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): August 6, 2021

HC2 HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-35210	54-1708481
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

295 Madison Avenue, 12th Floor New York, NY	10017
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 235-2690

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 (see General Instruction A.2. below):

☐ 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	Name of each exchange on which registered
Common Stock, par value $0.001 per share	HCHC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 August 6, 2021, HC2 Holdings, Inc. (the "Company") issued a press release setting forth its results for the three and six months ended June 30, 2021 (the "Earnings Release") and posted the HC2 Holdings, Inc. Second Quarter 2021 Conference Call investor presentation to its Investor Relations section of the Company's website at http://www.hc2.com.

A copy of the Earnings Release and the investor presentation are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

As previously announced, the Company will conduct a conference call today, Friday, August 6, 2021 at 8:30 a.m. The presentation slides to be used during the call, attached hereto as Exhibit 99.2, will be available on the "Investor Relations" section of the Company's website (http://www.hc2.com) immediately prior to the call. The conference call and the presentation slides will be simultaneously webcast on the "Investor Relations" section of the Company's website beginning at 8:30 a.m. ET on Friday, August 6, 2021. The information contained in, or that can be accessed through the Company's website is not a part of this filing.

The information set forth in (and incorporated by reference into) this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section. The information in this Item 7.01, including Exhibit 99.2, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

d. Exhibits

Exhibit No.	Description
99.1	Press Release of HC2 Holdings, Inc., dated August 6, 2021
99.2	HC2 Holdings, Inc. Second Quarter 2021 Conference Call Investor Presentation
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

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

	HC2 Holdings, Inc.	
August 6, 2021	By:	*/s/ Michael J. Sena*
		Name: Michael J. Sena Title: Chief Financial Officer

FOR IMMEDIATE RELEASE

$1.6 billion DBM Backlog Highlights HC2 Holdings Second Quarter 2021 Results

- Infrastructure: DBM Global's backlog increased to $1.6 billion following Banker Steel Acquisition -

- Life Sciences: HC2 Increased its Stake in R2 Technologies -

- Name Change to INNOVATE Corp Reflects Platform of Innovative Infrastructure, Life Sciences and Spectrum Businesses -

New York, August 6, 2021 - HC2 Holdings, Inc. ("HC2" or the "Company") (NYSE: HCHC), a diversified holding company, announced today its consolidated results for the second quarter ended June 30, 2021.

Financial Summary

(in millions, except per share amounts)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	**2020**	**Increase / (Decrease)**	**2021**	**2020**	**Increase / (Decrease)**
Revenue	$ 243.8	$ 181.8	34.1 %	$ 415.6	$ 368.4	12.8 %
Net (loss) income attributable to common stock and participating preferred stockholders	$ (23.7)	$ 12.7	(286.6)%	$ (11.5)	$ (70.8)	83.8 %
Diluted (Loss) income per share - Net (loss) income attributable to common stock and participating preferred shareholders	$ (0.31)	$ 0.25	(224.0)%	$ (0.15)	$ (1.54)	90.3 %
Total Adjusted EBITDA	$ 6.5	$ 10.6	(38.7)%	$ 7.5	$ 7.7	(2.6)%

(1) Reconciliation of GAAP to Non-GAAP measures follows.
(2) Note that Total Adjusted EBITDA excludes results for discontinued operations.

Commentary

"INNOVATE Corp. is a platform for the new economy. This is evident in the outstanding performance at DBM - our Infrastructure portfolio company. Following its acquisition of Banker Steel, DBM recorded a record backlog of $1.6 billion at the end of the quarter. In fact, taking into account contracts awarded but not signed, DBM's backlog would have been approximately $1.9 billion" said Avie Glazer, Chairman of HC2. "This outstanding performance was repeated in Spectrum, which had a record Adjusted EBITDA of $2.7 million."

"Our solid second quarter results preview the long-term potential of our strategic plan, which is focused on a platform of innovative businesses that are positioned to capitalize on changing industry dynamics," stated Wayne Barr, Jr., Chief Executive Officer of HC2. "Each of our segments has strong external growth catalysts, and we took a number of steps during the quarter to improve our financial position to have the flexibility to invest in growth initiatives that will enable our businesses to reach their full potential and drive stockholder value as we navigate this evolving economic environment."

