

February 28, 2022



SG Blocks, Inc. Closes on Approximately 114 Acre Mixed-Use Site in Durant, OK

Site is expected to yield approximately 680,000 SF of Industrial Manufacturing Space & 300 Residential Units

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 the Company continues its development growth with the closing of the approximately 114-acre "McLean mixed-use" site in Durant, OK. The site has been under contract since November 2021. The purchase agreement was made between Durant Industrial Authority and SG Blocks.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20220228005305/en/>

(Photo: Business Wire)

SG Blocks anticipates building approximately 300

residential units and up to 680,000 square feet of industrial manufacturing space on the mixed-use property. The site property was acquired with funds generated from the Company's operating cash flow.

The overall project financing is expected to include Company equity, bank debt and local government incentives. The total costs to develop the 114-acre project is estimated approximately \$200 million, which includes design, site work and delivery of 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 explained. "Our platform is designed to earn revenue from development activities, manufacturing buildings and residential units, asset sales and rental income. Our system is end-to-end with maximum vertical integration."

The demand for industrial manufacturing space in the region is significant and the McLean Industrial Park will offer the Company the option of build to lease or build to own for other members of the manufacturing community. Currently, the Company envisions eight new facilities totaling approximately 60,000 SF per facility.

"The Durant community is excited about the ability of SG Blocks' McLean development to create new quality jobs and much needed housing for the rapid population growth we have been experiencing in the region," Lisa Taylor, Executive Director of the Durant Industrial Authority noted. "We look forward to future opportunities to collaborate and improve our community."

The residential units are being built to help meet some of the significant need for workforce

housing due to the expansion of other employers in the region. Each residential unit is anticipated to average roughly 1,000-1,500 SF and offer 1 to 3 bedrooms.

The Company has commenced the design process and anticipates a groundbreaking at the manufacturing site in the fourth quarter of 2022.

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.

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 the Company building approximately 300 residential units and up to 680,000 square feet of industrial manufacturing space on the McLean mixed-use site, the overall project financing including Company equity, bank debt and local government incentives, total costs to develop the 114-acre project being approximately \$200 million, the Company earning revenue from development activities, manufacturing buildings and residential units, asset sales and rental income, the Company building eight new facilities totaling approximately 60,000 SF per facility on the property, the Company's McLean development plans creating new quality jobs and much needed housing in the Durant region, each residential unit averaging roughly 1,000-1,500 SF and offering 1 to 3 bedrooms and the Company groundbreaking at the manufacturing site in the fourth quarter of 2022. 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 build approximately 300 residential units and up to 680,000 square feet of industrial manufacturing space on the McLean mixed-use site as planned, the Company's ability to finance the overall project with Company equity, bank debt and local government incentives, the Company's ability to develop the 114-acre project for a total cost of approximately \$200 million as planned, the Company's ability to earn revenue from development activities, manufacturing buildings and residential units, asset sales and rental income, the Company's ability to build eight new facilities totaling approximately 60,000 SF per facility on the property, the Company's ability to create new quality jobs and much needed housing in the Durant region,

the Company's ability to build each residential unit with an average of roughly 1,000-1,500 SF and 1 to 3 bedrooms, the Company's ability to groundbreaking at the manufacturing site in the fourth quarter of 2022 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, 2020 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.

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