

SG Blocks Executes Governing Company Agreement related to \$55 Million Monticello Project

SG Blocks to own 50% membership interest in managing entity

NEW YORK, NY / ACCESSWIRE / July 12, 2019 /[SG Blocks, Inc.](#) (NASDAQ: [SGBX](#)), a leading designer, fabricator and innovator of container-based structures ("SG Blocks" or the "Company"), today announced that it has, along with another investor, executed the governing company agreement for CPF GP 2019-1 LLC, a Texas limited liability company ("CPF GP"). The Company will have 50% membership interest in CPF GP. CPF GP is the managing member of CPF MF 2019-1 LLC ("Owner"), a Texas limited liability company which we anticipate will own the 302-unit multifamily project in Sullivan County, New York, and will oversee the development, leasing and management of the project.

"This agreement was a significant achievement and marks the first step in the rollout of our platform approach to projects in our backlog and pipeline that we believe will help accelerate revenue recognition on projects by SG Blocks," commented Paul Galvin, Chairman and CEO of SG Blocks. "We anticipate that SG Blocks will retain equity ownership in the projects, thereby positioning our shareholders to benefit when the project is completed and ultimately sold."

CPF GP is expected to contribute approximately 10% of the total equity capital in the project with the remaining 90% of equity capital to be contributed by investors that have been identified. The Company expects the governing company agreement of the Owner, along with the contractual equity commitment for the first phase of the project, to be executed imminently.

Projected Construction costs in the first phase of the project are approximately \$22 million and the total construction costs of the project are approximately \$55 million. SG Blocks expects to recognize revenue of approximately \$13 million in the first phase with targeted gross profit margins of approximately \$2.6 million.

The Company is expected to contribute approximately \$1.3 million of its cash collected from the Monticello project to CPF GP.

The Company can provide no assurances that the operating agreement for the Owner will be executed, that the full equity and debt financing for the project or individual phases of the project will be obtained, or that the project or SG Blocks will achieve the financing and valuation projections described above.

About SG Blocks, Inc.

SG Blocks, Inc. is a premier innovator in advancing and promoting the use of code-

engineered cargo shipping containers for safe and sustainable construction. The firm offers a product that exceeds many standard building code requirements, and also supports developers, architects, builders and owners in achieving greener construction, faster execution, and stronger buildings of higher value. Each project starts with GreenSteel™, the structural core and shell of an SG Blocks building, and then customized to client specifications. For more information, visit www.sgblocks.com.

Forward-Looking Statements

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," "target" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. 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 based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in SG Blocks' filings with the Securities and Exchange Commission. Thus, actual results could be materially different. SG Blocks expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.

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