

July 29, 2019



SG Blocks' Customer Closes Project Equity Financing and Land Purchase for the First Phase of the \$55 Million Monticello Project

NEW YORK,--(BUSINESS WIRE)-- [SG Blocks, Inc.](#) (NASDAQ: [SGBX](#)), a leading designer, fabricator and innovator of container-based structures ("SG Blocks"), today announced that CPF MF 2019-1 LLC, a Delaware limited liability company ("Monticello") has completed a \$5.0 million equity financing to develop the 302-unit multifamily project in Sullivan County, New York (the "Project"). Concurrently, Monticello acquired 16 acres of undeveloped land in Sullivan County, New York (the "Land") on which the Project will be built. The \$5.0 million equity capital is for acquisition of the Land and the first phase of construction for the Project.

Paul Galvin, Chairman and CEO of SG Blocks, commented, "The closing of Monticello's equity financing is an important step forward on this Project and a great day for us and our stockholders

Mr. Galvin continued, "This is Monticello's first closing and advances SG Block's vision of a replicable capital platform. We believe this capital platform is going to accelerate the completion of the other two phases of the Monticello project and the conversion of our pipeline opportunities to backlog in the near future. Working with Monticello on the Project helps SG Blocks to be a first mover in addressing the strong and growing demand for affordable housing. SG Blocks is working on two similar projects that will mirror Monticello's capital structure and hopes to announce those contracts in the near future".

SG Blocks owns a 50% membership interest in CPF GP 2019-1 LLC ("CPF GP"), which is the managing member of Monticello. Subject to finalization of documents, SG Blocks is expected to contribute up to approximately \$1.3 million of its cash collected from the Project to CPF GP, which will in turn contribute the cash to Monticello, and the remaining equity capital is being contributed by the other investors who have now executed a contractual equity commitment for the first phase of the Project and funded the Land acquisition.

Mr. Galvin added, "SG Block's ownership interest the CPF GP positions our shareholders to benefit when the Project is completed and ultimately refinanced or sold."

SG Blocks expects that Monticello will complete the local authority approvals and the architectural and engineering plans and to start procuring the inventory for production in the fourth quarter 2019. Projected construction costs in the first phase of the Project are approximately \$22 million. SG Blocks expects to recognize revenue of approximately \$13 million in the first phase of the Project.

SG Blocks can provide no assurances that the debt financing for the Project or equity

financing for future phases of the Project will be obtained, that the Project or SG Blocks will achieve the financial and valuation projections described above, or that SG Blocks equity interest in the CFP GP will have any value.

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.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20190729005036/en/>

Media

Rubenstein Public Relations

Christina Levin

Account Director

212-805-3029

clevin@rubensteinpr.com

or

Investor Relations

James Carbonara

Hayden IR

(646)-755-7412

james@haydenir.com

Brett Maas

Hayden IR

(646) 536-7331

brett@haydenir.com

Source: SG Blocks, Inc.