

Paragon Technologies News Release

EASTON, Pa., May 13, 2020 / -- Paragon Technologies, Inc. (OTC Pink: PGNT), a holding company, announced its results for the three months ended March 31, 2020, on May 13, 2020.

Paragon Technologies, Inc.'s Consolidated Statement of Operations for the three months ended March 31, 2020 and 2019 are summarized below. For further detail on our results, shareholders should carefully review our quarterly report, which can found at www.pgntgroup.com.

(In Thousands)	March 31, 2020	March 31, 2019
Net Sales	\$ 29,594	\$ 23,700
Operating Income (loss)	943	252
Other income (expense)		
Interest Income	4	4
Interest expense	(257)	(121)
Realized gain (loss) on investment, marketable securities	3	(11)
Unrealized gain (loss) on investment, equity securities	(222)	23
Total Other income (expense), net	(472)	(105)
Income before income taxes and noncontrolling interest	471	147
Income tax expense	172	98
Net income before noncontrolling interest	299	49
Net income attributable to noncontrolling interest	17	26
Net income attributable to Paragon Technologies, Inc and subsidiaries	\$ 282	\$ 23

Analysis of Results and General Business Commentary:

“Like many businesses, the recent COVID-19 outbreak has created economic disruption for Paragon. The Company expects to see a pause in new orders which may result in lower revenue and operating profit in the second quarter and possibly thereafter,” stated Sham Gad, Chairman and CEO of Paragon. “As always, we remain laser focused on operating as efficiently as necessary during these times while prioritizing the safety of all our stakeholders. We entered 2020 with strong momentum across our subsidiaries and will continue to operate our businesses with a long-term horizon. Our sincerest gratitude goes out to all those individuals on the front lines who are working tirelessly to ensure our nation gets back on track.”

On April 15, 2020, the Company received approval for an approximately \$454,000 loan the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") as part of the Paycheck Protection Program ("PPP"). Under the terms of the CARES Act, PPP loan recipients can apply for, and be granted, forgiveness for all or a portion of loans granted under the PPP. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities.

In 2018 newly issued accounting rules required that all companies record any unrealized losses or gains from equity investments in the income statement.

Paragon's investment gains or losses reflect realized gains or losses in the company's investment portfolio. Paragon utilizes pre-tax operating income, a non-GAAP financial measure, in its analysis of financial results. Paragon Technologies defines pre-tax operating earnings outside of the investment gains/losses of the Company.

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.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern the Company’s operations, financial condition and performance and are based largely on the Company’s beliefs and expectations. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others, those related to: general economic conditions, including those in the markets in which the Company operates; the Company’s ability to expand its revenue streams; technological changes in the Company’s industry; the continued acceptance of the Company’s distribution channel by vendors and customers; decreased demand for the Company’s products and services and the Company’s ability to retain or replace its significant customers; factors affecting the capital markets and share prices generally; economic and political risks of selling products in foreign countries, including risks of non-compliance with U.S. and foreign laws and regulations; cybersecurity risks and risks of damage and interruptions of information technology systems; and the Company’s ability to complete acquisitions, strategic investments, divestitures, mergers or other transactions on acceptable terms or at all. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can management assess the impact of all such factors on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All statements in this press release other than statements that are purely historical are forward-looking statements. The Company does not intend and assumes no obligation, to update any forward-looking statements made in this press release. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release.