

Comstock Holding Companies Reports First Quarter 2021 Results

5/17/2021

WASHINGTON and RESTON, Va., May 17, 2021 (GLOBE NEWSWIRE) -- Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced financial results for the three months ended March 31, 2021:

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

- Total revenue increased by 19% to \$8.3 million during the first quarter 2021, as compared to \$7.0 million during the same period of the prior year.
- Revenue from asset management operations increased by 26% to \$6.8 million during the first quarter 2021, as compared to \$5.4 million during the same period of the prior year.
- Operating income increased by 57% to \$300 thousand during the first quarter 2021, as compared to \$191 thousand during the same period of the prior year.
- Net income increased to \$250 thousand during the first quarter 2021, as compared to a net loss of \$10 thousand during the same period of the prior year.

"As detailed in my recent Letter to Fellow Shareholders, Comstock entered 2021 well positioned to build upon our accomplishments during the last few years and to continue our pattern of growth in key areas of earnings and assets under management," said Christopher Clemente, Chairman and CEO of Comstock Holding Companies, Inc. "Thanks to the success of unprecedented initiatives of the federal government and the biomedical industry in 2020 to develop and mass produce effective Covid-19 vaccines, as well as the tremendous efforts of the medical industry to contain the virus, we are seeing increased leasing activity across our portfolio as companies start planning for their return to offices and communities seek a return to normalcy. As a result, I have every reason to believe that 2021 will be another year of growth for Comstock."

Company highlights:

- Assets Under Management (“AUM”) expanded to include more than 3 million square feet of stabilized assets, including newly built residential assets developed by the Company and stabilized commercial assets acquired by affiliates of the Company and added to its Anchor Portfolio.
- The Company’s initiative to acquire and manage additional assets through institutional ventures was launched with an acquisition of a commercial property in Arlington County’s premier mixed-use and transit-oriented employment corridor, the Rosslyn-Ballston Corridor.
- The Company has positioned itself to pursue additional growth opportunities given its available cash and capacity under its line of credit.
- The Company secured approvals for significant portions of its development pipeline, which positioned it to commence development of the next phase of its Reston Station project in early 2021.
- The Company’s subsidiary, Comstock Commercial Management, LC, increased leasing of its office and retail portfolio while Company subsidiary, Comstock Residential Management, LC, increased leasing occupancy of the stabilized residential properties in its portfolio.
- The Company’s subsidiary, Park X Management, LC, expanded operations with the opening of four new parking garages included in its Anchor Portfolio while also positioning it to generate additional revenue from executing management agreements with unaffiliated third-party garage owners in early 2021.

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. 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. CHCI’s managed portfolio includes two of the largest transit-oriented, mixed-use developments in the Washington, D.C. area; Reston Station, a five 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, as well as other additional development assets. We also invest capital on behalf of our asset management clients and institutional real estate investors in office, retail, residential and mixed-use properties, generally retaining an economic interest for the Company and providing management services to those properties, thereby enabling the Company to increase its assets under



management in order to realize competitive advantages of scale and enhance our overall returns. The Company also provides additional fee-based real estate services, including corporate planning, capital markets, brokerage, title insurance, design, and environmental consulting and engineering services, to properties in the Company's managed portfolio and to other clients in the U.S. Mid-Atlantic Region.

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)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		

Cash and cash equivalents	\$ 6,657	\$ 7,032
Trade receivables, net	1,437	1,482
Trade receivables - related parties	4,922	3,598
Prepaid and other assets, net	327	242
Total current assets	<u>13,343</u>	<u>12,354</u>
Equity method investments at fair value	4,665	6,307
Fixed assets, net	242	266
Goodwill	1,702	1,702
Operating lease right-of-use assets	7,749	7,914
Intangible assets, net	19	36
TOTAL ASSETS	<u>\$ 27,720</u>	<u>\$ 28,579</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued personnel costs	\$ 961	\$ 2,442
Accounts payable	692	523
Accrued liabilities	1,221	964
Short term operating lease liabilities	581	569
Short term notes payable	96	5
Total current liabilities	<u>3,551</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	7,211	7,361
TOTAL LIABILITIES	<u>\$ 16,262</u>	<u>\$ 17,364</u>
Commitments and contingencies		
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 March 31, 2021 and December 31, 2020	\$ 6,765	\$ 6,765
Class A common stock, \$0.01 par value, 59,779,750 shares authorized, 8,057,989 and 7,953,729 issued, and 7,972,419 and 7,868,159 outstanding at March 31, 2021 and December 31, 2020, respectively	81	79
Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at March 31, 2021 and December 31, 2020	2	2
Additional paid-in capital	200,141	200,147
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(192,869)	(193,116)
TOTAL COMSTOCK HOLDING COMPANIES, INC. EQUITY	<u>\$ 11,458</u>	<u>\$ 11,215</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 27,720</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 March 31,	
	2021	2020
Revenues		
Asset management	\$ 6,840	\$ 5,435
Real estate services	1,477	1,531
Total revenue	<u>8,317</u>	<u>6,966</u>
Operating expenses		
Direct costs - asset management	6,078	4,632
Direct costs - real estate services	1,087	1,216
General and administrative	694	727
Sales and marketing	158	200
Operating income	<u>300</u>	<u>191</u>
Interest expense	(58)	(164)
Other (loss) income, net	(11)	9
Income before income tax expense	<u>231</u>	<u>36</u>
Income tax expense	(2)	(1)
Gain (loss) on equity method investments carried at fair value	18	(47)
Net income (loss)	<u>\$ 247</u>	<u>\$ (12)</u>
Income (loss) per share		
Basic net income (loss) per share	\$ 0.03	\$ —
Diluted net income (loss) per share	\$ 0.03	\$ —
Basic weighted average shares outstanding	8,166	8,003

Diluted weighted average shares outstanding

8,977

8,003

COMSTOCK

Source: Comstock Holding Companies, Inc.

