



Paragon Sets the Record Straight on Governance and Strategy in Comprehensive 2025 Annual Meeting Presentation

Easton, PA – June 10, 2025 - Paragon Technologies, Inc. (OTC PK: PGNT), a diversified holding company, today made available a comprehensive presentation to its shareholders in advance of the upcoming Annual Meeting on June 30, 2025, emphasizing the stark choice between the Company's revitalized current strategic plan and board slate, and the disruptive efforts of former Chairman and CEO, Hesham "Sham" Gad. The presentation is available on the Investor Relations section of Paragon's website.

Paragon's current management and Board of Directors are focused on establishing a strong, operationally driven, and growth-oriented future for the Company, directly addressing legacy issues and underperformance inherited from the former Chairman and CEO, Hesham "Sham" Gad.

Paragon's Current Strategic Plan: A Path to Sustainable Growth

The Company's current Board has implemented a clear, four-pillar strategic plan designed to maximize shareholder value:

1. **Rebuild SI Systems:** Repairing critical infrastructure to grow the business and expand product offerings.
2. **Position SED International Holdings, Inc.:** Enabling self-financed expansion beyond Colombia to mitigate specific currency risk.
3. **Liquidate Underperforming Assets:**
 - **Real Estate:** Divesting condominium holdings of Ohana Home Services that have consistently generated subpar returns.
 - **Exit Failed Investment Positions:** Liquidate assets and deploy capital towards higher return opportunities.
4. **Pursue Accretive U.S.-Based Acquisitions:** Reducing dependence on unpredictable foreign operations and improving margins.

"This is a disciplined, accountable approach designed to ensure sustainable and responsible growth for Paragon," stated David Lontini, Paragon's Chairman. "Our plan is actionable, detailed, and directly tackles the operational and financial challenges we inherited."



Commitment to Strong, Independent Governance

Since Mr. Gad's departure, Paragon has made significant strides in strengthening its corporate governance:

- **Independent Board Transformation:** In December 2024, Paragon appointed three highly qualified independent directors (David Lontini, Howard Brownstein, and Tim Eriksen), ensuring that key committees, including Audit, Compensation, and Nominating, are now solely composed of independent members. The roles of Chairman and CEO have been separated.
- **Enhanced Transparency:** The Audit Committee publicly demanded Gad lift non-disclosure elements from his litigation settlement, and even self-reported potential violations regarding his immigration status to U.S. authorities.

Concerns with Sham Gad's Proposed Board Slate and Lack of a Credible Plan

Paragon raises significant concerns regarding Mr. Gad's proposed board slate and his stated strategic vision:

- **A Void, Not a Vision:** Mr. Gad's proposed plan is described by Paragon as offering "No Plan. No Vision. No Track Record of Success," lacking the detail and credibility of the Company's current strategy.
- **Legacy of Value Destruction:** Mr. Gad's tenure was characterized by poor capital allocation, systemic mismanagement, and a history of "operational dysfunction and missed opportunity," including the severe deterioration of SI Systems due to chronic underinvestment. His actions have directly led to millions in shareholder-funded litigation, with the Q1 2025 net loss attributed entirely to Gad-related legal costs.
- **Questionable Nominee Additivity:** Our slate features Ronell Rivera, bringing essential institutional knowledge from SED Colombia, and Elodie Leoni, a direct reflection of 40% shareholder preference via Kevin Ting. We believe both are ideal fits for Paragon, embodying our commitment to stakeholder engagement and operational depth, and will complement the existing independent directors David Lontini, Howard Brownstein, and Tim Eriksen. In contrast, Mr. Gad's slate includes nominees who will likely be beholden to Mr. Gad, and thus not truly "independent," whose skill sets may not be sufficiently additive to the Board's current critical needs.

"Mr. Gad's attempts to regain control threaten to derail the progress we have made," David Lontini added. "Gad's proposed slate, largely beholden to his interests, represents a return to the very issues we are striving to overcome."



As previously disclosed, the Nominating and Corporate Governance Committee resolved to (i) nominate and recommend our shareholders vote “FOR” the re-election of independent directors Tim Eriksen, Howard Brownstein and David Lontini, and (ii) recommend our shareholders vote “FOR” two of Mr. Gad’s proposed nominees, Elodie Leoni and Ronell Rivera, who were included on the Company’s slate of nominees in our proxy materials. Following this disclosure, Ms. Leoni and Mr. Rivera informed the Company that they objected to being included on its slate of nominees. Notwithstanding such objection, the Nominating and Corporate Governance Committee continues to believe that, based on their credentials and potential contributions, including Ms. Leoni and Mr. Rivera on its slate of nominees and recommending our shareholders vote “FOR” their election is in the best interests of the Company and all stockholders. We believe that Mr. Gad is withholding information from his nominees and if they were able to review the information they would choose to serve on the board and support all the board’s nominees. However, there is no assurance that either Ms. Leoni or Mr. Rivera will serve as directors if Messrs. Eriksen, Brownstein and Lontini are elected to the Board.

Shareholders are urged to vote FOR Paragon Technologies' proposed board slate on the WHITE proxy card and to DISCARD any proxy materials received from Mr. Gad. Your vote is critical to support proven leadership dedicated to robust governance, strategic execution, and rebuilding long-term shareholder value.

About Paragon Technologies

Paragon Technologies, Inc. is a holding company owning subsidiaries that engage in diverse business activities, including material handling, distribution, real estate, and investments. For additional information please visit: www.pgntgroup.com.

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