

# Paragon Technologies News Release

## Company Announces Earnings Results

EASTON, PA, May 13, 2026 – Paragon Technologies, Inc. (OTC Pink: PGNT) (“Paragon” or the “Company”), a diversified holding company, reported its results for the first quarter ended March 31, 2026.

Paragon Technologies, Inc.'s Consolidated Statement of Operations for the three months ended March 31, 2026 and 2025 are summarized below. For further details on our results, shareholders should carefully review our quarterly report, which can be found at [www.pgntgroup.com](http://www.pgntgroup.com).

	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
(In Thousands)		
<b>Net Sales</b>	<b>\$ 37,447</b>	<b>\$ 34,603</b>
<b>Held for Sales Asset Rental Income</b>	<b>-</b>	<b>21</b>
<b>Operating Income (Loss)</b>	<b>864</b>	<b>(847)</b>
<b>Other Income (Expense)</b>		
Realized Gain (Loss) on Marketable Securities	<b>37</b>	<b>-</b>
Unrealized Gain (Loss) on Marketable Securities	<b>23</b>	<b>(165)</b>
Interest Income	<b>51</b>	<b>41</b>
Interest Expense	<b>(168)</b>	<b>(139)</b>
Gain on Sale of Fixed Assets	<b>-</b>	<b>450</b>
Grant Income	<b>-</b>	<b>-</b>
Sublease Income	<b>11</b>	<b>11</b>
<b>Total Other Income (Expense)</b>	<b>(46)</b>	<b>198</b>
Income (Loss) Before Taxes and Noncontrolling Interest	<b>818</b>	<b>(649)</b>
Income Tax Expense	<b>692</b>	<b>102</b>
Net Income (Loss) Before Noncontrolling Interest	<b>127</b>	<b>(751)</b>
Net Income Attributable to Nonconcontrolling Interest	<b>105</b>	<b>39</b>
<b>Net Income (Loss) Attributable to Paragon Technologies, Inc. and Subsidiaries</b>	<b>\$ 22</b>	<b>\$ (790)</b>
Basic and Diluted Income (Loss) per Share	<b>\$ 0.01</b>	<b>\$ (0.45)</b>
<b>Weighted Average Shares Outstanding</b>	<b>1,756,245</b>	<b>1,751,135</b>
Dilutive Effect of stock options	<b>-</b>	<b>-</b>
<b>Weighted Average Shares Outstanding Assuming Dilution</b>	<b>1,756,245</b>	<b>1,751,135</b>

### Analysis of Results and General Business Commentary:

“The first quarter results represent the first meaningful comparison between last year’s excessive spending and a more rational operating framework at Paragon,” noted Sham Gad, CEO of Paragon Technologies. “Operating income improved by approximately \$1.7 million over the same period last year,

driven primarily by a significant reduction in operating expenses. As a company with substantial alignment alongside our stockholders, this turnaround reflects the urgency and discipline with which we have worked to get Paragon back on track and eliminate unnecessary costs. While meaningful progress has been made, significant work remains ahead as we continue exploring opportunities to diversify operations and build a more resilient, value-creating organization.”

“Our automation operations remain sluggish, with backlog currently approximating \$3 million,” continued Gad. We are making measured investments in marketing initiatives to broaden our client reach, particularly as artificial intelligence increasingly becomes the preferred method of search. Our cost structure and margins are where they should be; revenues are not. The Company’s recently released letter to shareholders provides additional detail on all aspects of Paragon’s operations, and we encourage stockholders to read it.”

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.*

*For further information, contact the company at [ir@pgntgroup.com](mailto:ir@pgntgroup.com)*

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