



GAD OFFERS NO PLAN FOR FUTURE OF PARAGON

Paragon Has a Strategic Plan to Create Shareholder Value

EASTON, PA – May 7, 2025 – Paragon Technologies’ (OTCPK: PGNT) Nominating and Corporate Governance Committee today issued a statement questioning the leadership and vision of Paragon’s Former Chairman and CEO, Hesham Gad, in light of his track record of poor capital allocation, mismanagement, and ill-advised activist campaigns. Even in his attempt to gain control of the Company through a consent solicitation or proxy contest, Gad still has failed to provide any substantive answers regarding his plans for Paragon’s future.

No Plan. No Vision. No Track Record of Success.

In a previous release, the Committee made the case based on his history of deceit and why it believes Gad was unfit to be a director at a public company. In addition to the character issues, the Committee believes Mr. Gad lacks the management and investment skills necessary to be successful at Paragon. In contrast to the Company’s strategic plan, Gad has yet to offer shareholders a credible plan for Paragon’s future. This lack of vision is not new—under his leadership, Paragon became a case study in operational dysfunction and missed opportunity. Gad’s tenure was marked by:

- A deeply underperforming investment portfolio that failed to deliver returns during a historic bull market.
- A poor performing real estate portfolio, that we believe was likely purchased so Gad could take company paid trips to Las Vegas.
- Mismanagement of Paragon’s foreign subsidiary, SED International de Colombia S.A.S., which remains exposed to significant currency and political risk.
- Neglect of SI Systems, a core business that deteriorated under his watch due to lack of investment and strategic oversight.

The Committee believes: Gad proved he could not run the business—he simply isn’t qualified to do so; his actions suggest an interest in control, not value creation; a return to his leadership would mean more of the same: *poor performing investments, poor judgment, personal agendas, and no discernible strategy.*

The Company Has a Strategic Plan to Create Shareholder Value

The Company has created a strategic plan to create shareholder value built on the following five pillars:



- Rebuild SI Systems after years of underinvestment to expand offerings and restore growth
- Position SED International Holdings, Inc. to self-finance its own expansion beyond Colombia into other areas of Latin America to mitigate specific currency risk
- Liquidate poor performing real estate assets held through Ohana Home Services that have consistently generated subpar returns
- Exit failed investment positions and reallocate capital towards higher-return opportunities
- Pursue accretive U.S.-based acquisition to reduce dependence on unpredictable foreign operations and improve margins and earnings

This is the kind of disciplined, accountable leadership shareholders deserve—and Paragon’s future depends on it.

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:



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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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