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SG Blocks Receives \$25 Million Purchase Order from Phoenix Hotel & Hospitality

Project Represents Largest Retail Contract for Leading Container-Based Innovator

BROOKLYN, N.Y.--(BUSINESS WIRE)-- [SG Blocks, Inc.](#) (NASDAQ: [SGBX](#)), a leading designer, fabricator and innovator of container-based structures, has signed a \$25 million contract for a multi-thousand module order with Phoenix Hotel & Hospitality. The purchase order represents the largest retail module contract to date for SG Blocks. The modules will be designed, prefabricated and delivered to locations across the United States, where they will be installed by the customer. SG Blocks has already commenced work on the project in the fourth quarter of 2018.

"This project represents many months of work and we believe it to be a significant step forward in the continued growth of SG Blocks and an opportunity to participate in the launch of an exciting concept across the United States," stated Paul Galvin, Chairman and CEO of SG Blocks. "At the customer's request, the exact rollout plan is confidential, but we will provide updates on project completions in our quarterly filings. We expect deliveries to begin in the first quarter of 2019 and realized over 18 months. By utilizing our product, Phoenix Hotel & Hospitality will be able to complete its deployment quicker than using traditional construction methods, and also benefit from its efficiency and eco-friendliness," concluded Galvin.

In addition to the initial purchase order announced today, Phoenix Hotel and Hospitality envisions a multi-year deployment of this product with SG Blocks as its exclusive partner.

SG Blocks utilizes code-engineered cargo shipping containers to construct and provide safe, durable and environmentally-friendly structures. It has an exclusive ESR number, which was granted by the International Code Council and ensures its ability to meet and exceed all international building codes. Clients have included Starbucks, Marriott, Taco Bell, Aman, Equinox and several branches of the U.S. military. SG Blocks also recently formed SG Residential, which focuses on the sales and financing of single-family container-based modular homes. Earlier in 2018, the firm also signed an exclusive design partnership agreement with world-renowned architecture and design practice Grimshaw Architects.

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" 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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