



Paragon Publishes Consent Revocation Statement and Issues Letter to Stockholders

Urges Stockholders to Not Execute Any White Consent Cards

EASTON, PA – May 5, 2025 - Paragon Technologies, Inc. (OTC Pink: PGNT) (“Paragon”) announced today that it has published a consent revocation statement and issued a letter to its stockholders in connection with the pending solicitation of consents from Paragon’s stockholders by Hesham M. Gad. Mr. Gad is seeking control of Paragon’s Board of Directors by removing and replacing all directors of Paragon other than himself via a consent solicitation.

Paragon’s letter outlines why **Paragon’s stockholders should DISCARD any materials they might receive from Mr. Gad and NOT EXECUTE or return any white consent cards** that they might receive from Mr. Gad. In the letter, Paragon’s Nominating and Corporate Governance Committee also urges stockholders not wishing to return control of Paragon to Mr. Gad to execute and date each and every **BLUE** revocation card and return them as soon as possible to Paragon.

The full text of the letter is as follows:

Dear Stockholder:

On April 29, 2025, Hesham M. Gad commenced a consent solicitation to remove all the current directors of Paragon other than himself and replace them with his handpicked nominees. Specifically, he is seeking stockholders’ consent to repeal any recently adopted provisions of Paragon’s Bylaws; amend the Bylaws to provide that any vacancies on the Board resulting from the removal of directors shall be filled exclusively by the stockholders; remove four of the current directors on the Board; and replace these directors with four individuals handpicked by Mr. Gad. As a result, you may have received, or may receive in the future, consent solicitation materials from Mr. Gad seeking your written consent to remove our current Board members and replace them with Mr. Gad’s candidates to the Board. In short, Mr. Gad seeks to gain control of the Company through his consent solicitation, even though neither Mr. Gad nor his director candidates have specified any concrete path to build the value of your investment in the Company.

THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OPPOSES THE GAD CONSENT SOLICITATION. IT URGES YOU NOT TO SIGN ANY WHITE CONSENT CARD SENT TO YOU BY MR. GAD, BUT, INSTEAD TO SIGN AND RETURN THE BLUE CONSENT REVOCATION CARD.

As you know, Mr. Gad previously was the Company’s CEO and Chairman of the Board. He is now in the process of soliciting your written consents to attempt to regain control of the Company, from which he was removed as CEO and Chairman of the Board and terminated from his remaining positions with the Company and its subsidiaries.

The Company’s Nominating and Corporate Governance Committee, composed solely of independent directors, believes that Mr. Gad exhibited an alarming pattern of deceit and misuse of corporate assets beginning well before his time at the Company and continuing today. Specifically, Gad went to great lengths to conceal the fact that he was living in the United States illegally without a valid visa during his entire tenure as CEO of Paragon and in his roles with the Company’s subsidiaries. The Committee believes that he intentionally failed to communicate to the Board that he did not have authorization to work in the U.S. when he was named CEO of Paragon in 2014 and failed to make that disclosure to the Board when he was appointed CEO of SI Systems. Such conduct is a violation of federal



law. The Committee believes Mr. Gad's actions violated his fiduciary duties to the Company and its stockholders exposing the company to potential legal action and financial penalties.

The Nominating and Corporate Governance Committee believes that Mr. Gad's proposals are not in the best interests of the Company's stockholders. In essence, Mr. Gad is asking you to consent to turning over control of the Company to his handpicked director candidates, one of which is an employee of Paragon. If elected, Mr. Gad would control the Board and, although the directors would be subject to their fiduciary duties under Delaware law, they would be in a position to advance Mr. Gad's specific interests, which may not be aligned with the interests of all of our stockholders. Moreover, we believe that there is a significant risk that if Mr. Gad's candidates are elected to the Board, Mr. Gad may again engage in self-serving conduct that harms Paragon, thereby causing further financial and reputational losses to the Company.

Moreover, neither Mr. Gad nor his director candidates have identified any specific ideas or proposals regarding the future of the Company. We believe stockholder interests will be served best if the Company continues to implement the strategic plan that began last fall after Mr. Gad was replaced as the Company's Chief Executive Officer. Since then, we have focused on resolving the many substantial problems that have plagued the Company due to Mr. Gad's conduct, improving operations, strengthening the Company's financial performance, and improving its corporate governance, all while keeping a close eye on expenses, so as to enhance value for all stockholders.

The Company has created a strategic plan that is built on the following concepts: (i) rebuilding SI Systems infrastructure critically damaged under Mr. Gad's leadership to grow that business and expand product offerings; (ii) position SED International Holdings, Inc. to self-finance its own expansion beyond Colombia into other areas of Latin America to mitigate specific currency risk; (iii) liquidate the condominium holdings of Ohana Home Services which have underperformed and provided single digit, at best, returns to stockholders; (iv) liquidate Paragon's underperforming investment portfolio which has failed to produce positive returns during one of the best market environments in history; and (v) identify accretive acquisition targets that can bolster Paragon's domestic revenue and earnings to reduce dependence on SED International de Colombia S.A.S. whose low margins and currency risk make Paragon's earnings unpredictable and susceptible to exogenous economic events. We ask stockholders to not provide Mr. Gad their consent so that we may continue to execute our strategic plan.

Please act today to help protect the interests of ALL stockholders. Thank you for your support.

Sincerely yours,

Nominating and Corporate Governance Committee

Paragon Technologies, Inc.

PROTECT THE VALUE OF YOUR INVESTMENT!

DO NOT ENTRUST THE VALUE OF YOUR INVESTMENT TO MR. GAD

WE URGE YOU TO NOT EXECUTE ANY WHITE CONSENT CARD



To protect your investment in Paragon, Paragon's Nominating and Corporate Governance Committee urges you to NOT execute any white consent card and to DISCARD all materials sent to you by Mr. Gad and reject his attempt to regain control of Paragon.

You can defend against Mr. Gad's efforts to regain control of the Company through the following steps:

1. Do not sign Mr. Gad's white consent card;
2. If you have signed Mr. Gad's white consent card, you have every right to change your vote and revoke your consent. You may revoke that consent by signing, dating and mailing the enclosed **BLUE** Consent Revocation Card in the postage-paid envelope provided; and
3. Even if you have not signed Mr. Gad's white consent card, you can show the support for your Board and your investment in the Company by signing, dating and mailing the **BLUE** Consent Revocation Card to the address provided in the consent revocation statement.

If you have questions or need assistance revoking your consent please contact:

Alliance Advisors LLC
150 Clove Rd, #400
Little Falls Township, NJ 07424
(844) 202- 6169
Email: Paragon@allianceadvisors.com

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.

Investor Relations Contact:
Alliance Advisors IR
ParagonIR@allianceadvisors.com