

Paragon Technologies News Release

EASTON, PA / November 12, 2020 / Paragon Technologies, Inc. (OTC Pink:PGNT), a holding company, announced its results for the three and nine months ended September 30, 2020 and 2019, on November 12, 2020.

Paragon Technologies, Inc.'s Consolidated Statement of Operations for the three and nine months ended September 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		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net Sales	\$ 28,873	\$ 30,842	\$ 76,719	\$ 81,794
Operating Income	1,203	737	3,041	1,653
Other income (expense):				
Interest Income	3	8	9	19
Interest expense	(127)	(141)	(515)	(374)
Realized gain (loss) on investment, marketable securities	(5)	(50)	39	(58)
Unrealized gain on investment, equity securities	67	74	1	90
PPP Loan Forgiveness	-	-	10	-
Grant Income	15	-	15	-
Total other income (expense)	(47)	(109)	(441)	(323)
Income before income taxes and noncontrolling interest	1,156	628	2,600	1,330
Income tax expense	393	277	923	638
Net income before noncontrolling interest	763	351	1,677	692
Net income attributable to noncontrolling interest	45	56	114	138
Net income attributable to Paragon Technologies, Inc and subsidiaries	\$ 718	\$ 295	\$ 1,563	\$ 554

Analysis of Results and General Business Commentary:

"Our results were favorably impacted by a strong backlog in our automation business entering into 2020 along with a keen focus on operational efficiencies. Entering into 2021, however, our automation backlog is substantially lower than last year," stated Sham Gad, Chairman and CEO of Paragon. "Our business approach remains focused on the long-term performance of our entire organization."

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 and its subsidiaries engage in diverse business activities including material handling, distribution and real estate services.

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.