total Assets		24,184
Shareholders' Equity		18,729
Market to Book Ratio		1.5
Net Income		2,619
Net Profit Margin		4.4%
Volatility		n/a

Restricted Stock Equivalent Discount Analysis [1] [3]

Financial Characteristics Comparison

	Subject Company Value	Stout Study Quintile	Discount Indication	Selected Weight	Stout Suggested Weight
Size Characteristics					
Market Value	27,700	5th Quintile	26.7%	2	2
Revenues	59,565	2nd Quintile	16.3%	1	1
Total Assets	24,184	4th Quintile	24.0%	3	3
Balance Sheet Risk Characteristics					
Shareholders' Equity	18,729	3rd Quintile	20.7%	2	2
Market-To-Book Ratio	1.5	1st Quintile	15.9%	1	1
Profitability Characteristics					
Net Profit Margin	4.4%	2nd Quintile	16.8%	1	1
Market Risk Characteristics					
Volatility	NA	NA	NA	0	0
Indicated Restricted Stock Equivalent Discount			**21.6%**		

Best Comparables Analysis

	Weights Selected for Financial Characteristics Comparison Analysis	Variables Selected For Best Comparables Analysis	Stout Suggested Variables
Market Value	2	Yes	Yes
Revenues	1	Yes	Yes
Total Assets	3	Yes	Yes
Shareholders' Equity	2	Yes	Yes
Market-To-Book Ratio	1	Yes	Yes
Net Profit Margin	1	Yes	Yes
Volatility	0	No	No
Number of Variables t		6	

Number of Matches	1	2	3	4	5	6	7
Transaction Count	504	221	78	21	10	0	0
Median Discount	19.4%	18.6%	20.5%	25.8%	20.8%	NA	NA

Indicated Restricted Stock Equivalent Discount Range — **19% - 26%**

Restricted Stock Equivalent Discount Conclusion

Restricted Stock Equivalent Discount	
Financial Characteristics Comparison	21.6%
Best Comparables Analysis	19% - 26%
Selected Restricted Stock Equivalent Discount	**21.6%**

Market Volatility Adjustment Analysis

Selected Restricted Stock Equivalent Discount — **21.6%**

	Low	High	Multiplicative Adjustment Factor
VIX Range **[4]**	0.00	23.10	1.00
	23.10	25.20	1.16
	25.20	32.90	1.23
	32.90	40.00	1.39
	40.00	50.00	1.57
	50.00	60.00	1.78

	VIX Value	Indicated Multiplicative Adjustment Factor
Valuation Date	14.04	1.00
Trailing 1-Month Average	12.51	1.00
Trailing 6-Month Average	13.68	1.00
Selected Market Volatility Adjustment Factor		**1.00**
Adjusted Restricted Stock Equivalent Discount		**21.6%**

Private Equity Discount Analysis

Adjusted Restricted Stock Equivalent Discount — **21.6%**

	Median Adjustment Factors	
% Shares Placed	30 - 40%	40 - 50%
Multiplicative	1.74	1.8
Inverse Multiplicative	0.82	0.74
Private Equity Discount Range	Low	High
Multiplicative	37.6%	38.9%
Inverse Multiplicative	35.7%	42.0%

Discount for Lack of Marketability - Conclusion — **38.5%**

Footnotes:
[1] Latest twelve months; in $000's
[2] Based on concluded non-controlling, non-marketable value of $18,000,000 adjusted to remove the impact of the 35.0% discount for lack of marketability
[3] Excludes transactions with "% Shares Placed" > 30%
[4] The fourth, fifth, and sixth levels (32.9-40, 40-50, 50-60) are implied levels extrapolated from the first three levels, given the unusually high levels of volatility in 2008-2009
[5] Based on 2016 pre-tax income tax-affected at a rate of 40%, consistent with C corporation tax rates like the companies in the Stout Study.

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EXHIBIT 20
NEW TECHNOLOGIES UNLIMITED, INC.
RECONCILIATION OF VALUATION METHODS
VALUATION DATE - DECEMBER 31, 2016

	Capitalization of Cash Flow Method	***Guideline Transaction Method***	***Guideline Public Company Method***
Control Adjustment	0.0%	0.0%	0.0%
Marketability Adjustment	35.0%	30.0%	35.0%
Value of the Company's Equity Prior to Control Adjustment	$ 27,100,000	$ 26,800,000	$ 33,000,000
Less: Control Adjustment	-	-	-
Value of the Company's Equity Prior to Marketability Adjustment	27,100,000	26,800,000	33,000,000
Less: Marketability Adjustment	(9,490,000)	(8,040,000)	(11,550,000)
Non-Controlling, Non-Marketable Value of the Company's Equity	$ 17,610,000	$ 18,760,000	$ 21,450,000

Conclusion of Value	
Non-Controlling, Non-Marketable Value of the Company's Equity	**$ 18,000,000**
Ownership Interest Being Valued	1.0%
Non-Controlling, Non-Marketable Value of 1.0% Equity Interest in the Company (Rounded)	**$ 180,000**

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Appendix A

Assumptions and Limiting Conditions

This valuation is subject to the following assumptions and limiting conditions:

1. This Report and the resulting conclusion of value should not be used for any other purpose than that identified in the Report. The distribution of this Report is restricted to the Company's management, the Company's counsel, and any applicable taxing, governmental or judicial authorities and should not be used by any other party for any purpose. This Report may not be distributed to any other outside parties without our prior written consent.

