



Paragon Board Responds to Gad's Latest Misleading Statements – Shareholders Deserve the Truth

Gad Continues Pattern of Lying to Shareholders and Misrepresenting the Facts

EASTON, PA – May 20, 2025 – Paragon Technologies' (OTCPK: PGNT) ("Paragon" or the "Company") today responded to former Chairman and CEO Hesham "Sham" Gad's latest attempt to rewrite history, calling out his deliberate misinformation and ongoing efforts to mislead shareholders.

There's a reason Mr. Gad is no longer Chairman or CEO of the Company: his actions made him unfit to lead.

Gad's assertion regarding "false, damaging, and despicable statements" concerning the hiring of unauthorized workers is a blatant misrepresentation. ***The singular instance of an unauthorized hire involved Mr. Gad himself, who knowingly resided and worked illegally in the United States for over two decades.*** His failure to disclose this critical information not only betrayed Paragon's trust – it exposed the Company to significant legal and reputational risk.

Gad's baseless accusations against Directors Eriksen, Brownstein, Lontini, and Weiser are directly contradicted by the facts. ***The legal counterclaim against Gad***, accessible at [link to counterclaim](#), ***provides a comprehensive account of Mr. Gad's extensive history of dishonesty, alleged theft, and repeated breaches of fiduciary duty.***

Additionally, Mr. Gad prolonged the litigation long after the bylaws he sought to have repealed were, in fact, repealed, potentially costing shareholders millions. His ongoing litigation included accusations against the new independent directors related to their adoption of the shareholder's rights plan. The independent directors believe they were adhering to their fiduciary duties in adopting the rights plan and were advised that Delaware case law suggests that it could be a breach of fiduciary duty for them NOT to adopt the plan in light of the threat of creeping control posed by the 40 percent plus shareholder group. Yet Gad sued, deriving no benefit other than for himself at shareholder expense.

Gad's allegations of concealment regarding the recent litigation are even more unfounded. Gad was involved in the board discussions including the reasons for filing under seal. The current board has nothing to hide from shareholders. Shareholders wishing to obtain a copy of the complaint filed against the company's former corporate counsel can do so by making the request at info@pgntgroup.com. ***What Mr. Gad fails to disclose to shareholders is that the litigation demolishes his contrived entrenchment theory against Mr. Weiser and the***



Board. In fact, in the board's discussions, Gad's only objection was that the facts made him look bad. If the facts make him look bad, so be it.

The Board urges all shareholders to see through Mr. Gad's self-serving rhetoric for what it is: a transparent attempt to divert attention from his own actions and obstruct the current leadership's commitment to transparency and accountability. We encourage shareholders to rely on factual information, including the detailed legal filings that expose Mr. Gad's long-standing pattern of deceit and mismanagement, rather than his continued distortions. The Board remains focused on transparency, accountability, and protecting the long-term interest of Paragon's shareholders.

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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