



Comstock Holding Companies Reports Second Quarter 2019 Results

WASHINGTON and RESTON, Va., Aug. 19, 2019 (GLOBE NEWSWIRE) -- On August 19, 2019, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced results for the three and six months ended June 30, 2019:

Highlights from continuing operations of Second Quarter 2019, as compared to Second Quarter 2018:

- ⌋ Total revenue of \$4.9 million, an increase of 43% as compared to \$3.5 million during the same period of the prior year.
- ⌋ Asset management revenues of \$4.0 million, an increase of 36% compared to \$3.0 million during the same period of the prior year.
- ⌋ Revenue from real estate services of \$0.9 million, an increase of 82% compared to \$0.5 million during the same period of the prior year.
- ⌋ Loss before income tax benefit of \$0.09 million, a reduction of 47% compared to a loss of \$0.18 million during the same period of the prior year.

Highlights from continuing operations of First Half 2019, as compared to First Half 2018:

- ⌋ Total revenue of \$9.5 million, an increase of 42% as compared to \$6.7 million during the same period of the prior year.
- ⌋ Asset management revenues of \$7.9 million, an increase of 37% as compared to \$5.8 million during the same period of the prior year.
- ⌋ Revenue from real estate services of \$1.6 million, an increase of 73% as compared to \$0.9 million during the same period of the prior year.
- ⌋ Income before income tax benefit of \$0.35 million as compared to a loss before income tax benefit of \$0.008 million during the same period of the prior year.

Chairman and CEO, Christopher Clemente commented, "During the 2nd quarter we accomplished several important strategic initiatives, including our exit from the for-sale homebuilding, which will be deconsolidated from our financial statements commencing with Q3-2019, increasing revenues on multiple fronts, enhancing revenue opportunities through the update of our anchor Asset Management Agreement, launching our commercial property management division and advancing development and leasing on our ~7 million square foot mixed-use and transit-oriented anchor portfolio. The benefits of transforming our company from our previous focus on for-sale housing to commercial real estate development, asset management and real estate related services in one of the most active real estate corridors in one of the most important markets in the nation are beginning to be apparent with the results reported for this quarter. Our management team is committed to delivering results that demonstrate the value of Comstock's transformed operating platform and to driving results that will enhance shareholder value. I look forward to reporting on additional progress in future periods."

About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. ("CHCI") is a multi-faceted real estate development, asset management and real estate related services company that, since 1985, has designed, developed, constructed and managed several thousand residential units and millions of square feet of residential and mixed-use projects throughout the Washington, D.C. metropolitan market and in other key markets in the southeastern United States. In early 2018, CHCI announced it would wind-down its subsidiary for-sale homebuilding operation, and focus exclusively on commercial real estate investment, development, asset management and real estate related services. In early 2019, CHCI announced it had completed the transition of its operating platform. Anchoring the transition of CHCI is a long-term asset management agreement covering two of the largest transit-oriented, mixed-use developments in the Washington, D.C. area; Reston Station, a nearly 5 million square foot transit-oriented, mixed-use development in Reston, VA, and Loudoun Station, a nearly 2.5 million square foot transit-oriented, mixed-use development in Ashburn, VA, and additional development assets. Comstock's substantial experience in entitling, designing, developing, and managing a diverse range of properties including apartments, condominiums, mixed-use (residential and commercial) properties, large-scale commercial parking garages and infrastructure projects, has positioned Comstock as a premier developer and real estate asset manager. CHCI also provides development supply chain services, including environmental consulting, design and remediation services, as well as asset management services, including property management, development management, real estate brokerage, and capital markets services.

Comstock Holding Companies, Inc. is publicly traded on NASDAQ under the symbol CHCI. For more information, visit www.ComstockCompanies.com

Cautionary Statement Regarding Forward-Looking Statements

This release may include "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by use of words such as "anticipate," "believe," "estimate," "may," "intend," "expect," "will," "should," "seeks" or other similar expressions. Forward-looking statements are based largely on our expectations and involve inherent risks and uncertainties, many of which are beyond our control. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements. Additional information concerning important risk factors and uncertainties can be found under the heading "Risk Factors" in our latest Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Company:

Comstock Holding Companies, Inc.
Christopher Guthrie, 703-230-1292
Chief Financial Officer

Source: Comstock Holding Companies, Inc.

