

Paragon Technologies News Release

Easton, Pa., May 19, 2017 /Issuers Direct/ -- Paragon Technologies, Inc. (OTC Pink: PGNT), a holding company, announced its results for the three months ended March 31, 2017 on May 18, 2017.

Paragon Technologies, Inc.'s Unaudited Consolidated Statement of Operations for the three months ended March 31, 2017 and 2016 are summarized below. For further detail on our results, shareholders should carefully review our quarterly report, which can be found at www.pgntgroup.com.

<i>(In Thousands)</i>	Three Months Ended	
	March 31, 2017	March 31, 2016
Net Sales	\$ 5,927	\$ 1,785
Operating (Loss)	(413)	(60)
Other Income (expense)		
Interest expense	(31)	(10)
Interest income	49	6
Gain on investment, marketable securities	188	(90)
Gain on bargain purchase	4,226	-
Total other income (expense), net	4,432	(94)
Income (loss) before income taxes and noncontrolling interest	4,019	(154)
Income tax (benefit)	(38)	(62)
Net income (loss) before noncontrolling interest	4,057	(92)
Net income attributable to noncontrolling interest	2	-
Net income (loss) attributable to Paragon Technologies Inc and Subsidiaries	4,055	(92)

Analysis of Results:

On March 1, 2017, Paragon's newly formed wholly owned subsidiary Ark Investments, LLC acquired all the stock of SED International de Colombia, S.A.S. ("SEDC"), a Colombian based company, for a purchase price of \$1,395,000 in cash. SEDC is one of the largest distributors of computer and technology systems in Colombia and Latin America. The SEDC acquisition resulted in a bargain purchase gain of \$4,226,089.

Paragon's investment gains or losses reflect realized gains or losses in the company's investment portfolio.

Paragon utilizes pre-tax operation 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 with diverse business activities. Paragon seeks to acquire or invest in other businesses in part or whole. Our investment activities include the purchase of securities in accordance with the Company's investment policy and/or the complete acquisition of operating businesses. Our investment mandate is flexible, limited only by our focus on maximizing return on invested capital. Paragon's wholly owned operating subsidiaries include SI Systems, LLC, a leading provider of material handling solutions that serve manufacturing operations and order fulfillment applications; and SED International de Colombia, S.A.S., a leading technology distribution company in Latin America. Operating decisions for Paragon's operating businesses are made by the management of those businesses. All investment and capital allocation decisions under Paragon's investment policy are made by Sham Gad, Chairman and CEO of Paragon in consultation with Paragon's Board of Directors.