Barr continued, “At the segment level, each of our businesses gained strong momentum during the period. At Infrastructure, we completed our acquisition of Banker Steel, enhancing this segment’s geographic footprint and financial position. At Life Sciences, we are pleased with the progress R2 has made with its commercial launch of Glacial Rx™, and in July 2021, we invested an additional $15 million in R2 to further bolster commercialization and development efforts. At Spectrum, we delivered Adjusted EBITDA of $2.7 million, our third consecutive quarter of positive Adjusted EBITDA, driven in part by our significant efforts to optimize operations, along with growth in our Station Group OTA revenues.”

“Looking ahead to the second half of the year, we are excited to begin our next chapter as INNOVATE Corp.”

Second Quarter 2021 and Recent Highlights

- DBM Global Inc. (“DBM”) completed its acquisition of Banker Steel Holdco LLC (“Banker Steel”) for $145 million. Banker Steel provides fabricated structural steel and erection services primarily for the East Coast and Southeast commercial and industrial construction market, giving DBM a nationwide footprint in the steel fabrication and erection industry.
- DBM also entered into a new credit facility consisting of a $110 million term loan and a $110 million revolving credit facility, the proceeds of which were used to fully repay DBM's existing debt obligations and, fund a portion of the Banker Steel acquisition, and which will also provide additional working capital capacity to the business.
- R2 Technologies (“R2”), a privately held portfolio company within HC2’s Pansend Life Sciences (“Pansend”) segment, launched its groundbreaking Glacial Rx™ Treatment. Glacial Rx™ is the first of its kind, revolutionary in-office CryoAesthetic™ age spot removal treatment, FDA-cleared to remove benign lesions and temporarily reduce pain, swelling and inflammation. Additionally, in July, HC2 provided an additional $15 million in Series C funding to R2 through Pansend, which will be used, in part, to accelerate U.S. commercialization of Glacial Rx™. The investment will also fuel global growth and development of R2’s upcoming innovations, including Glacial Spa™, slated to be launched in China during the second half of this year.
- HC2 Broadcasting posted Adjusted EBITDA for the quarter of positive $2.7 million, compared to an Adjusted EBITDA loss of $1.2 million in the prior year quarter. HC2 Broadcasting’s results for the quarter reflect the results of our efforts to improve operations and reduce costs across the platform, along with growth in Station Group over-the-air (OTA) revenues. This is the third consecutive quarter of positive Adjusted EBITDA for this segment, which is the nation’s largest owner/operator of Class A and LPTV television licenses with plans to add even more stations in the next several months.
- On July 1, HC2 completed the sale of its Insurance segment to Continental General Holdings LLC, an affiliate of Michael Gorzynski, a director of the Company and beneficial owner of approximately 6.6% of the Company's outstanding stock, for a transaction valued at approximately $90 million. At closing HC2 received $65 million in cash, and Continental General Insurance Company transferred approximately $25 million of securities, comprised of certain HC2 Broadcasting securities held directly by the Insurance segment, to HC2.
- On July 9, HC2 announced it will change its name to INNOVATE Corp., which will become effective by the end of the third quarter 2021. As part of the name change, the Company will roll out a new corporate brand identity and website, at which point the Company’s shares will trade on the New York Stock Exchange under a new trading symbol. The effective date for the name and trading symbol change will be announced at a later date. Until that time, the Company will continue to trade on the New York Stock Exchange under its present symbol, HCHC.

Second Quarter Financial Highlights

- **Revenue:** For the second quarter of 2021, HC2 consolidated revenue from continuing operations was $243.8 million, an increase of 34.1% compared to $181.8 million for the prior year quarter. The increase in revenue was due primarily to our Infrastructure segment, driven by DBM's acquisition of Banker Steel, as well as from higher revenues across DBM's service offerings attributable to timing of project work under execution and backlog mix.

