OPERATIONAL, REGULATORY AND MANAGERIAL HISTORY OF THE COMPANY – 2011 TO PRESENT

Like the iconic phoenix of Greek mythology rising from the ashes, Transtech Industries, Inc. ("Transtech" or the "Company") has experienced its own regeneration, renewal and rebirth after emerging from the brink of insolvency and economic collapse in 2011. The Company with its new Board and management team operating through its chief operating subsidiary, Kinsley's Landfill, Inc., has regenerated itself as a purposeful, viable and regulatory-compliant going concern with two strong, reliable revenue streams that enable it to meet and sustain its regulatory and operational requirements.

Its new solar operations, and controlled and monitored soil regrading activities have transformed the Company into an environmentally friendly, renewable energy center. Moreover, the Company as part of its ongoing succession plan has undertaken steps for a merger with a highly qualified partner to ensure long term operational sustainability and also enable Company shareholders to realize enhanced shareholder value if such a merger is consummated.

In 2011, a shareholder action was filed in the Delaware Chancery Court alleging corporate governance mismanagement on the part of the then directors and officers of the Company. Ruling in favor of the plaintiff-shareholder, the Court ordered that an annual shareholder meeting be held in January 2012 at which meeting current directors Arthur C. Holdsworth, III and Robert J. Maragni were duly elected to the Board. Shortly thereafter in 2012, Mr. Holdsworth and Mr. Maragni appointed Daniel J. Edwards as a third director and also as President and CEO of the Company. In the weeks that followed, the Board appointed Gary S. DeFranco as Vice President and the Company engaged Joseph Kelly (deceased) as environmental consultant and Thomas Parente as executive financial consultant.

With the new management team in place, in 2012, the Company performed a situation analysis of the issues facing Transtech and its subsidiaries, including its major active subsidiary, Kinsley's Landfill, Inc. These conditions included: (1) limited cash and no availability to borrow; (2) an outstanding and past due debt to the IRS in the amount of $270,000; (3) outstanding past due legal invoices aggregating over $200,000; (4) limited annual revenue from the sale of electricity derived from landfill gas, aggregating slightly over $200,000 with $100,000 of related costs; (5) operating costs of over $1 million; (6) uncollected insurance proceeds of over $100,000; (7) uncollected proceeds from the sale of a land easement; (8) an unfinished sale of excess lands for $400,000; (9) a public company that had delisted from financial reporting with a penny stock price; (10) underbilling of the Landfill Escrow for post-closure services performed; (11) delays in receipts from the Landfill Escrow account due to non-filing of a Financial Plan, as part of the approved Closure and Post Closure Plan; (12) A poor relationship with Deptford Township, the local government, and the New Jersey Department of Environmental Protection ("NJDEP"), the Company's main regulatory agency that monitored the closed landfill operations; and (13) a skilled, dedicated workforce underpaid, underutilized and uninformed, and concerned about their future. A heavy burden to lift for any management team, but all agreed to give it their best to change conditions.

During the early years of 2012 to 2014, management took care of the low hanging fruit by; (a) negotiating with the IRS and arranging for a longer payment period, (b) negotiating with outside counsel to greatly reduce the outstanding invoices; (c) collecting on insurance proceeds and the proceeds from the sale of a land easement; (d) completing the sale of excess land which aggregated $400,000. The Company also resumed billing to the Landfill Escrow, held for the benefit of the NJDEP, for the post-closure care services that were being performed, at a higher and fairer rate. Before resuming billing to the Landfill Escrow, the management team met with the NJDEP to understand the issues facing the Company. It was agreed that Transtech would dismiss a lawsuit filed by prior management, prepare a Financial Plan to cover future billing of Post-Closure Care ("PCC") costs, and develop a Regrading Plan to satisfy certain environmental control compliance issues. At the end of 2014, the Company was already earning revenue from a minor regrading of the landfill plateau and embarking on the use of a portion of the landfill plateau area as a solar facility ("Solar I") under a 20-year lease with two 5-year extension options with PSE&G. Consolidated revenues ranged from $220,000 in 2012 to $1.547 million in 2014 with an operating loss of $511,000 in 2012 to $111,000 operating loss in 2014.