2. The information, estimates and opinions contained in this Report are obtained from sources considered to be reliable. However, we assume no liability for such sources.

3. The Company's representatives warranted to us that the information they supplied was complete and accurate to the best of their knowledge and that the financial statements and other information correctly reflect the Company's results of operations and financial condition in accordance with generally accepted accounting principles, unless otherwise noted. Information supplied by management has been accepted as correct without further verification. Ronaldo & Fellaini did not audit, review, compile or attest to the underlying information, and therefore, expresses no opinion or assurance on that information.

4. Possession of this Report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the previous written consent of the client or us and, in any event, only with proper attribution.

5. We are not required to give testimony in court, or be in attendance during any hearings or depositions, with reference to the company being valued, unless previous arrangements have been made in writing. Fees for any work performed outside of the preparation of this Report will be billed on an hourly basis based on our standard hourly rates.

6. The conclusion of value presented in this Report applies to this valuation only and may not be used out of the context presented herein. This valuation is valid only for the purpose or purposes specified herein. The Report is only valid for the effective date specified herein.

7. This valuation reflects facts and conditions existing at the valuation date. Subsequent events have not been considered, and we have no obligation, but reserve the right, to update our Report for such events and conditions.

8. This Report was prepared under the direction of Investment Analyst. Neither the professionals who worked on this engagement, nor the partners of Ronaldo & Fellaini, have any present or contemplated future interest in the Company, or any other interest that might prevent us from performing an unbiased valuation. Our compensation is not contingent on any action or event resulting from the analyses, opinions, or conclusion in, or the use of, this Report.

9. Ronaldo & Fellaini is not a guarantor of value. Reasonable individuals can differ in their conclusions of value. Ronaldo & Fellaini has, however, performed conceptually sound and commonly accepted methods of valuation in determining the conclusion of value included in this Report.

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Appendix A

Assumptions and Limiting Conditions (Continued)

10. The historical financial statements included with this Report are to be used solely in the valuation process of the Company. The presentation of these financial statements may be incomplete or otherwise contain departures from generally accepted accounting principles. Nothing has come to our attention that would indicate that the Company intends to use this presentation for any purpose other than valuation.

11. The public, industry and statistical information has been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.

12. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained at the Company and that the character and integrity of the enterprise, through any sale, reorganization, exchange, or diminution of the owners' participants would not be materially or significantly changed.

13. This Report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. It may not be used for any other purpose or by any other party for any purpose. Furthermore the Report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of Ronaldo & Fellaini based on information furnished to us by the Company, the Company's representatives, and other sources.

14. Neither all nor any part of the contents of this Report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication, including but not limited to the Securities and Exchange Commission or other governmental agency or regulatory body, without the prior written consent and approval of Ronaldo & Fellaini.

15. The contents of the Economic Outlook section of this Report are quoted from the Economic Outlook Update™ 4Q 2016 published by Business Valuation Resources, LLC, reprinted with permission. The editors and Business Valuation Resources, LLC, while considering the contents to be accurate as of the date of publication of the Update, take no responsibility for the information contained therein. Relation of this information to this valuation engagement is the sole responsibility of the author of this Report.

16. No change of any item in this appraisal report shall be made by anyone other than Ronaldo & Fellaini, and we shall have no responsibility for any such unauthorized change.

17. If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected, and there will usually be differences between prospective financial information and actual results, and those differences may be material.

18. We conducted interviews with management concerning the past, present and prospective operating results of the Company.

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Appendix A

Assumptions and Limiting Conditions (Continued)

19. Our conclusion of value assumes the assets and liabilities as of the valuation date presented to us by management were intact as of that date and are materially correct. Any change in the level of assets or liabilities could cause a change in the value we estimated. Furthermore, we assume that there are no hidden or unexpected conditions that would adversely affect the value we estimated.

20. Except as noted, we have relied on the representations of the owners, management and other third parties concerning the value and useful condition of all equipment, real estate and investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

21. No third parties are intended to be benefited. An engagement for a different purpose, or under a different standard or basis of value, or for a different date of value, could result in a materially different conclusion of value.

22. Ronaldo & Fellaini is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this Report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Ronaldo & Fellaini does not conduct or provide environmental assessments and has not performed one for the subject property.