REVENUE by OPERATING SEGMENT

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Increase / (Decrease)	2021	2020	Increase / (Decrease)
Infrastructure	$ 232.0	$ 172.3	$ 59.7	$ 393.3	$ 348.8	$ 44.5
Life Sciences	1.2	—	1.2	1.2	—	1.2
Spectrum	10.6	9.5	1.1	21.1	19.6	1.5
Consolidated HC2	$ 243.8	$ 181.8	$ 62.0	$ 415.6	$ 368.4	$ 47.2

- **Net Income (Loss):** For the second quarter of 2021, HC2 reported a Net Loss attributable to common stock and participating preferred stockholders of $23.7 million, or $0.31 per fully diluted share, compared to a Net Income of $12.7 million, or $0.25 per fully diluted share, for the prior year quarter. The year-over-year change was primarily driven by the gain recorded in the second quarter of 2020 for the sale of HC2's 30% interest in the Huawei Marine joint venture, net of the associated tax expense, with no comparable gain recorded in the current period. Also contributing to the change in Net Income (Loss) was a reduction in HC2 interest expense attributable to the 2021 refinancing of our senior secured debt and the decrease in loss on early extinguishment or repayment of debt related to HC2's partial repayment of secured debt in the prior year quarter, as well as from a change in Income (Loss) from Discontinued Operations driven by a decline in Insurance segment income for the quarter.

NET INCOME (LOSS) by OPERATING SEGMENT

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Increase / (Decrease)	2021	2020	Increase / (Decrease)
Infrastructure	$ 1.4	$ 1.7	$ (0.3)	$ 1.4	$ 1.6	$ (0.2)
Life Sciences	(4.3)	(1.2)	(3.1)	(8.5)	(4.4)	(4.1)
Spectrum	(1.1)	(3.7)	2.6	(5.5)	(9.2)	3.7
Non-operating Corporate	(19.2)	(38.2)	19.0	(50.0)	(64.0)	14.0
Other and Eliminations	1.2	47.0	(45.8)	1.3	69.6	(68.3)
Net (loss) income attributable to HC2 Holdings, Inc., excluding discontinued operations	$ (22.0)	$ 5.6	$ (27.6)	$ (61.3)	$ (6.4)	$ (54.9)
Net (loss) income from discontinued operations	(1.5)	7.5	(9.0)	50.4	(63.6)	114.0
Net (loss) income attributable to HC2 Holdings, Inc.	$ (23.5)	$ 13.1	(36.6)	(10.9)	(70.0)	59.1
Less: Preferred dividends and deemed dividends from conversions	0.2	0.4	(0.2)	0.6	0.8	(0.2)
Net (loss) income attributable to common stock and participating preferred stockholders	$ (23.7)	$ 12.7	$ (36.4)	$ (11.5)	$ (70.8)	$ 59.3

- **Adjusted EBITDA:** For the second quarter of 2021, Total Adjusted EBITDA, which excludes discontinued operations, was $6.5 million, compared to Total Adjusted EBITDA of $10.6 million for the prior year quarter. The decrease in Adjusted EBITDA was primarily attributable to lower contribution from the Infrastructure segment due to the timing and mix of project work under execution, and from increased spending by the Life Sciences segment to support R2 Technologies in its commercialization efforts for Glacial Rx™ and development of Glacial Spa™, and to further develop its product platform. These decreases were partially offset by performance in our Spectrum segment, which saw cost reductions across the platform and growth in OTA revenues.

ADJUSTED EBITDA by OPERATING SEGMENT

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	Increase / (Decrease)	2021	2020	Increase/(Decrease)
Infrastructure	$ 13.9	$ 19.1	$ (5.2)	$ 25.2	$ 28.1	$ (2.9)
Life Sciences	(6.1)	(4.5)	(1.6)	(12.3)	(8.7)	(3.6)
Spectrum	2.7	(1.2)	3.9	3.5	(2.2)	5.7
Non-operating Corporate	(5.7)	(3.6)	(2.1)	(9.7)	(8.6)	(1.1)
Other and Eliminations	1.7	0.8	0.9	0.8	(0.9)	1.7
Total Adjusted EBITDA	$ 6.5	$ 10.6	$ (4.1)	$ 7.5	$ 7.7	$ (0.2)

- **Balance Sheet:** As of June 30, 2021, HC2 had cash and cash equivalents (excluding discontinued operations) of $18.1 million compared to $43.8 million as of December 31, 2020. On a stand-alone basis, as of June 30, 2021, the Corporate segment had cash and cash equivalents of $2.0 million compared to $27.5 million at December 31, 2020.

