

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 14, 2022

SG BLOCKS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-38037 (Commission File Number)	95-4463937 (I.R.S. Employer Identification Number)
5011 Gate Parkway Building 100, Suite 100 Jacksonville, FL 32256 (Address of Principal Executive Offices, Zip Code)		

(Former name or former address, if changed since last report.)

Registrant's telephone number, including area code: 646-240-4235

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01	SGBX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 14, 2022, SG Blocks, Inc., a Delaware corporation (the “Company”), issued a press release that included financial information for the fiscal quarter ended September 30, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 and in the press release attached as Exhibit 99.1 to this Current Report on Form 8-K shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained in this Item 2.02 and in the press release attached as Exhibit 99.1 to this Current Report on Form 8-K shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are furnished with this Current Report on Form 8-K:

Exhibit Number	Exhibit Description
99.1	Press Release, issued by SG Blocks, Inc. on November 14, 2022
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within in the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SG BLOCKS, INC.

Dated: November 15, 2022

By: /s/ Paul Galvin

Name: Paul Galvin

Title: Chairman and Chief Executive Officer

SG BLOCKS REPORTS 3Q22 FINANCIAL RESULTS



NOVEMBER 14, 2022 – JACKSONVILLE, Fla. -- SG Blocks, Inc. (NASDAQ: SGBX) ("SG Blocks" or the "Company"), a leading developer, designer, and fabricator of modular structures, reported results for the third quarter ended September 30th, 2022.

"We delivered strong results for the third quarter that repeatedly showed growth in our core segment year-over-year," stated Paul Galvin, SG Block's Chairman and Chief Executive Officer. "Throughout COVID, we re-defined our long-term capital allocation plan and our share buy-back program remains in place. The buyback program reflects our confidence in the strength of our business model despite the challenging global macro environment and ever-changing shift in demand from our customers. We are in the early stages of growing our Dev Corp, SG Echo and Medical segments which will provide a long runway of growth. Since we created Dev Corp., it has grown quickly. The total manufacturing pipeline for all Dev Corp projects is estimated to be approximately \$800 million based on our analysis. Further, we expect our medical waste segment to accelerate in 2023, adding to our ever-growing pipeline."

Galvin continued, "I believe we are well equipped to support and service our backlog through the opening of our new manufacturing facilities. Our SGB Dev Corp has been sufficient in the sourcing and closing of new development opportunities for SG Blocks. We aim to continue to operate our facilities at or near capacity and scale in a responsible and stable manner going forward."

Third Quarter 2022 Financial Highlights

- **Consolidated Revenues.** Third quarter 2022 consolidated revenue was \$4.1 million. Revenues fell 53%, or \$4.7 million, from third quarter 2021 to third quarter 2022, primarily driven from the decline in the medical segment, offset by the growth in the construction segment. Consolidated revenues are up 612% over a two-year period, driven from strong growth in both the medical and construction segments.
- **Construction Revenues.** Construction revenue for the third quarter 2022 was \$2.7 million compared to \$0.6 million for the third quarter 2021, representing an increase of 334%, or \$2.0 million.
- **Breakdown of Revenues.** Revenues generated in the third quarter were primarily driven 65% by construction revenue and 35% by medical revenue.
- **Gross Profit.** Third quarter gross profit was (\$0.165) million, an increase of 73%, or \$0.442 million, compared to gross profit of (\$0.607) million for the third quarter 2021. Gross profit margin increased from (6.9%) to (4.0%) year-over-year.
- **Operating Loss.** Operating profit for the third quarter increased by 8.3% to (\$2,502) million, compared to (\$2,727) million for the third quarter 2021.
- **Net Loss.** Third quarter loss was (\$2,454) million, or (\$0.18) per share, representing an increase of 58% on a per share basis.
- **Backlog.** Construction Backlog was \$2,585,012 at third quarter close.

Third Quarter 2022 Operational Highlights

- Finalized the closing for St. Marys manufacturing facility in St. Marys, Georgia.
- Announced an agreement with an Oklahoma non-profit, People First Industries, for a roughly 4,550 square feet, 6-module office building and facility.
- Commenced the Company's share buyback program, supervised by Oppenheimer & Co.
- Published four land appraisals to the Company's website relating to the Company's McLean, Norman Berry and Cumberland properties, and the planned St. Marys Industrial site located within the St. Marys Commerce Park.
- Announced the addition of a new U.S. Military client, in which SG Blocks will be building container-based, military modules.
- Entered into a collaboration with Enriched Data, "a one-stop solution for all things connected with Big Data in commercial real estate."
- Released updates on its wholly owned SGB Development Corporation including a site plan for a 1,400-acre waterfront development, the largest project to date that has been approved for development.
- Announced that the Company freed its position on the Lago Vista property to vet competing offers.
- Tapped a private, leading full-service investment bank, securities and wealth management firm headquartered in New York, for strategic advisory services.
- Announced that SG Echo, a subsidiary of SG Blocks, expects an \$11.5M expansion with its largest client.

<i>(dollars in millions, except per share amounts)</i>	Q3 2022	Q3 2021	Change	Change %
Construction revenues	\$ 2,659	\$ 612	\$ 2,047	334%
Consolidated revenues	\$ 4,130	\$ 8,847	\$ (4,717)	(53)%
Operating profit (loss) from continuing operations	\$ (2,502)	\$ (2,727)	\$ 225	8%
Net income (loss) from continuing operations	\$ (2,454)	\$ (3,831)	\$ 1,377	36%
Income (loss) from continuing operations per share—diluted	\$ (0.18)	\$ (0.43)	\$ 0.25	58%

SG Blocks will hold its conference call at 4:30 p.m. ET via Twitter Spaces and traditional dial-in channels.

Twitter Spaces

- The earnings call will be hosted from the SG Blocks corporate Twitter account by CEO and Chairman Paul Galvin and Mark Moran of Equity Animal
- The call will be accessible by this link
- To ask questions during the Q&A portion of the call, participants must join the Twitter Spaces using a mobile device

Dial-In Information

To join the webcast live:

- Toll-free dial-in number: 800-245-3047
- International dial-in number: 203-518-9765
- Conference ID: SGBLOCKS

To access the recording:

- Toll-free: 877-481-4010
- International: 919-882-2331
- Replay passcode: 47113

A webcast of the call will be broadcast live and will be available for replay at on the Company's website: <https://www.sgblocks.com/>

A replay will also be available automatically after the call ends on the Company's Twitter account for 30 days.

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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 DevCorp, SG Echo and Medical segments providing a long runway of growth, the Company’s medical waste segment accelerating in 2023 adding to the Company’s backlog through the opening of our new manufacturing facilities and continuing to operate the Company’s facilities at or near capacity and scale in a responsible and stable manner going forward. 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 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.

Investor Relations:

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