



PARAGON'S FORMER CHAIRMAN AND CEO HESHAM GAD CONCEALED UNAUTHORIZED STATUS EXPOSING COMPANY TO SIGNIFICANT FINES AND LEGAL RISKS

EASTON, PA – May 2, 2025 – Paragon Technologies, Inc.'s (OTC Pink: PGNT) Audit Committee is providing further details concerning its conclusion that former Chairman and CEO Hesham Gad repeatedly ignored requests to properly classify his employment status in order to conceal his lack of U.S. immigration status and valid work authorization, and by doing so exposed the company to significant fines and legal risk.

Based on the information available to it, **the Audit Committee believes that Mr. Gad had been living in the United States illegally without a valid visa and, as a result, lacked legal authorization to work in the country while employed at Paragon.**

In order to conceal his true immigration and work authorization status, Gad, without notice to the Board, directed Paragon personnel to misclassify the CEO (i.e., himself) for payroll purposes as an independent contractor with a third-party company, HG Consulting, Inc., which Gad wholly owns. There is no evidence that Paragon entered into a consulting agreement with HG Consulting, Inc. for chief executive officer services and no such agreement appears to have been approved by Paragon's Board.

As a result, Gad's actions, by causing Paragon to knowingly hire an illegal resident without proper authorization to work in the United States, may have caused Paragon to violate federal law. Additionally, Paragon appears to have failed to withhold income taxes and underpaid payroll taxes in potential violation of federal and Pennsylvania and/or Georgia law.

The Committee believes Gad not only ignored, and caused others to ignore, multiple inquiries into his employment classification, but that he actively worked to conceal the issue from the Board. His actions may have exposed the company to additional penalties and fines. The Audit Committee believes these actions constitute a breach of his fiduciary duties to Paragon and its stockholders.

The Committee has concluded that Mr. Gad is unfit to be a director or officer of Paragon, or any public company. We have been notified that Mr. Gad is attempting to obtain written consents from the majority of outstanding shares in order to remove all the company's directors, except himself, and replace them with his handpicked nominees prior to the Annual Meeting. We urge shareholders not to support Mr. Gad or any of his nominees in



any consent or proxy solicitation. If any shareholder has provided a consent we urge you to revoke it by completing the BLUE revocation card that will be mailed out to you in the coming days.

For questions or assistance in revoking your consent, please contact Alliance Advisors LLC at (844) 202-6169 or 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.

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