Second Quarter 2021 Segment Highlights

Infrastructure

- DBM completed its acquisition of Banker Steel, which more than doubled its total contracted backlog, expanded DBM's geographic presence and further enhanced this segment's financial position. While this segment continues to be impacted by the timing and mix of project work under execution, DBM is seeing improving demand in the commercial and industrial construction markets, as evidenced by its record-setting backlog position, including an increase in the number of large projects out for bid. Further, the anticipated bipartisan infrastructure bill is expected to generate increased demand for large and complex projects starting as early as 12 to 18 months from a signed bill, and DBM – one of the leading steel fabrication and erection companies in the U.S. – is well positioned to meet these growing needs.
- For the second quarter of 2021, DBM reported revenue of $232.0 million, an increase of 34.6% compared to $172.3 million in the prior year quarter. Net Income was $1.4 million, compared to $1.7 million for the prior year quarter. Adjusted EBITDA decreased to $13.9 million from $19.1 million in the prior year quarter.
- DBM's total backlog increased to $1,634.4 million as of June 30, 2021, up from $394.5 million as of December 31, 2020. Taking into consideration awarded, but not yet signed contracts, backlog would have been approximately $1,899 million at the end of the second quarter of 2021, compared to $608 million at the end of the fourth quarter of 2020.

Life Sciences

- Through Pansend Life Sciences, HC2 is strategically focused on the development of innovative technologies and products in the healthcare industry and is currently invested in four companies. The investments with the greatest potential for value creation in the near-term are R2 Technologies (aesthetic dermatology) and MediBeacon (kidney monitoring).
- Specifically, for R2, the launch of commercial shipments to U.S. aesthetic providers for Glacial Rx™ continues as planned. The infrastructure is in place and in order to accelerate the sales effort, HC2 provided an additional $15 million in Series C funding.
- The launch of Glacial Rx™ this quarter provided R2 with valuable insights it is applying to the launch of Glacial Spa™ in China, slated for the second half of 2021.

Spectrum

- HC2 Broadcasting is executing against its strategy to deliver high-quality content to a growing base of OTA TV households through a carrier-class, nationwide broadcast TV distribution platform. The Spectrum segment is focused on generating growth in commercial carriage through both lease and revenue share arrangements with digital content providers, while continuing to improve its operations, and presently plans to add 25 new stations using existing construction permits held by HC2 Broadcasting by the end of the first quarter 2022 to its already industry-leading 227 broadcast stations,
- For the second quarter of 2021, HC2 Broadcasting reported revenue of $10.6 million, an increase of 11.6% compared to $9.5 million in the prior year quarter. The increase was driven by higher Station Group revenues, which can be attributed to the expansion in covered market with new and existing customers and the greater number of OTA stations in operation. Station Group revenue increases were partially offset by lost revenues attributable to the sale of non-core stations.
- For the second quarter of 2021, HC2 Broadcasting reported Net Loss of $1.1 million compared to $3.7 million in the prior year quarter. Adjusted EBITDA was a positive $2.7 million, compared to an Adjusted EBITDA loss of $1.2 million in the prior year quarter. HC2 Broadcasting's results for the quarter reflect the significant efforts to improve operations and reduce costs across the platform, the sale of high-cost non-core stations and the growth in revenues described above, which led to the third consecutive quarter of positive Adjusted EBITDA

- As of June 30, 2021, HC2 Broadcasting operates 227 stations, of which 212 are currently connected to the Company's CentralCast system, which was relocated to Miami this quarter. The total HC2 Broadcasting footprint includes operating stations in 94 markets in the U.S. and Puerto Rico, including operating stations in 34 of the top 35 DMAs.

Conference Call

HC2 will host a live conference call to discuss its second quarter 2021 financial results and operations today at 8:30 a.m. ET. The Company will post an earnings supplemental presentation in the Investor Relations section of the HC2 website at ir.hc2.com, to accompany the conference call. Dial-in instructions for the conference call and the replay follows.

- **Live Webcast and Call.** A live webcast of the conference call can be accessed by interested parties through the Investor Relations section of the HC2 website at ir.hc2.com.
  - Dial-in: 1-877-705-6003 (Domestic Toll Free) / 1-201-493-6725 (Toll/International)
  - Participant Entry Number: 13721028
- **Conference Replay***
  - Dial-in: 1-844-512-2921 (Domestic Toll Free) / 1-412-317-6671 (Toll/International)
  - Conference Number: 13721028

*Available approximately two hours after the end of the conference call through August 17, 2021.