During the subsequent years of 2015 to 2020, the Company terminated the selling of electricity generated from processed methane gas to concentrate on the development of a long-term regrading program as part of its PCC plan, and the development of another solar facility ("Solar II") under a second 20-year lease with two 5-year extension options with PSE&G. Consolidated revenue ranged from $935,000 in 2015 to $3.98 million in 2020, with an operating loss of $215,000 in 2015 to an operating income of $2 million in 2020. During this period the Company filed various applications with the NJDEP and Deptford Township and received their approval which permitted Transtech to continue on the Regrading Program onto the side slopes of the landfill. The Regrading Program permits the Company's closed landfill to accept revenue generating soils that meet strict compliance protocol. Also, during this period, the NJDEP authorized a 10-year extension of the initial 30-year PCC period, and permitted the Company to fund the annual PCC costs over a similar period through Company contributions into two alternative escrow accounts. This was a first for both parties, and proved to be a mutually beneficial experience. The Company contributes 25% of Solar I rentals into the Solar Escrow Fund and contributes into the Landfill Legacy Law Escrow Fund $1.25 per ton of Non-Residential fee generating soils accepted at the landfill.

Operating under the Regrading Plan, the management team and the Company's skilled employees were able to restore the contours of the landfill's plateau and side slopes by employing regrading techniques that eliminated low spots and maintained a grade that optimized control of stormwater run-off. Such techniques reduced the potential for water infiltration and leachate production that could adversely affect area groundwater. Those remedial regrading activities included the acceptance of only regulated soils and fill materials from various sources such as construction and dredging projects that met the landfill's NJDEP-approved site-specific Material Acceptance Protocol.

Both Deptford Township and NJDEP require the Company to operate in a manner that protects the environment and human health. Constant monitoring by NJDEP and regular testing by the Company results in quarterly and annual reports that cover everything from groundwater seepage to methane emissions to fill material compliance. The three escrow accounts funded by the Company are also required to ensure proper post-closure custodial care, environmental maintenance and Legacy Landfill Law compliance. As a result of the efforts of its management and employees, and their diligent compliance with regulatory requirements, the Company's landfill operation was recognized in PSE&G's Solar 4 All Study of closed landfills in New Jersey that ranked Kinsley's Landfill as the #1 landfill among all of New Jersey's 700 plus closed landfills. In addition, with the establishment of the Solar I and Solar II facilities, the beneficial uses of the landfill, now the Kinsley's Deptford Renewable Energy Center, were expanded to include the powering of approximately 1,400 New Jersey homes.

The expertise of the management team and employees in carrying out its landfill maintenance operations, and the income generated from regrading operations and the solar leases, enabled the Company to grow its revenue and build up its financial reserves from virtually nothing to a level sufficient to maintain the Company as a solvent, compliant, going concern. The Company went from operating with an annual loss of over $1 million in 2011 with no discernable prospects for ongoing revenue to over $2.1 million in net income from two revenue streams in 2024. (See the Consolidated Statement of Operations from 2011 to 2024 attached hereto as Exhibit A).[1] From 2021 to 2024 consolidated revenues ranged from $4.301 million in 2021 to $5.1 million in 2024 with operating income of $2.2 million in 2021 to $2.47 million in 2024. Such revenue supports the Company's ongoing long-term viability while also helping to ensure that the Company will continue to meet its regulatory and compliance responsibilities in the face of legacy environmental contingencies. Moving forward, capacity for fee-generating fill material is a key factor in determining the value of the future regrade operations of the Company. Accordingly, the Company filed an application with Deptford Township and NJDEP to extend the height of the closed Landfill by 12 feet which will increase capacity of the plateau area by approximately 1 million tons.

