

**FOR:** IMMEDIATE RELEASE  
**CONTACT:** Hesham M. Gad, Chairman of the Board  
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## PARAGON TECHNOLOGIES ACQUIRES INNOVATIVE AUTOMATION

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**EASTON, PA — April 18, 2013** -- SI Systems, Inc., a material handling systems solutions provider and a wholly owned subsidiary of Paragon Technologies, Inc. (OTC Pink: PGNT), is pleased to announce that it has acquired Innovative Automation Inc. ("IA"), a leading provider of warehouse control systems (WCS) and warehouse management systems (WMS) solutions, based in San Diego, California. The acquisition of IA represents a strategic shift for SI Systems as it begins to transition its market strategy to the growing markets for enhanced distribution and order fulfillment solutions.

IA brings the expertise and discipline around a "true versioned product approach" in the WCS and WMS marketplace. The IA WCS and WMS products bring a unique approach and solution to the material handling software market. "A truly versioned software product such as this fits well with the SI Systems model and strategy of focusing on distribution through regional integrators," stated Larry Strayhorn, President and CEO of Paragon. "This will enable SI Systems to expand its Order Fulfillment technology suite and offering to a growing market segment."

"The acquisition of IA represents Paragon's commitment to reestablishing SI Systems' presence in one of the most attractive segments in the material handling industry, one of our goals since we assumed control of the Company," stated Sham Gad, Chairman of Paragon. "The upfront cash outlay will be funded by working capital and paid out as installments, with the remainder of the cash consideration to come in the form of royalties on future sales and margin targets."

"Everyone wins from this deal," added Mr. Gad. "SI Systems gets a dynamic product to enhance its services to its customers, IA gets the added technical, marketing, and sales capabilities of SI Systems, and the earn-out structure ensures that Paragon will grow for our shareholders along with future payments. I commend the efforts of our executives and directors in this process."

## About Paragon Technologies

Paragon Technologies, Inc. is a holding company with diverse business activities. Currently, the Company's operating subsidiary, SI Systems, Inc., offers branded technologies and material handling solutions that serve manufacturing operations and order fulfillment applications. Paragon's other principal business activity is investments in diversified businesses. These investment activities include the purchase of securities in accordance with the Company's investment policy and the complete acquisition of operating businesses. Operating decisions for Paragon's operating businesses are made by the management of those businesses. Investment decisions under Paragon's investment policy are made by Sham Gad, Chairman of the Board. All other investments and capital allocation decisions are made by Mr. Gad in consultation with Paragon's Board of Directors.

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