
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 16, 2022**

Comstock Holding Companies, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

1-32375
(Commission File Number)

20-1164345
(IRS Employer
Identification No.)

1900 Reston Metro Plaza, 10TH Floor
Reston, Virginia 20190
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(703) 230-1985**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Class A Common Stock, par value \$0.01 | CHCI | NASDAQ Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On May 16, 2022, Comstock Companies, Inc. (the “Company”) issued a press release providing information regarding earnings for the three months ended March 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

The information including Exhibit 99.1 in Item 2.02 of this Form 8-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Form 8-K shall not be incorporated by reference into any filing under the Securities Act of 1933, except as shall otherwise be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description |
|-----------------------|--|
| 99.1 | Comstock Holding Companies, Inc. press release, dated May 16, 2022 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COMSTOCK HOLDING COMPANIES, INC.

Date: May 16, 2022

By: /s/ CHRISTOPHER CLEMENTE

Christopher Clemente
Chairman and Chief Executive Officer

COMSTOCK

Comstock Reports First Quarter 2022 Results

- Revenue increased 28% to \$8.7 million in Q1 2022 vs. \$6.8 million in Q1 2021
- Net income from continuing operations of \$2.0 million in Q1 2022 vs. \$0.4 million in Q1 2021
- Adjusted EBITDA increased \$1.0 million to \$1.6 million in Q1 2022 vs. \$0.6 million in Q1 2021

RESTON, Va. — May 16, 2022 — [Comstock Holding Companies, Inc.](#) (Nasdaq: CHCI) (“Comstock” or the “Company”) announced financial results for the three months ended March 31, 2022.

“Our first quarter performance continues our trend of delivering positive results, demonstrating the strength of our Anchor Portfolio and reliability of our vertically-integrated operating and investment platform,” said Christopher Clemente, Comstock’s Chairman and Chief Executive Officer. “First quarter highlights include the further expansion of our BLVD-branded residential portfolio and the divestiture of our Pennsylvania-based environmental consulting business, allowing us to focus on our rapidly growing core asset management and investment platforms in one of the nation’s most active markets. We are well-positioned to continue to benefit from the ‘flight-to-quality’ trend that has recently turned net absorption of office space positive, also increasing residential occupancy and rents. Strong demand for our portfolio of mixed-use and transit-oriented assets gives me confidence that our market position will contribute to our continued success in future periods.”

Key Performance Metrics¹

(\$ in thousands, except per share data)

| | Q1 2022 | Q1 2021 |
|------------------------------------|----------|----------|
| Revenue | \$ 8,731 | \$ 6,840 |
| Income from operations | \$ 1,365 | \$ 443 |
| Net income | 2,014 | 390 |
| Adjusted EBITDA | \$ 1,606 | \$ 617 |
| Net income per share — diluted | \$ 0.22 | \$ 0.05 |
| Managed Portfolio - # of assets | 36 | 26 |

¹ All amounts represent continuing operations. Please see the included financial tables for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure

Q1 2022 Highlights

- Completed joint venture acquisition of *The Ansel*, a 250-unit luxury high-rise apartment building at Metro’s Rockville Station in Rockville, Maryland; rebranded as BLVD Ansel, and along with adjacent BLVD Forty Four, positions Comstock as the leading provider in the Rockville Town Center neighborhood.
- Completed the divestiture of Comstock Environmental Services (“CES”) line of business through March 31, 2022 sale to August Mack Environmental, Inc. for approximately \$1.4 million of total consideration.

- Executed more than 100,000 square feet of leasing activity on our managed portfolio.
- \$0.5 million tax benefit from partial net operating loss valuation allowance release.

About Comstock

Comstock is a leading developer and manager of mixed-use and transit-oriented properties in the Washington, D.C. metropolitan area. As a vertically integrated and multi-faceted asset management and real estate services company, Comstock has designed, developed, constructed, acquired, and managed thousands of residential units and millions of square feet of commercial and mixed-use properties in since 1985, and has been selected by multiple jurisdictions as Master Developer of Public-Private Partnerships responsible for development of some of the largest transit-oriented developments in the Washington, D.C. region. Comstock provides a wide array of real estate-related services that include asset management, strategic capital markets advisory services, development and construction management, marketing and leasing services, office and retail property management, residential property management, and commercial garage management. Comstock is publicly traded on Nasdaq under the ticker symbol CHCI. For more information, please visit: 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.

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COMSTOCK HOLDING COMPANIES, INC.
Consolidated Balance Sheets
(Unaudited; In thousands, except per share data)