About HC2

HC2 Holdings is being renamed INNOVATE Corp. INNOVATE is a portfolio of best-in-class assets in three key areas of the new economy – infrastructure, life sciences and spectrum. Dedicated to stakeholder capitalism, INNOVATE employs over 4,300 people across its subsidiaries.

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Non-GAAP Financial Measures

In this press release, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Total Adjusted EBITDA (excluding discontinued operations) and Adjusted EBITDA for its operating segments.

Adjusted EBITDA

Management believes that Adjusted EBITDA provides investors with meaningful information for gaining an understanding of our results as it is frequently used by the financial community to provide insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation, amortization and the other items listed in the definition of Adjusted EBITDA below can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt. While management believes that non-U.S. GAAP measurements are useful supplemental information, such adjusted results are not intended to replace our U.S. GAAP financial results. Using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other U.S. GAAP financial measures, as this non-GAAP measure excludes certain items, including items that are recurring in nature, which may be meaningful to investors. As a result of the exclusions, Adjusted EBITDA should not be considered in isolation and does not purport to be an alternative to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance. Adjusted EBITDA excludes the results of operations and any consolidating eliminations of our Insurance segment.

The calculation of Adjusted EBITDA, as defined by us, consists of Net income (loss) as adjusted for discontinued operations; depreciation and amortization; Other operating (income) expense, which is inclusive of (gain) loss on sale or disposal of assets, lease termination costs, asset impairment expense and FCC reimbursements; interest expense; net gain (loss) on contingent consideration; loss on early extinguishment or restructuring of debt; other (income) expense, net; foreign currency transaction (gain) loss included in cost of revenue; income tax (benefit) expense; noncontrolling interest; bonus to be settled in equity; share-based compensation expense; non-recurring items; costs associated with the COVID-19 pandemic, and acquisition and disposition costs.

Management recognizes that using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other GAAP financial measures, as these non-GAAP measures exclude certain items, including items that are recurring in nature, which may be meaningful to investors.

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This press release contains, and certain oral statements made by our representatives from time to time may contain, "forward-looking statements." Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “could,” “might,” or “continues” or similar expressions. Such forward-looking statements are based on current expectations and inherently involve certain risks, assumptions and uncertainties. The forward-looking statements in this presentation include, without limitation, any statements regarding our expectations regarding entering definitive agreements in respect of and consummating potential divestitures of any of our subsidiaries, our ability to successfully consummate previously announced acquisitions, HC2’s inability to predict the extent to which the COVID-19 pandemic and related impacts will continue to adversely impact HC2’s business operations, financial performance, results of operations, financial position, the prices of HC2’s securities and the achievement of HC2’s strategic objectives, and changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including interest rates, the value of securities and other financial assets, and the impact of such changes and volatility on HC2’s financial position. Such statements are based on the beliefs and assumptions of HC2’s management and the management of HC2’s subsidiaries and portfolio companies.

The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance, results or the creation of stockholder value and the Company’s actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, including those that may be identified in subsequent statements and reports filed with the Securities and Exchange Commission (“SEC”), including in our reports on Forms 10-K, 10-Q, and 8-K. Such important factors include, without limitation: the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses’ and governments’ responses to the pandemic on HC2’s operations and personnel, and on commercial activity and demand across our businesses, capital market conditions, including the ability of HC2 and HC2’s subsidiaries to raise capital; the ability of HC2’s subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition or disposition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2. Although HC2 believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. These risks and other important factors discussed under the caption “Risk Factors” in our most recent Annual Report on Form 10-K filed with the SEC, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

