

Paragon Technologies News Release

EASTON, Pa., August 13, 2020 / -- Paragon Technologies, Inc. (OTC Pink: PGNT), a holding company, announced its results for the three and six months ended June 30, 2020 and 2019, on August 13, 2020.

Paragon Technologies, Inc.'s Consolidated Statement of Operations for the three and six months ended June 30, 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)	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net Sales	\$ 18,252	\$ 27,252	\$ 47,846	\$ 50,952
Operating Income	895	664	1,838	916
Other income (expense):				
Interest Income	3	7	7	11
Interest expense	(131)	(112)	(388)	(233)
Realized gain (loss) on investment, marketable securities	41	3	44	(8)
Unrealized gain (loss) on investment, equity securities	156	(7)	(66)	16
PPP Loan Forgiveness	10	-	10	-
Total other income (expense)	79	(109)	(393)	(214)
Income before income taxes and noncontrolling interest	974	555	1,445	702
Income tax expense	358	263	530	361
Net income before noncontrolling interest	616	292	915	341
Net income attributable to noncontrolling interest	52	56	69	82
Net income attributable to Paragon Technologies, Inc and subsidiaries	\$ 564	\$ 236	\$ 846	\$ 259

Analysis of Results and General Business Commentary:

“Despite the numerous uncertainties as result of the pandemic, we continue to take concrete steps to ensure our businesses are operating safely and efficiently,” stated Sham Gad, Chairman and CEO of Paragon. “We are grateful to all our associates for their continued efforts and hard work as we continue to navigate the challenging road ahead. 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 July 24, 2020, SI Systems received a \$150,000 loan under the EIDL. Proceeds are to be used for working capital purposes. The EIDL Loan has a term of thirty years, and the interest accrues at the rate of 3.75% per annum. Installment payments, including principal and interest, are due monthly beginning July 22, 2021 (twelve months from the date of the execution of the promissory note for the EIDL Loan) in the amount of \$731.00. The balance of principal and interest is payable thirty years from the date of the promissory note. The EIDL Loan is secured by a security interest on all of SI Systems' assets.

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.