



# Comstock Holding Companies Reports Second Quarter 2021 Results

Asset Management Platform Driving Growth in Revenue, Earnings, and Balance Sheet

WASHINGTON, D.C. and RESTON, Va., Aug. 16, 2021 (GLOBE NEWSWIRE) -- On August 16, 2021, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced financial results for the three and six months ended June 30, 2021:

## Highlights of Second Quarter 2021:

- Net income increased by 850% to \$11.2 million during the second quarter 2021, as compared to \$1.2 million during the same period of the prior year
- Total revenue increased by 40% to \$6.3 million during the second quarter 2021, as compared to \$4.5 million during the same period of the prior year
- Cash and cash equivalents increased to \$10.2 million as of June 30, 2021, as compared to \$7.0 million as of December 31, 2020
- The significant increase in net income is attributable in part to deferred tax benefits realized in the current quarter as a result of the Company's demonstrated ability to generate consistent positive results over the past 3 years since refocusing its operating platform and expectations that current operations will continue to generate future income

## Highlights of First Half 2021:

- Net income increased by 880% to \$11.5 million during the first half 2021, as compared to \$1.2 million during the same period of the prior year
- Total revenue increased by 32% to \$13.2 million during the first half 2021, as compared to \$9.9 million during the same period of the prior year
- Cash and cash equivalents increased to \$10.2 million as of June 30, 2021, as compared to \$3.2 million as of June 30, 2020

"Comstock's results for the second quarter are driven by the strategy we adopted in early 2018 when we transformed our operating platform to focus on commercial real estate development, asset management and related services" said Christopher Clemente, Chairman and CEO of Comstock Holding Companies Inc. "Because of the consistency of our positive results over numerous quarters and the predictability provided by key asset management agreements, in Q2 Comstock met the criteria necessary to recover a portion of its previously discounted tax asset. I look forward to reporting on our continued progress on increasing assets under management and related revenue, and profitability which should result in the realization of additional portions of our tax asset in future periods."

## About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. ("Comstock" or "CHCI") is a developer, operator, and asset manager of mixed-use and transit-oriented development properties in the greater Washington, D.C. metropolitan area, where we focus primarily on select high-growth urban and transitioning "sub-urban" markets. We provide a broad range of real estate asset management services, including development and construction management services, leasing and property management services, debt and equity financing origination, and other real estate related services. Comstock's Anchor Portfolio includes two of the largest transit-oriented, mixed-use developments in the Washington, D.C. area, as detailed in our current Investor Presentation that is available on our website. Our customers primarily include private and institutional owners and investors in the real estate properties that we manage and various governmental bodies that have a vested interest in public-private partnerships responsible for the development of certain properties that we develop and manage. We also co-invest capital with our asset management clients and institutional real estate investors in stabilized office, retail, residential and mixed-use properties, retaining an economic interest while also providing management services to such institutional partnership ventures. Our acquisition of stabilized properties through institutional partnerships, coupled with the ongoing development and management of assets included in our Anchor Portfolio enable the Company to increase its assets under management and realize competitive advantages of scale while growing our revenue and enhancing our overall returns. The Company also provides additional fee-based real estate services, including capital markets, brokerage, and title insurance to properties in the Company's managed portfolio.

Comstock Holding Companies, Inc. is publicly traded on NASDAQ under the symbol CHCI. For more information, visit [www.ComstockCompanies.com](http://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

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

	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,205	\$ 7,032
Trade receivables	26	62
Trade receivables - related parties	3,038	3,568
Prepaid and other assets	265	215
Current assets held for sale	4,100	1,477
Total current assets	<u>17,634</u>	<u>12,354</u>
Deferred income taxes, net	11,310	—
Equity method investments at fair value	3,652	6,307
Fixed assets, net	188	170
Operating lease right-of-use assets	7,582	7,914
Long term assets held for sale	—	1,834
<b>TOTAL ASSETS</b>	<b><u>\$ 40,366</u></b>	<b><u>\$ 28,579</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accrued personnel costs	\$ 1,572	\$ 2,333
Accounts payable and accrued liabilities	664	854
Short term operating lease liabilities	592	569
Short term notes payable	48	5
Current liabilities held for sale	2,147	742
Total current liabilities	<u>5,023</u>	<u>4,503</u>
Long term notes payable - due to affiliates	5,500	5,500
Long term operating lease liabilities, net of current portion	7,059	7,361
<b>TOTAL LIABILITIES</b>	<b><u>\$ 17,582</u></b>	<b><u>\$ 17,364</u></b>
Commitments and contingencies (Note 9)		
<b>STOCKHOLDERS' EQUITY</b>		
Series C preferred stock \$0.01 par value, 20,000,000 shares authorized, 3,440,690 issued and outstanding and liquidation preference of \$17,203 at June 30, 2021 and December 31, 2020	\$ 6,765	\$ 6,765
Class A common stock, \$0.01 par value, 59,779,750 shares authorized, 8,093,778 and 7,953,729 issued, and 8,008,208 and 7,868,159 outstanding at June 30, 2021 and December 31, 2020, respectively	81	79
Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at June 30, 2021 and December 31, 2020	2	2
Additional paid-in capital	200,262	200,147
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(181,664)	(193,116)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>\$ 22,784</u></b>	<b><u>\$ 11,215</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 40,366</u></b>	<b><u>\$ 28,579</u></b>

**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,	
	2021	2020	2021	2020
Revenues	\$ 6,324	\$ 4,505	\$ 13,164	\$ 9,939

Operating expenses				
Direct costs	5,502	3,213	11,580	7,849
General and administrative	322	390	631	707
Sales and marketing	8	1	18	1
Operating income	492	901	935	1,382
Interest expense	(58)	(77)	(116)	(226)
Other income, net	29	28	18	25
Income from continuing operations before income tax	463	852	837	1,181
Income tax benefit (expense)	11,316	(13)	11,314	(14)
Loss on equity method investments carried at fair value	(131)	(41)	(112)	(88)
Income from continuing operations	11,648	798	12,039	1,079
Income (loss) from discontinued operations, net of taxes	(443)	382	(587)	89
Net income	<u>\$ 11,205</u>	<u>\$ 1,180</u>	<u>\$ 11,452</u>	<u>\$ 1,168</u>
Income (loss) per share				
Basic:				
Continuing operations	\$ 1.42	\$ 0.10	\$ 1.47	\$ 0.13
Discontinued operations	\$ (0.05)	\$ 0.05	\$ (0.07)	\$ 0.01
Income (loss) per share				
Diluted:				
Continuing operations	\$ 1.29	\$ 0.10	\$ 1.34	\$ 0.13
Discontinued operations	\$ (0.05)	\$ 0.05	\$ (0.07)	\$ 0.01
Basic weighted average shares outstanding	8,215	8,056	8,191	8,003
Diluted weighted average shares outstanding	9,061	8,348	9,014	8,294