



Paragon Mails Definitive Proxy Statement; Details Strength of Board Slate

Gad still has no plan to deliver shareholder value for Paragon

Urges Shareholders to Vote "FOR" the Director Nominees on the WHITE Proxy Card

EASTON, PA – May 29, 2025 – Paragon Technologies (OTCPK: PGNT) (“Paragon” or the “Company”) today announced the mailing of its definitive proxy statement to shareholders in connection with the critical annual meeting on June 30, 2025. This important communication reflects Paragon’s unwavering commitment to strong, independent governance and a focused strategic path, in stark contrast to the disruptive, self-interested and ill-conceived efforts by former Chairman and CEO, Hesham “Sham” Gad. The Nominating and Corporate Governance Committee urges shareholders to vote today “FOR” the director nominees on the **WHITE** proxy card.

Paragon’s Nominating and Corporate Governance Committee, comprised entirely of three truly independent directors, has deep concerns regarding Mr. Gad’s documented history of alleged deceit, legal and ethical violations, and chronic underperformance. During his tenure, Paragon was consistently subjected to excessive shareholder-funded expenses and a troubling absence of strategic direction for the Company. This destructive pattern includes, but is not limited to, Mr. Gad knowingly lacking legal work authorization and residing illegally in the United States while employed at Paragon, miscategorizing himself as an independent contractor instead of an employee, wasting resources on misguided shareholder activism campaigns, and initiating costly, prolonged litigation against Paragon that has destroyed millions in shareholder value.

Mr. Gad has a long history of being a terrible capital allocator and investor, as demonstrated by the poor performance of his own hedge fund and his sustained underperformance at Paragon. This underscores the Nominating and Corporate Governance Committee’s unwavering belief that re-installing Mr. Gad would lead to a similar, disastrous outcome for Paragon. Hesham “Sham” Gad has no viable plan for Paragon, only a history of value destruction.

A Stronger Board Dedicated to Driving Shareholder Value and Future Growth

The Nominating and Corporate Governance Committee has included in its proposed Board slate two individuals also nominated by Mr. Gad – Ronell Rivera and Elodie Leoni – following a thorough evaluation of their credentials and potential contributions. The Nominating and Corporate Governance Committee made this determination for several reasons. First, the Nominating and Corporate Governance Committee values the input of our shareholders on Board composition and representation. Second, the Nominating and Corporate Governance Committee is open-minded regarding director refreshment and values the



addition of insightful, fresh perspectives on the Board. Third, and importantly, the Nominating and Corporate Governance Committee believes a costly and distracting proxy fight is not in the best interests of Paragon and its shareholders particularly at such an important inflection point for the business, and urges Mr. Gad to cease his proxy contest given that the election of our slate would result in 40% of the Board consisting of Mr. Gad's nominees.

The proposed Paragon Board slate now includes:

- David Lontini (Independent Director added in December 2024)
- Howard Brownstein (Independent Director added in December 2024)
- Tim Eriksen (Independent Director added in December 2024)
- Ronell Rivera
- Elodie Leoni

These director nominees will bring a wealth of experience and expertise to the Board.

Mr. Eriksen, a current Paragon independent director, brings expertise in micro-cap and small-cap stocks, coupled with his board and C-suite experience, making him a valuable asset to the companies he serves. Mr. Eriksen is a skilled executive with a strong background in finance and investments. Mr. Eriksen is currently the CEO of Solitron Devices and the Managing Member of Eriksen Capital Management and Cedar Creek Partners.

Mr. Lontini, a current Paragon independent director, is a highly experienced business consultant with a diverse skill set and a proven track record of success. He is well regarded for optimizing operations, increasing efficiency, and maximizing profitability. Mr. Lontini currently serves as Chairman of the Board of a NASDAQ-listed company.

Mr. Brownstein, a current Paragon independent director, is a seasoned business leader with a strong track record in corporate governance and investment banking. He has served on numerous boards of directors, including public companies, private equity-backed firms, and nonprofits. His expertise lies in audit, governance, risk management, and strategic planning. Mr. Brownstein has held leadership positions at various organizations, including Enprotech Corp., The Stone Group, and The Brownstein Corporation.

Mr. Rivera, currently the CEO of Paragon's subsidiary SED Colombia, brings valuable institutional knowledge to the Board. His deep understanding of SED's operations will be particularly beneficial. Given the newness to Paragon of the other individuals on our



director slate, Mr. Rivera's historical insight into Paragon and its subsidiary is crucial for continuity and effective oversight.

Ms. Leoni's inclusion also reflects a commitment to shareholder alignment. As disclosed in Mr. Gad's advance notice of nomination, Ms. Leoni was recommended to him by Kevin Ting, Paragon's third-largest shareholder. This indicates that a significant portion of the shareholder base (representing 40% through Mr. Ting's stake) desires Ms. Leoni's presence on the Board. The Nominating and Corporate Governance Committee has independently assessed Ms. Leoni and determined that she would be additive to the Board.

This newly proposed Board, combining experienced independent directors with key individuals possessing institutional knowledge and significant shareholder backing, represents a clearly superior path forward for Paragon.

In contrast, Mr. Gad's slate would result in Mr. Gad gaining 100% control of Paragon despite only owning 28% of the outstanding shares. Based on their appointment by Mr. Gad, and his history of attempting to remove his fellow directors, it appears doubtful that Mr. Gad's nominees would be truly independent or hold him accountable.

A Clear Choice

The Nominating and Corporate Governance Committee urges shareholders to carefully evaluate the stark choice before them: a unified, independent, and strategically enhanced Board committed to Paragon's future, versus Mr. Gad's self-serving agenda, which has consistently proven detrimental to shareholder value.

Protect Your Investment: Reject Hesham "Sham" Gad's Desperate Attempt to Regain Control!

The Board of Directors strongly urges you NOT to sign or return any proxy card or voting instruction form that Mr. Gad may send to you, even as a protest vote against Mr. Gad or any of Mr. Gad's director candidates. Even a "WITHHOLD" vote with respect to Mr. Gad's director candidates on its proxy card or voting instruction form will cancel any previously submitted WHITE proxy card vote or voting instructions. If you do sign a proxy card or voting instruction form sent to you by Mr. Gad, however, you have the right to change your vote by using the enclosed WHITE proxy card. Only the latest dated proxy card you vote will be counted.

If you have questions or need assistance, please contact:

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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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