

## Comstock Holding Companies Reports Second Quarter 2020 Results

8/17/2020

WASHINGTON and RESTON, Va., Aug. 17, 2020 (GLOBE NEWSWIRE) -- On August 14, 2020, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced results for the three and six months ended June 30, 2020:

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

- Net income increased to \$1.2 million during the second quarter 2020, as compared to a net loss of \$0.2 million during the same period of the prior year.
- Total revenue increased by 21% to \$6.5 million during the second quarter 2020, as compared to \$5.3 million during the same period of the prior year.
- Revenue from asset management operations decreased by 7% to \$4.1 million during the second quarter 2020, as compared to \$4.4 million during the same period of the prior year, due to cost reductions resulting from receipt of financing proceeds received under the CARES Act.
- Revenue from real estate services increased by 159% to \$2.3 million during the second quarter 2020, compared to \$0.9 million during the same period of the prior year.
- Operating income increased to \$1.3 million during the second quarter 2020, as compared to approximately breakeven operating income during the same period of the prior year.

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

- Net income increased to \$1.2 million during the first half 2020, as compared to a net loss of \$0.2 million during the same period of the prior year.
- Total revenue increased by 31% to \$13.4 million during the first half 2020, as compared to \$10.2 million during the same period of the prior year.
- Revenue from asset management operations increased by 11% to \$9.6 million during the first half 2020, as

compared to \$8.6 million during the same period of the prior year.

- Revenue from real estate services increased by 137% to \$3.9 million during the first half 2020, compared to \$1.6 million during the same period of the prior year.
- Operating income increased by 248% to \$1.5 million during the first half 2020, as compared to \$0.4 million during the same period of the prior year.

"We continue to monitor the impact of the Covid-19 pandemic on the real estate market and implement the latest risk mitigation protocols recommended by the CDC and OSHA to ensure the safety of our workforce, construction crews, residential and commercial tenants, and visitors to all properties Comstock develops and manages," said Christopher Clemente, Chairman and CEO of Comstock Holding Companies Inc. "I am pleased to report that to date, the financial performance of our AUM properties gives me confidence that we are well positioned to weather the pandemic storm. Our ability to grow the top and bottom lines during the second quarter and first half of 2020 demonstrates the financial stability provided by our long-term asset management agreements, the quality of our portfolio assets and the continued demand for such properties, as well as the commitment of our team to producing positive results. I look forward to reporting on our continued progress in future periods."

About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. (Nasdaq: CHCI) is a leading 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 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 entitling, designing, developing, and managing a diverse range of properties including mixed-use (commercial and residential) properties, hotels, apartments, condominiums, and large-scale infrastructure projects, including commercial parking garages serving Metro commuters.

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)

	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,143	\$ 3,511
Trade receivables	1,927	1,886
Trade receivables - related parties	2,995	3,644
Prepaid and other assets, net	348	274
Total current assets	8,413	9,315
Equity method investments at fair value	7,616	8,421
Fixed assets, net	259	278
Goodwill	1,702	1,702
Intangible assets, net	70	103
Operating lease right-of-use assets	85	114
<b>TOTAL ASSETS</b>	<b>\$ 18,145</b>	<b>\$ 19,933</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accrued personnel costs	\$ 666	\$ 2,916
Accounts payable	806	1,438
Accrued liabilities	566	166
Short term notes payable - due to affiliates, net of discount	—	5,706
Short term notes payable	87	77
Total current liabilities	2,125	10,303
Long term notes payable - due to affiliates	5,519	—
Long term notes payable - net of deferred financing charges	545	1,212
Long term operating lease liabilities, net of current portion	35	61
<b>TOTAL LIABILITIES</b>	<b>\$ 8,224</b>	<b>\$ 11,576</b>

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 June 30, 2020 and December 31, 2019	\$ 6,765		\$ 6,765
Class A common stock, \$0.01 par value, 59,779,750 shares authorized, 7,941,776 and 7,849,756 issued, and 7,856,206 and 7,764,186 outstanding at June 30, 2020 and December 31, 2019, respectively	79		78
Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at June 30, 2020 and December 31, 2019	2		2
Additional paid-in capital	199,767		199,372
Treasury stock, at cost (85,570 shares Class A common stock)	(2,662 )		(2,662 )
Accumulated deficit	(194,030)		(195,198 )
TOTAL COMSTOCK HOLDING COMPANIES, INC. EQUITY	\$ 9,921		\$ 8,357
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 18,145		\$ 19,933

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,	
	2020	2019	2020	2019
Revenues				
Revenue—asset management	\$ 4,140	\$ 4,439	\$ 9,575	\$ 8,593
Revenue—real estate services	2,324	898	3,855	1,626
Total revenue	6,464	5,337	13,430	10,219
Expenses				
Direct costs - asset management	3,217	3,940	7,849	7,607
Direct costs - real estate services	1,098	909	2,479	1,403
General and administrative	634	477	1,232	781
Selling and Marketing	216	—	380	—
Operating income	1,299	11	1,490	428
Other income, net	28	27	37	84
Interest expense	(93 )	(116 )	(257 )	(134 )
Income (loss) before income tax expense	1,234	(78 )	1,270	378
Income tax expense	13	—	14	—
Loss on equity method investments carried at fair value	(41 )	—	(88 )	—
Net income (loss) from continuing operations	1,180	(78 )	1,168	378
Net loss from discontinued operations, net of tax	—	(159 )	—	(530 )
Net income (loss)	\$ 1,180	\$ (237 )	\$ 1,168	\$ (152 )
Income (loss) per share from continuing operations				
Basic net income (loss) per share	\$ 0.15	\$ (0.01 )	\$ 0.15	\$ 0.07
Diluted net income (loss) per share	\$ 0.14	\$ (0.01 )	\$ 0.14	\$ 0.07
Loss per share from discontinued operations				
Basic net loss per share	\$ —	\$ (0.02 )	\$ —	\$ (0.10 )
Diluted net loss per share	\$ —	\$ (0.02 )	\$ —	\$ (0.10 )
Basic weighted average shares outstanding	8,056	6,634	8,030	5,242
Diluted weighted average shares outstanding (continuing operations)	8,348	6,634	8,294	5,420
Diluted weighted average shares outstanding (discontinued operations)	—	6,634	—	5,242

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Source: Comstock Holding Companies, Inc.