

December 2, 2022

SAFE & GREEN

SG Blocks Subsidiaries SGB Development Corp. and SG Echo Enter Into Agreement for 800 Residential Home Units

Inter-Company Agreement for 800 residential units relates to the Company's Magnolia Gardens residential project, formerly known as McLean Residential

JACKSONVILLE, Fla.--(BUSINESS WIRE)-- SG Blocks, Inc. (NASDAQ: SGBX) ("SG Blocks" or the "Company"), a leading developer, designer, and fabricator of modular structures, announced today that SG Echo, LLC, a subsidiary of SG Blocks, has entered into an agreement with SGB Development Corp., the Company's real property development subsidiary focused on market rate multi-family rental housing.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20221202005074/en/>



(Photo: Business Wire)

roughly 700-1,200 square feet. The Magnolia Residential project is located on McLean Avenue in Durant, OK. The property is zoned for roughly 800 market rate multifamily residential housing units.

"This project epitomizes what we look for in a development opportunity, a clean and level site, with the manufacturing location in close proximity to the residential site," Paul Galvin, Chairman and CEO of SG Blocks previously noted of the project in February of 2022.

Currently, 2022 factory revenue is \$8.6 million through Q3, with 2023 third party revenue currently projected at approximately \$19 million.

"We're making good on our promise to fill our factories with our own work," Galvin continued

This inter-company agreement covers the phased approach of the SG Blocks Magnolia Residential project, which entails roughly 800 units, for a total of approximately \$130 million anticipated manufacturing revenue for SG Echo. The first phase of this project will consist of 100-150 units. These homes are 1- and 2-bedrooms that are

today. "Our Development company doesn't have to chase a contractor, and this mutually beneficial relationship will aid in the advancement of both of these SG subsidiaries. We are proud to continue to bring both jobs as well as housing to the greater Durant, OK community."

The Company will continue to provide updates on the upcoming Groundbreaking.

About SG Blocks, Inc.

SG Blocks, Inc. is a leading developer, designer, and fabricator of modular structures, meeting the growing demand for safe and green construction. The firm offers a product that exceeds many standard building code requirements, and also supports developers, architects, builders and owners in achieving faster execution, greener construction, and buildings of higher value. The Company creates purpose built, pre-fabricated modules from wood, steel, and shipping containers into supreme structures. For more information, visit www.sgblocks.com.

Safe Harbor Statement

Certain statements in this press release constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. These forward-looking statements are based upon current estimates and assumptions and include statements regarding plans to construct roughly 800 units at the Magnolia Residential project for a total of approximately \$130 million of manufacturing revenue for SG Echo, 2023 third party revenue being approximately \$19 million, the relationship aiding in the advancement of both SG subsidiaries and providing further updates on the upcoming Groundbreaking. While SG Blocks believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward-looking statements are subject to various risks and uncertainties, many of which are difficult to predict that could cause actual results to differ materially from current expectations and assumptions from those set forth or implied by any forward-looking statements. Important factors that could cause actual results to differ materially from current expectations include, among others, the Company's ability to construct the Magnolia Residential project as planned, the Company's ability to expand within various verticals as planned, the Company's ability to position itself for future profitability, the Company's ability to maintain compliance with the NASDAQ listing requirements, and the other factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and its subsequent filings with the SEC, including subsequent periodic reports on Forms 10-Q and 8-K. The information in this release is provided only as of the date of this release, and we undertake no obligation to update any forward-looking statements contained in this release on account of new information, future events, or otherwise, except as required by law.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20221202005074/en/>

Investor Relations:

[Equity Animal](#)
(646) 363-6567
mm@equityanimal.com

Source: SG Blocks, Inc.