| | March 31, 2022 | December 31, 2021 |
|---|-------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 11,560 | \$ 15,823 |
| Accounts receivable | 802 | 46 |
| Accounts receivable - related parties | 2,505 | 1,697 |
| Prepaid expenses and other current assets | 415 | 197 |
| Current assets held for sale | — | 2,313 |
| Total current assets | 15,282 | 20,076 |
| Fixed assets, net | 389 | 264 |
| Leasehold improvements, net | 119 | — |
| Investments in real estate ventures | 7,490 | 4,702 |
| Operating lease assets | 7,161 | 7,245 |
| Deferred income taxes, net | 11,766 | 11,300 |
| Other assets | 90 | 15 |
| Total assets | \$ 42,297 | \$ 43,602 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accrued personnel costs | \$ 1,394 | \$ 3,468 |
| Accounts payable and accrued liabilities | 1,104 | 783 |
| Current operating lease liabilities | 667 | 616 |
| Current liabilities held for sale | — | 1,194 |
| Total current liabilities | 3,165 | 6,061 |
| Credit facility - due to affiliates | 5,500 | 5,500 |
| Operating lease liabilities | 6,744 | 6,745 |
| Total liabilities | 15,409 | 18,306 |
| Commitments and contingencies (Note 7) | | |
| Stockholders' equity: | | |
| Series C preferred stock; \$0.01 par value; aggregate liquidation preference of \$17,203; 20,000 shares authorized; 3,441 issued and outstanding as of March 31, 2022 and December 31, 2021 | 6,765 | 6,765 |
| Class A common stock; \$0.01 par value; 59,780 shares authorized; 8,232 issued and 8,146 outstanding as of March 31, 2022; 8,102 issued and 8,017 outstanding as of December 31, 2021 | 82 | 81 |
| Class B common stock; \$0.01 par value; 220 shares authorized, issued, and outstanding as of March 31, 2022 and December 31, 2021 | 2 | 2 |
| Additional paid-in capital | 200,461 | 200,617 |
| Treasury stock, at cost (86 shares of Class A common stock) | (2,662) | (2,662) |
| Accumulated deficit | (177,760) | (179,507) |
| Total stockholders' equity | 26,888 | 25,296 |
| Total liabilities and stockholders' equity | \$ 42,297 | \$ 43,602 |

COMSTOCK HOLDING COMPANIES, INC.
Consolidated Statements of Operations
(Unaudited; In thousands, except per share data)

| | Three Months Ended March 31, | |
|--|-------------------------------------|----------------|
| | 2022 | 2021 |
| Revenue | \$ 8,731 | \$ 6,840 |
| Operating costs and expenses: | | |
| Cost of revenue | 6,935 | 6,078 |
| Selling, general, and administrative | 387 | 299 |
| Depreciation and amortization | 44 | 20 |
| Total operating costs and expenses | <u>7,366</u> | <u>6,397</u> |
| Income (loss) from operations | 1,365 | 443 |
| Other income (expense) | | |
| Interest expense | (59) | (58) |
| Gain (loss) on real estate ventures | 252 | 6 |
| Other income (expense), net | — | 1 |
| Income (loss) from continuing operations before income tax | 1,558 | 392 |
| Provision for (benefit from) income tax | (456) | 2 |
| Net income (loss) from continuing operations | 2,014 | 390 |
| Net income (loss) from discontinued operations, net of tax | (267) | (143) |
| Net income (loss) | <u>\$ 1,747</u> | <u>\$ 247</u> |
| Weighted-average common stock outstanding: | | |
| Basic | 8,340 | 8,166 |
| Diluted | 8,974 | 8,997 |
| Net income (loss) per share: | | |
| Basic - Continuing operations | \$ 0.24 | \$ 0.05 |
| Basic - Discontinued operations | (0.03) | (0.02) |
| Basic net income (loss) per share | <u>\$ 0.21</u> | <u>\$ 0.03</u> |
| Diluted - Continuing operations | \$ 0.22 | \$ 0.05 |
| Diluted - Discontinued operations | (0.03) | (0.02) |
| Diluted net income (loss) per share | <u>\$ 0.19</u> | <u>\$ 0.03</u> |

COMSTOCK HOLDING COMPANIES, INC.
Non-GAAP Financial Measures
(Unaudited; In thousands)

Adjusted EBITDA

The following table presents a reconciliation of net income (loss) from continuing operations, the most directly comparable financial measure as measured in accordance with GAAP, to Adjusted EBITDA:

| | Three Months Ended March 31, | |
|--|-------------------------------------|---------------|
| | 2022 | 2021 |
| Net income (loss) from continuing operations | \$ 2,014 | \$ 390 |
| Interest expense, net | 59 | 58 |
| Income taxes | (456) | 2 |
| Depreciation and amortization | 44 | 20 |
| Stock-based compensation | 197 | 153 |
| (Gain) loss on equity method investments | (252) | (6) |
| Adjusted EBITDA | \$ 1,606 | \$ 617 |

We define Adjusted EBITDA as net income (loss) from continuing operations, excluding the impact of interest expense (net of interest income), income taxes, depreciation and amortization, stock-based compensation, and gain or loss on equity method investments.

We use Adjusted EBITDA to evaluate financial performance, analyze the underlying trends in our business and establish operational goals and forecasts that are used when allocating resources. We expect to compute Adjusted EBITDA consistently using the same methods each period.

We believe Adjusted EBITDA is a useful measure because it permits investors to better understand changes over comparative periods by providing financial results that are unaffected by certain non-cash items that are not considered by management to be indicative of our operational performance.

While we believe that Adjusted EBITDA is useful to investors when evaluating our business, it is not prepared and presented in accordance with GAAP, and therefore should be considered supplemental in nature. Adjusted EBITDA should not be considered in isolation, or as a substitute, for other financial performance measures presented in accordance with GAAP. Adjusted EBITDA may differ from similarly titled measures presented by other companies.