

## Comstock Holding Companies Reports First Quarter 2020 Results

5/29/2020

Revenue Growth Driven by Asset Management and Real Estate Related Services

WASHINGTON and RESTON, Va., May 29, 2020 (GLOBE NEWSWIRE) -- On May 28, 2020, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced results for the three months ended March 31, 2020:

Highlights of First Quarter 2020, as compared to First Quarter 2019:

- Total revenue increased by 43% to \$7.0 million during the first quarter 2020, as compared to \$4.9 million during the same period of the prior year.
- Revenue from asset management operations increased by 31% to \$5.4 million during the first quarter 2020, as compared to \$4.2 million during the same period of the prior year.
- Revenue from real estate services increased by 110% to \$1.5 million during the first quarter 2020, compared to \$0.7 million during the same period of the prior year.
- Operating income of \$0.2 million resulting in approximately break-even net income during the first quarter 2020, as compared to \$0.4 million operating income and \$0.1 million net income during the same period of the prior year.
- Assets under management ("AUM") increased during the first quarter 2020 as a result of the addition of an approximately 140,000 square foot office building to the Anchor Portfolio.
- The Company secured a \$10 million revolving capital line of credit, with a portion of the proceeds used shortly after the end of the first quarter to retire 100% of the Company's 10% corporate debt obligation scheduled to mature in 2020, while enhancing the Company's ability to pursue strategic acquisitions and new revenue opportunities.

"In response to the Covid-19 pandemic, Comstock has taken multiple steps in an effort to ensure the safety of our workforce, construction subcontractors, residential and commercial tenants, and visitors to all of the properties

that Comstock develops and manages," said Christopher Clemente, Chairman and CEO of Comstock Holding Companies Inc. "In addition to implementing several safety protocols recommended by the CDC, we have also expanded service offerings of our subsidiary, Comstock Environmental Services, LLC, to include Covid-19 emergency response and remediation services. While the long-term impacts of the pandemic on real estate are still unclear, the financial performance of our AUM properties to date and the stability provided by long-term agreements related to our Anchor Portfolio, gives me confidence that Comstock is well positioned to continue expanding its assets under management, increasing revenue, and delivering positive results. I look forward to speaking directly to our shareholders at our June 17th annual meeting and to reporting on our continued progress in future periods."

About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. (Nasdaq: CHCI) is a real estate development, asset management and real estate services company that 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 since 1985. In 2019, Comstock completed the disposition of its for-sale homebuilding operation to focus exclusively on commercial real estate investment, development, asset management and real estate related services. Anchoring CHCI's transition 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 and mixed-use development in Reston, Virginia, and Loudoun Station, a nearly 2.5 million square foot transit-oriented, mixed-use development in Ashburn, Virginia, and additional development assets. Comstock has significant experience with 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.

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

Source: Comstock Holding Companies, Inc.

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

	March 31, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7,180	\$ 3,511
Trade receivables	1,510	1,886
Trade receivables - related parties	3,336	3,644
Prepaid and other assets, net	408	274
Total current assets	12,434	9,315
Equity method investments at fair value	8,230	8,421
Fixed assets, net	239	278
Goodwill	1,702	1,702
Intangible assets, net	86	103
Operating lease right-of-use assets	99	114
<b>TOTAL ASSETS</b>	<b>\$ 22,790</b>	<b>\$ 19,933</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accrued personnel costs	\$ 458	\$ 2,916
Accounts payable	593	1,438
Accrued liabilities	601	166
Short term notes payable - due to affiliates, net of discount	5,730	5,706
Short term operating lease liabilities	49	—
Short term notes payable	104	77
Total current liabilities	7,535	10,303
Long term notes payable - due to affiliates	5,500	—
Long term notes payable - net of deferred financing charges	1,158	1,212
Long term operating lease liabilities, net of current portion	50	61
<b>TOTAL LIABILITIES</b>	<b>14,243</b>	<b>11,576</b>
Commitments and contingencies		
<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 March 31, 2020 and December 31, 2019	\$ 6,765	\$ 6,765
Class A common stock, \$0.01 par value, 59,779,750 shares authorized, 7,897,100 and 7,849,756 issued, and 7,811,530 and 7,764,186 outstanding at March 31, 2020 and December 31, 2019, respectively	79	78
Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at March 31, 2020 and December 31, 2019	2	2
Additional paid-in capital	199,573	199,372
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)

Accumulated deficit	(195,210	)	(195,198	)
TOTAL COMSTOCK HOLDING COMPANIES, INC. EQUITY	8,547		8,357	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 22,790		\$ 19,933	

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

	Three Months Ended March 31, 2020		2019	
Revenues				
Revenue—asset management	\$ 5,435		\$ 4,154	
Revenue—real estate services	1,531		728	
Total revenue	6,966		4,882	
Expenses				
Direct costs - asset management	4,632		3,667	
Direct costs - real estate services	1,381		494	
General and administrative	598		304	
Selling and Marketing	164		—	
Operating income	191		417	
Other income, net	9		57	
Interest expense	(164	)	(18	)
Loss on equity method investments carried at fair value	(47	)	—	)
(Loss) income before income tax expense	(11	)	456	
Income tax expense	1		—	
Net (loss) income from continuing operations	(12	)	456	
Net loss from discontinued operations, net of tax	—		(371	)
Net (loss) income	(12	)	85	
(Loss) income per share from continuing operations				
Basic net income per share	\$ (0.00	)	\$ 0.12	
Diluted net income per share	\$ (0.00	)	\$ 0.12	
Loss per share from discontinued operations				
Basic net loss per share	—		\$ (0.10	)
Diluted net loss per share	—		\$ (0.10	)
Basic weighted average shares outstanding	8,003		3,850	
Diluted weighted average shares outstanding (continuing operations)	8,003		3,965	
Diluted weighted average shares outstanding (discontinued operations)	—		3,850	

**COMSTOCK**

Source: Comstock Holding Companies, Inc.