HC2 HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Revenue	$ 243.8	$ 181.8	$ 415.6	$ 368.4
Cost of revenue	207.4	152.1	348.7	308.9
Gross profit	36.4	29.7	66.9	59.5
Operating expenses:				
Selling, general and administrative	39.5	36.4	76.6	75.3
Depreciation and amortization	4.8	4.5	8.7	8.8
Other operating (income) loss	(0.2)	(2.3)	0.2	(2.1)
Loss from operations	(7.7)	(8.9)	(18.6)	(22.5)
Other (expense) income:				
Interest expense	(12.4)	(19.1)	(33.8)	(38.3)
Loss on early extinguishment or restructuring of debt	(1.6)	(3.4)	(12.4)	(9.2)
Income (loss) from equity investees	0.2	(0.2)	(1.9)	(2.7)
Other income	0.4	64.6	3.8	66.1
(Loss) income from continuing operations before income taxes	(21.1)	33.0	(62.9)	(6.6)
Income tax expense	(2.6)	(12.0)	(3.7)	(2.3)
(Loss) income from continuing operations	(23.7)	21.0	(66.6)	(8.9)
(Loss) income from discontinued operations (including gain on disposal of $40.4 million and loss on disposal of $39.3 million for the six months ended June 30, 2021 and 2020, respectively)	(1.5)	7.5	50.4	(63.6)
Net (loss) income	(25.2)	28.5	(16.2)	(72.5)
Net income (loss) attributable to noncontrolling interest and redeemable noncontrolling interest	1.7	(15.4)	5.3	2.5
Net (loss) income attributable to HC2 Holdings, Inc.	(23.5)	13.1	(10.9)	(70.0)
Less: Preferred dividends and deemed dividends from conversions	0.2	0.4	0.6	0.8
Net (loss) income attributable to common stock and participating preferred stockholders	$ (23.7)	$ 12.7	$ (11.5)	$ (70.8)
(Loss) income per common share - continuing operations				
Basic	$ (0.29)	$ 0.11	$ (0.82)	$ (0.48)
Diluted	$ (0.29)	$ 0.11	$ (0.82)	$ (0.48)
(Loss) income per common share - discontinued operations				
Basic	$ (0.02)	$ 0.15	$ 0.67	$ (1.06)
Diluted	$ (0.02)	$ 0.14	$ 0.67	$ (1.06)
(Loss) income per share - Net (loss) income attributable to common stock and participating preferred stockholders				
Basic	$ (0.31)	$ 0.26	$ (0.15)	$ (1.54)
Diluted	$ (0.31)	$ 0.25	$ (0.15)	$ (1.54)
Weighted average common shares outstanding:				
Basic	77.0	46.8	77.1	45.9
Diluted	77.0	48.8	77.1	45.9

HC2 HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(in millions, except share amounts)
(Unaudited)

	June 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 18.1	$ 43.8
Accounts receivable, net	364.6	184.7
Costs and recognized earnings in excess of billings on uncompleted contracts	63.7	55.6
Assets held for sale	5,812.4	5,942.1
Other current assets	28.9	20.1
Total current assets	6,287.7	6,246.3
Investments	53.1	55.4
Deferred tax asset	2.0	3.0
Property, plant and equipment, net	173.3	112.8
Goodwill	121.1	111.0
Intangibles, net	222.0	172.1
Other assets	76.7	42.2
Total assets	$ 6,935.9	$ 6,742.8
Liabilities, temporary equity and stockholders' equity		
Current liabilities		
Accounts payable	$ 135.1	$ 69.7
Accrued liabilities	101.9	77.1
Current portion of debt obligations	70.2	433.6
Billings in excess of costs and recognized earnings on uncompleted contracts	146.8	52.2
Liabilities held for sale	5,261.6	5,306.7
Other current liabilities	18.7	12.9
Total current liabilities	5,734.3	5,952.2
Deferred tax liability	7.0	7.0
Debt obligations	606.3	127.9
Other liabilities	70.6	39.8
Total liabilities	6,418.2	6,126.9
Commitments and contingencies		
Temporary equity		
Preferred stock	—	10.4
Redeemable noncontrolling interest	6.2	5.3
Total temporary equity	6.2	15.7
Stockholders' equity		
Common stock, $0.001 par value	0.1	0.1
Shares authorized: 160,000,000 at June 30, 2021 and December 31, 2020, respectively		
Shares issued: 79,208,998 and 77,836,586 at June 30, 2021 and December 31, 2020, respectively		
Shares outstanding: 77,823,942 and 76,726,835 at June 30, 2021 and December 31, 2020, respectively		
Additional paid-in capital	354.8	355.7
Treasury stock, at cost: 1,385,056 and 1,109,751 shares at June 30, 2021 and December 31, 2020, respectively	(5.2)	(4.2)
Accumulated deficit	(199.6)	(188.7)
Accumulated other comprehensive income	338.2	396.9
Total HC2 Holdings, Inc. stockholders' equity	488.3	559.8
Noncontrolling interest	23.2	40.4
Total stockholders' equity	511.5	600.2
Total liabilities, temporary equity and stockholders' equity	$ 6,935.9	$ 6,742.8