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,603	\$ 854
Trade receivables	905	973
Trade receivables - related parties	2,307	2,950
Fixed assets, net	221	221
Goodwill	1,702	1,702
Intangible assets, net	136	170
Lease right-of-use assets	142	—
Other assets, net	303	362
Assets of discontinued operations (Note 19)	20,667	27,868
TOTAL ASSETS	<u>\$ 27,986</u>	<u>\$ 35,100</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 1,946	\$ 2,776
Deferred revenue	625	1,875
Notes payable - secured, net of deferred financing charges	804	922
Notes payable - due to affiliates, unsecured, net of discount	4,984	4,903
Notes payable - unsecured, net of deferred financing charges	595	595
Lease liabilities	142	—
Liabilities of discontinued operations (Note 19)	11,877	17,399
TOTAL LIABILITIES	<u>20,973</u>	<u>28,470</u>
Commitments and contingencies (Note 10)		
STOCKHOLDERS' EQUITY		
Series C preferred stock \$0.01 par value, 20,000,000 and 3,000,000 shares authorized, 3,440,690 and 2,799,848 issued and outstanding and liquidation preference of \$17,203 and \$13,999 at June 30, 2019 and December 31, 2018, respectively	\$ 6,765	\$ 7,193
Class A common stock, \$0.01 par value, 59,779,750 and 11,038,071 shares authorized, 7,815,474 and 3,703,513 issued, and 7,729,904 and 3,617,943 outstanding at June 30, 2019 and December 31, 2018, respectively	78	37
Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at June 30, 2019 and December 31, 2018	2	2
Additional paid-in capital	197,333	180,673
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(194,503)	(194,319)
TOTAL COMSTOCK HOLDING COMPANIES, INC. EQUITY (DEFICIT)	<u>7,013</u>	<u>(9,076)</u>
Non-controlling interests	-	15,706
TOTAL EQUITY	<u>7,013</u>	<u>6,630</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 27,986</u>	<u>\$ 35,100</u>

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues				
Revenue—asset management	\$ 4,024	\$ 2,960	\$ 7,885	\$ 5,751
Revenue—real estate services	898	494	1,626	941
Total revenue	<u>4,922</u>	<u>3,454</u>	<u>9,511</u>	<u>6,692</u>
Expenses				
Cost of sales—asset management	3,514	2,606	6,831	5,147

Cost of sales—real estate services	909	676	1,403	853
Sales and marketing	—	5	—	5
General and administrative	477	368	781	728
Interest	132	24	166	48
Operating (loss) income	(110)	(225)	330	(89)
Other income, net	16	46	16	81
(Loss) income before income tax benefit	(94)	(179)	346	(8)
Income tax benefit	—	(495)	—	(495)
Net (loss) income from continuing operations	(94)	316	346	487
Net loss from discontinued operations, net of tax	(159)	(1,318)	(530)	(2,212)
Net loss	(253)	(1,002)	(184)	(1,725)
 (Loss) Income per share from continuing operations				
Basic net (loss) income per share	\$ (0.01)	\$ 0.08	\$ 0.07	\$ 0.13
Diluted net (loss) income per share	\$ (0.01)	\$ 0.08	\$ 0.06	\$ 0.13
Loss per share from discontinued operations				
Basic net loss per share	\$ (0.02)	\$ (0.35)	\$ (0.10)	\$ (0.60)
Diluted net loss per share	\$ (0.02)	\$ (0.35)	\$ (0.10)	\$ (0.60)
 Basic weighted average shares outstanding				
	6,634	3,759	5,242	3,684
Diluted weighted average shares outstanding (continuing operations)				
	6,634	3,975	5,420	3,826
Diluted weighted average shares outstanding (discontinued operations)				
	6,634	3,759	5,242	3,684