

Stockholder Group Reminds Fellow Evercel Stockholders of the Choice at Hand at the Upcoming Annual Meeting: Add Three New Directors to the Board to Improve the Company's Transparency, Liquidity and Performance or Continue the Status Quo of Declining Operating Performance

Stockholder Group Believes Just Released Unaudited Financial Statements that Show Declining Financial Results and Exorbitant Payments are Further Reason to Put Some Guardrails Around the Company's CEO and Corona Park Investment Partners by Voting to Add Three Independent Nominees to the Board on the BLUE Proxy Card

Only the BLUE Proxy Card Gives Stockholders the Right to Vote For the Stockholder Group's Three Proposals to Amend the Bylaws and Appoint New Independent Directors to the Board at the Annual Meeting

NEW YORK, New York, October 4, 2021—James D. Gerson and Richard A. Krantz (collectively, the “Stockholder Group” or “we”), the collective owners of approximately 12.0% of the outstanding voting stock of Evercel, Inc. [OTC Pink: EVRC] (“Evercel” or the “Company”), today issued the following statement in response to the Company's recent letter to stockholders:

Dear Fellow Stockholders:

Over the past week, you have unfortunately been bombarded by several open letters from Evercel management and board of directors (the “Board”), filled with scathing personal attacks against Richard and myself just because we want to improve Evercel's transparency, liquidity and performance by adding three new independent directors to the Board at the Company's annual meeting of stockholders scheduled to be held virtually at 10:00 a.m. Eastern Time on Thursday, October 7, 2021 (the “Annual Meeting”). As we have said repeatedly, we have no desire to engage in a low road campaign and we hope this will be the last communication you will receive from either side before voting at the Annual Meeting.

Our efforts as large stockholders of Evercel are to maximize stockholder value. To this end, we urge stockholders to consider the following before voting on the **BLUE** Proxy Card:

- **The Stockholder Group Wants to Pay Management for Good Performance not Reward the CEO for Simply Completing Acquisitions.**
 - Now that the 2021 financial statements have finally been released, we see that the Company's performance has unfortunately further declined yet the Company

continues to pay exorbitant management advisory fees to entities controlled by CEO, Daniel Allen.

- In the fiscal year ended March 31, 2021 (“fiscal 2021”), **the Company paid over \$1 million¹ in management fees despite only reporting comprehensive income of \$891,000, a decline of almost 94% since fiscal 2019** when the Company had reported comprehensive income of \$14.3 million. **Mr. Allen’s Corona Park Investment Partners, Inc. also received in fiscal 2021, a \$1 million transaction fee for completing the ZAGG acquisition**. In our view, there is an urgent need to add three new independent directors to the Board to more carefully scrutinize these related party expenses.
- **The Stockholder Group Desires Greater Transparency and Liquidity.**
 - ***Our director nominees will strongly advocate for a registration with the Securities and Exchange Commission and an uplisting to NASDAQ*** in order to improve the Company’s transparency and liquidity. We do not believe Evercel’s proposal to try to list on the OTCQX® Best Market goes far enough. For example, the Company has **only just** posted its 2021 financial statements – over seven months after its fiscal year end, without any public announcement **and notably, without an audit opinion.**
- **The Stockholder Group Desires Accountability at Evercel and is Aligned with ALL Evercel Stockholders.**
 - ***This Annual Meeting is being held because the Stockholder Group took action to force the Company to hold a meeting.*** Mr. Krantz filed a lawsuit to compel the Company to hold an annual meeting, as required under Delaware corporate law after the Company refused to schedule one earlier in the year. As part of the agreement to withdraw this lawsuit, the Company finally agreed to schedule the Annual Meeting, Mr. Gerson agreed to resign from the Board and Mr. Krantz agreed to resign from the Audit Committee. The Stockholder Group agreed to these resignations because it felt it was ***more important to put the interests of stockholders first and actually hold an annual meeting, over their personal positions at the Company.***

¹ The Company paid to entities controlled by CEO Daniel Allen \$910,000 in management advisory services incurred by Printronix and \$102,000 incurred by ZAGG, Inc.

- **The Stockholder Group’s Director Nominees Have the Requisite Skillsets and Independence to Improve Accountability.**
 - Our independent directors - Daniel Lewis, Richard Lewisohn III and Alan Mitrani - have the *necessary strategic, governance and capital allocation expertise* to work with management to meaningfully pursue value enhancing transactions and return greater capital to stockholders. Jim Gerson is NOT a Nominee and these three directors fully understand their fiduciary duties are to ALL stockholders – not Mr. Gerson.

The **ONLY WAY** to vote on all of the proposals to be considered at the Annual Meeting is to vote the **BLUE** proxy card today. Do not let the Company silence your voice on these important issues.

We urge you to vote on the **BLUE** proxy card today to amend the Bylaws, allow stockholders to expand the Board and elect our slate of three highly-qualified and independent Directors to help ensure the Company is on the path to increased management oversight and transparency.

VOTE FOR TRANSPARENCY, VOTE FOR LIQUIDITY, VOTE FOR PERFORMANCE

VOTE THE BLUE PROXY CARD NOW

PLEASE VOTE FOR THE BYLAW RESTORATION PROPOSAL, THE BYLAW AMENDMENT PROPOSAL AND FOR THE ELECTION OF ALL OF THE STOCKHOLDER GROUP’S NOMINEES ON THE BLUE PROXY CARD BY INTERNET OR TELEPHONE TODAY

If you have any questions or need help voting your shares, please contact Saratoga Proxy Consulting LLC at (888) 368-0379 or email info@saratogaproxy.com.

Voting is Quick & Easy!

- 1) Only your latest dated vote counts. If you have already voted Evercel’s white proxy card or provided your vote to their proxy solicitor over the phone, a later-dated vote on the BLUE card will revoke your prior vote.
- 2) Since time is short before the October 7th Annual Meeting, please vote by Internet or Telephone. You will need your control number which appears on your BLUE proxy card and/or BLUE voting instruction form. Please follow the instructions located on your BLUE proxy card and/or BLUE voting instruction form.
- 3) Please vote each and every **BLUE** voting form you receive since you may hold shares in more than one account. Do not vote any white voting form from Evercel, even as a protest vote.

Sources:

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