

Comstock Holding Companies Reports Third Quarter 2021 Results

WASHINGTON, D.C. and RESTON, Va., Nov. 15, 2021 (GLOBE NEWSWIRE) -- On November 15, 2021, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced financial results for the three and nine months ended September 30, 2021:

Highlights of Third Quarter 2021, as compared to Third Quarter 2020:

- ▮ Total revenue from continuing operations increased by 73% to \$10.2 million during the third quarter 2021, as compared to \$5.9 million during the same period of the prior year.
- ▮ Operating income from continuing operations increased by 525% to \$3.1 million during the third quarter 2021, as compared to \$0.5 million during the same period of the prior year.
- ▮ Net income increased by 590% to \$2.9 million during the third quarter 2021, as compared to \$0.4 million during the same period of the prior year.

Highlights of nine months ended September 30, 2021, as compared to nine months ended September 30, 2020:

- ▮ Total revenue from continuing operations increased by 47% to \$23.3 million during the nine months ended September 30, 2021, as compared to \$15.8 million during the same period of the prior year.
- ▮ Operating income from continuing operations increased by 116% to \$4.1 million during the nine months ended September 30, 2021, as compared to \$1.9 million during the same period of the prior year.
- ▮ Net income increased by 803% to \$14.4 million during the nine months ended September 30, 2021, as compared to \$1.6 million during the same period of the prior year.

"Comstock's results this quarter further demonstrate the benefits of our asset-light, revenue generating strategy that is designed to provide above average return on invested capital with minimal exposure to market risks," said Christopher Clemente, Chairman and CEO of Comstock Holding Companies, Inc. "I am confident that our experienced management team, our vertically integrated operating platform, and our market leading portfolio of strategically located transit-oriented assets in one of America's best real estate markets positions Comstock well to continue delivering positive results. I look forward to reporting on our continued progress in coming periods."

About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. ("Comstock") is a real estate investor, developer, operator, asset manager and real estate services company that, since 1985 has developed, constructed, acquired and managed several thousand residential units and millions of square feet of residential and mixed-use properties throughout the Washington, D.C. region and other markets in the southeastern United States.

Comstock is at the forefront of the urban transformation of Washington, DC's Dulles Corridor, where its managed portfolio includes two of the largest transit-oriented, mixed-use developments in the Washington, D.C. area, Reston Station and Loudoun Station. Comprised of more than 3 million square feet of stabilized residential, retail and office properties and an additional approximately 4 million square feet of current and planned development, Comstock is a market leader in one of the best real estate markets in the nation.

In addition to its highly sought-after transit-oriented and mixed-use developments, Comstock acquires stabilized properties in partnership with institutional and high net worth real estate investors. Such ventures generally rely on Comstock's vertically integrated real estate services and asset management platform pursuant to long-term asset management contracts that provide the company co-investment opportunities, current period income and performance-based incentives.

Comstock Holding Companies, Inc. is publicly traded on NASDAQ under 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.

	September 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and restricted cash	\$ 9,054	\$ 7,032
Trade receivables	14	62
Trade receivables - related parties	4,604	3,568
Prepaid and other assets	342	215
Deposit for acquisition	3,526	—
Current assets held for sale	3,374	1,477
Total current assets	20,914	12,354
Deferred income taxes, net	11,310	—
Equity method investments at fair value	3,168	6,307
Fixed assets, net	196	170
Operating lease right-of-use assets	7,415	7,914
Long term assets held for sale	—	1,834
TOTAL ASSETS	<u>\$ 43,003</u>	<u>\$ 28,579</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued personnel costs	\$ 2,320	\$ 2,333
Accounts payable and accrued liabilities	533	854
Short term operating lease liabilities	604	569
Short term notes payable	12	5
Current liabilities held for sale	1,260	742
Total current liabilities	4,729	4,503
Long term notes payable - due to affiliates	5,500	5,500
Long term operating lease liabilities, net of current portion	6,905	7,361
TOTAL LIABILITIES	<u>\$ 17,134</u>	<u>\$ 17,364</u>
Commitments and contingencies (Note 9)		
STOCKHOLDERS' EQUITY		
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 September 30, 2021 and December 31, 2020	\$ 6,765	\$ 6,765
Class A common stock, \$0.01 par value, 59,779,750 shares authorized, 8,100,693 and 7,953,729 issued, and 8,015,123 and 7,868,159 outstanding at September 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 September 30, 2021 and December 31, 2020	2	2
Additional paid-in capital	200,427	200,147
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(178,744)	(193,116)
TOTAL STOCKHOLDERS' EQUITY	<u>\$ 25,869</u>	<u>\$ 11,215</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 43,003</u>	<u>\$ 28,579</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues	\$ 10,164	\$ 5,891	\$ 23,328	\$ 15,829
Operating expenses				
Direct costs	6,695	5,066	18,275	12,915
General and administrative	329	323	960	1,029
Sales and marketing	3	—	21	1

Operating income	3,137	502	4,072	1,884
Interest expense	(60)	(60)	(176)	(286)
Other income, net	61	5	79	30
Income from continuing operations before income tax	3,138	447	3,975	1,628
Income tax benefit (expense)	(25)	(1)	11,289	(15)
Loss on equity method investments carried at fair value	(56)	(46)	(168)	(134)
Income from continuing operations	3,057	400	15,096	1,479
Income (loss) from discontinued operations, net of taxes	(137)	23	(724)	112
Net income	<u>\$ 2,920</u>	<u>\$ 423</u>	<u>\$ 14,372</u>	<u>\$ 1,591</u>

Income (loss) per share

Basic:				
Continuing operations	\$ 0.37	\$ 0.05	\$ 1.84	\$ 0.18
Discontinued operations	\$ (0.02)	\$ —	\$ (0.09)	\$ 0.01

Income (loss) per share

Diluted:				
Continuing operations	\$ 0.34	\$ 0.05	\$ 1.67	\$ 0.18
Discontinued operations	\$ (0.02)	\$ —	\$ (0.08)	\$ 0.01

Basic weighted average shares outstanding	8,234	8,078	8,205	8,046
Diluted weighted average shares outstanding	9,072	8,579	9,030	8,415