In April 2024, in accordance with its bylaws and by unanimous consent of directors, Transtech expanded its Board of Directors from three to five members and appointed Gary S. DeFranco and Thomas Parente to fill those seats. Each member of the expanded Board, consisting of Daniel J. Edwards, Arthur C. Holdsworth, III, Robert J. Maragni, and new members, Gary S. DeFranco and Thomas Parente, was elected by the shareholders to the Board of Directors at the Company's May 10, 2024 Annual Meeting of Stockholders.

Over the 12 months following the 2024 Annual Meeting, the Company reached a number of critical milestones and realized several notable achievements. Among them was the Company's emergency response to the tragic aftermath of the Key Bridge collapse in Baltimore Harbor in aid of the City of Baltimore, the State of Maryland and the Unified Command (US Navy, U.S. Coast

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[1] All consolidated revenue amounts, operating income amounts, and net income amounts are prepared for internal purposes (not GAAP) and are not audited, reviewed. or compiled by a certified public accounting firm.

Guard and NY/NJ Port Authority). For its efforts and timely response, the Company was lauded by various government contractors and agencies for, in effect, coming to their rescue as a qualified disposal outlet that promptly processed and accepted the dredge material from the Key Bridge site at a very reasonable price per ton under exigent circumstances. Such emergency response by the Company further burnished its already strong relationships with various government regulators and agencies stemming from its good neighbor activities in Deptford Township and Kinsley's evolution as a renewable energy center as recognized with praise by the Mayor of Deptford and the Commerce and Industry Association of New Jersey in an April 2024 issue of Commerce Magazine. (See Company website for a link to the article).

In addition, as of May 9th of this year, NJDEP approved the Company's Modified Closure and Post-Closure Plan application, extending the landfill's PCC plan for an additional 10 years through 2037 enabling the landfill to continue PCC operations through such date. In approving the application, NJDEP also authorized the 12-foot height increase for Kinsley's Landfill plateau which enables the restoration of the plateau to its original, approved height. Such approval increases Kinsley's capacity to accept clean, regulated fill material for regrading and enhancement of its contours that will keep its operations funded, viable and regulatory compliant.

Finally, in March 2025, Transtech reached an agreement-in-principle with the PRP Group for contribution towards the settlement of EPA's claims in connection with the Berry's Creek Study Area which was first designated as superfund site in the early 1980s. It is expected that a final Consent Decree, to which Transtech will join as a contributing settling defendant, will be entered in federal court his year. Pursuant to the agreement, Transtech will receive the same covenants not to sue and statutory contribution protection from the United States and State of New Jersey as all other contributing settling defendants.

In March of 2025, by vote at a meeting of the Board of Directors, the Company further expanded its Board to six members and appointed new director, Thomas Langowski, whose background includes experience in business finance, engineering and sales. The impetus for the two recent expansions of the Board is to increase its capabilities and better position the Company to implement a succession plan strategy that best preserves the Company's successful operating model and fulfills its sustainability obligations to the NJDEP, Deptford Township and the EPA. The current management team has been in place for over 13 years. Moreover, to streamline its operations and maintain its financial viability (both of which are reflected in the Company's conservative financial management and exceptional 50% or better profit margin), Transtech does not have any back-up, secondary level of management capable of operating the Company. In light of this, the Company has determined that the best succession plan, and the optimal way to realize maximum value for its current shareholders, is to find a highly-qualified partner with experience in the industry and well-versed in environmental regulatory compliance to merge with Transtech. To that end, the Company has engaged a commercial broker to field inquiries from suitable parties that could have a strategic fit with Transtech.

The Company and broker have identified one such highly qualified, licensed candidate and they are currently engaged in due diligence and contract negotiations for a reverse, three-party merger in which Transtech would be the surviving entity under new shareholder ownership and management. The plan of the management team and Board over the coming months is to analyze, with the assistance of its advisers, any final offer from a qualified party and recommend acceptance of such offer by the Company's shareholders provided that such offer is deemed by an independent appraiser to be within the range of a "fair value" per share price. Any such offer must be approved by the shareholders before a merger can be consummated. In the meantime, the Company's Board of Directors, management team, and dedicated and skilled employees continue their work to maintain the Company's operations in a manner that protects both the health and environment of the surrounding community.