23. Ronaldo & Fellaini has not determined independently whether the Company is subject to any present or future liability relating to environmental matters (including, but not limited to CERCLA/ Superfund liability), nor the scope of any such liabilities. Ronaldo & Fellaini's valuation takes no such liabilities into account, except as they have been reported to us by the Company or by an environmental consultant working for the Company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the Report. To the extent such information has been reported to us, Ronaldo & Fellaini has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

24. By accepting this Report, the client acknowledges the terms and indemnity provisions provided in the executed engagement letter and the assumptions and limiting conditions contained herein.

25. Any decision to purchase, sell or transfer any interest in the Company shall be your sole responsibility, as well as the structure to be utilized and the price to be accepted. An actual transaction involving the subject business might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivations of the buyers and sellers at that time.

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Appendix B

Principal Information Sources and References

1. 2012-2016 reviewed financial statements.

2. 2012-2016 Federal income tax returns (1120S).

3. 2012-2016 trial balances.

4. Revenue by location schedule for 2012-2016.

5. Articles of Incorporation for New Technologies Unlimited, Inc. dated June 17, 1997.

6. New Technologies Unlimited, Inc. Written Action of Shareholders and Directors with an effective date of June 30, 2010.

7. Master Redemption Agreement dated June 30, 2010.

8. The Company's website: www.newtechnologiesunlimited.com

9. Valuing A Business – The Analysis and Appraisal of Closely Held Companies, Fifth Edition, Shannon Pratt, McGraw-Hill Publishing, 2008.

10. Financial Valuation – Applications and Models, Third Edition, James R. Hitchner, John Wiley & Sons, Inc., 2011.

11. Statement on Standards for Valuation Services No. 1. Issued by the American Institute of Certified Public Accountants' Consulting Services Executive Committee. June 2007.

12. Taxes and Value. Nancy J. Fannon and Keith F. Sellers, Business Valuation Resources, 2015.

13. IRC, Revenue Ruling 59-60, Revenue Ruling 68-609, Revenue Ruling 65-193, Revenue Ruling 80-213, Revenue Ruling 81-253, Revenue Ruling 83-120, Revenue Ruling 93-12, and Revenue Ruling 2007-44.

14. Various articles appearing in the following professional publications: "Journal of Accountancy," "The Tax Advisor," "The Valuation Examiner," "Business Valuation Update," "U.S. Economic Digest," and various other professional newsletters.

15. Duff & Phelps 2017 Valuation Handbook, 2017.

16. RMA Annual Statement Studies, 2012-2016.

17. Mergerstat/BVR Control Premium Study Database from Business Valuation Resources, 2017.

18. Pratt's Stats Database from Business Valuation Resources, 2017.

19. Pitchbook Database from Business Valuation Resources, 2017.

20. Stout Discount for Lack of Marketability Study and Calculator, 2017.

21. Economic Outlook Update 4Q 2016. Business Valuation Resources, LLC

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Appendix B

Principal Information Sources and References (Continued)

22. FirstResearch Industry Profiles: “Building Material Dealers.”

23. “Daily Treasury Long-Term Rates.” www.treasury.gov.

24. Compensation data from Economic Resources Institute, 2016-2017.

25. Discussions and communications with John Smith (the Company’s President) and Simon Pivonka (the Company’s Controller).

26. Miscellaneous accounting and legal information supplied by the Company’s representatives.

27. Miscellaneous publicly available economic and financial information.

28. Various other valuation resources, literature and articles.

SANITIZED REPORT

Appendix C

Valuation Representation/Certification

I represent/certify that, to the best of my knowledge and belief:

- The statements of fact contained in this Report are true and correct.
- The reported analyses, opinions and conclusions of value are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, independent, unbiased, objective professional analyses, opinions and conclusions.
- I have no present or prospective/contemplated financial or other interest in the business or property that is the subject of this Report and I have no personal financial or other interest or bias with respect to the property or the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the outcome of the valuation, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The economic and industry data included in the Report have been obtained from various printed or electronic reference sources that I believe to be reliable. I have not performed any corroborating procedures to substantiate that data.
- My analyses, opinions, conclusions and this detailed appraisal Report were developed in conformity with the American Institute of Certified Public Accountants' *Statement on Standards for Valuation Services No. 1* and the National Association of Certified Valuators and Analysts' standards.
- The parties for which the information and use of the Report is restricted are identified. The Report is not intended to be and should not be used by anyone other than such parties.
- I have no obligation to update the Report or the conclusion of value for information that comes to my attention after the date of the Report, although I reserve the right to do so.
- This valuation and Report have been completed under the direction of VALUATION ANALYST. VALUATION ANALYST is a Certified Public Accountant licensed in STATE and is accredited in business valuation by the American Institute of Certified Public Accountants. STAFF provided professional assistance in the preparation of this Report.

VALUATION ANALYST, CPA/ABV, CVA

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