HC2 HOLDINGS, INC.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(Unaudited)

(in millions)	Three months ended June 30, 2021					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net (loss) attributable to HC2 Holdings, Inc.						$ (23.5)
Less: Discontinued operations						(1.5)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.4	$ (4.3)	$ (1.1)	$ (19.2)	$ 1.2	$ (22.0)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	3.3	0.1	1.4	—	—	4.8
Depreciation and amortization (included in cost of revenue)	2.7	—	—	—	—	2.7
Other operating (income)	—	—	(0.2)	—	—	(0.2)
Interest expense	2.2	—	2.4	7.8	—	12.4
Other (income) expense, net	(4.1)	—	0.4	3.3	—	(0.4)
Loss on early extinguishment or restructuring of debt	1.5	—	—	0.1	—	1.6
Income tax expense	1.2	—	—	1.4	—	2.6
Noncontrolling interest	0.1	(1.9)	(0.5)	—	0.6	(1.7)
Share-based compensation expense	—	—	0.2	0.5	—	0.7
Nonrecurring Items	0.2	—	—	—	—	0.2
COVID-19 Costs	4.0	—	—	—	—	4.0
Acquisition and disposition costs	1.4	—	0.1	0.4	(0.1)	1.8
Adjusted EBITDA	$ 13.9	$ (6.1)	$ 2.7	$ (5.7)	$ 1.7	$ 6.5

(in millions)	Three months ended June 30, 2020					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net income attributable to HC2 Holdings, Inc.						$ 13.1
Less: Discontinued operations						7.5
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.7	$ (1.2)	$ (3.7)	$ (38.2)	$ 47.0	$ 5.6
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	2.7	0.1	1.7	—	—	4.5
Depreciation and amortization (included in cost of revenue)	2.3	—	—	—	—	2.3
Other operating (income)	(0.1)	—	(2.2)	—	—	(2.3)
Interest expense	2.2	—	3.5	13.4	—	19.1
Loss on early extinguishment or restructuring of debt	—	—	—	3.4	—	3.4
Other (income) expense, net	(0.1)	(2.3)	0.4	8.8	(71.3)	(64.5)
Income tax expense	0.8	—	—	4.3	6.9	12.0
Noncontrolling interest	0.1	(1.2)	(1.3)	—	17.7	15.3
Bonus to be settled in equity	—	—	—	(0.3)	—	(0.3)
Share-based compensation expense	—	0.1	—	0.1	—	0.2
Nonrecurring Items	0.9	—	—	3.8	—	4.7
COVID-19 Costs	8.4	—	—	—	—	8.4
Acquisition and disposition costs	0.2	—	0.4	1.1	0.5	2.2
Adjusted EBITDA	$ 19.1	$ (4.5)	$ (1.2)	$ (3.6)	$ 0.8	$ 10.6

HC2 HOLDINGS, INC.
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA
(Unaudited)

(in millions)	Six months ended June 30, 2021					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net (loss) attributable to HC2 Holdings, Inc.						$ (10.9)
Less: Discontinued operations						50.4
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.4	$ (8.5)	$ (5.5)	$ (50.0)	$ 1.3	$ (61.3)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	5.7	0.1	2.9	—	—	8.7
Depreciation and amortization (included in cost of revenue)	5.0	—	—	—	—	5.0
Other operating expenses	—	—	0.2	—	—	0.2
Interest expense	4.1	—	4.7	25.0	—	33.8
Other (income) expense, net	(3.9)	—	0.8	(0.7)	—	(3.8)
Loss on early extinguishment or restructuring of debt	1.5	—	0.9	10.0	—	12.4
Income tax expense	1.2	—	—	2.5	—	3.7
Noncontrolling interest	0.1	(4.0)	(1.0)	—	(0.5)	(5.4)
Share-based compensation expense	—	0.1	0.3	0.9	—	1.3
Nonrecurring Items	0.4	—	—	0.5	—	0.9
COVID-19 Costs	7.9	—	—	—	—	7.9
Acquisition and disposition costs	1.8	—	0.2	2.1	—	4.1
Adjusted EBITDA	$ 25.2	$ (12.3)	$ 3.5	$ (9.7)	$ 0.8	$ 7.5

(in millions)	Six months ended June 30, 2020					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net (loss) attributable to HC2 Holdings, