Paragon Technologies News Release

Company Announces Earnings Results

EASTON, PA, August 12, 2026 – Paragon Technologies, Inc. (OTC Pink: PGNT) ("Paragon" or the "Company"), a diversified holding company, reported its results for the three and six months ended June 30, 2026.

Paragon Technologies, Inc.'s Consolidated Statement of Operations for the three and six months ended June 30, 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.

	Three Months Ended		Six Months Ended	
(In Thousands)	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net Sales	**$ 33,357**	$ 33,988	**$ 70,804**	$ 68,612
Operating Income (Loss)	**313**	(1,563)	**1,177**	(2,410)
Other Income (Expense)				
Realized Gain (Loss) on Marketable Securities	**(7)**	(336)	**30**	(336)
Unrealized Gain (Loss) on Marketable Securities	**129**	324	**152**	159
Gain on Sale of Fixed Assets	**1**	525	**1**	975
Interest Income	**42**	36	**93**	77
Interest Expense	**(245)**	(166)	**(413)**	(305)
Grant Income	**11**	-	**11**	-
Sublease Income	**11**	10	**22**	21
Total Other Income (Expense)	**(58)**	393	**(104)**	591
Income (Loss) Before Taxes and Noncontrolling Interest	**255**	(1,170)	**1,073**	(1,819)
Income Tax (Benefit) Expense	**113**	(251)	**804**	(149)
Net Income (Loss) Before Noncontrolling Interest	**142**	(919)	**269**	(1,670)
Net Income Attributable to Nonconcontrolling Interest	**47**	116	**152**	155
Net Income (Loss) Attributable to Paragon Technologies, Inc. and Subsidiaries	**$ 95**	$ (1,035)	**$ 117**	$ (1,825)
Basic and Diluted Income (Loss) per Share	**$ 0.05**	$ (0.59)	**$ 0.07**	$ (1.04)
Weighted Average Shares Outstanding	**1,756,245**	1,756,245	**1,756,245**	1,756,245
Dilutive Effect of stock options	**-**	-	**-**	-
Weighted Average Shares Outstanding Assuming Dilution	**1,756,245**	1,756,245	**1,756,245**	1,756,245

Analysis of Results and General Business Commentary:

Operating results reflect a substantial improvement in our automation gross margins due to disciplined expense management and a continued focus on higher-value opportunities. Automation gross margins were 30.6% for the first half of 2026 versus 20.6% in the comparable year-ago period. However, our automation revenue remains under pressure. Our current backlog of $2.4 million is down sequentially as we completed projects during the second quarter. “We are encouraged by our current pipeline of opportunities, however, automation purchasing decisions can be subject to long lead times and ultimately the investment decisions of buyers,” noted Sham Gad, CEO of Paragon Technologies. “We are encouraged by the continued progress that has been made. We see both challenges and opportunities that we will continue to focus on addressing and capturing.”

Our distribution segment continues to perform in line with expectations. Results were driven by strong performance in the Value and Consumer Electronics business units, which more than offset weakness in the Transactional Business Unit. Consumer Electronics benefited from elevated television demand associated with the World Cup. Despite ongoing customer inventory imbalances and vendor pricing pressures, profitability improved due to stronger product mix and gross margin expansion.

Additional financial details related to each of the Company’s business divisions can be found in our quarterly report.

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

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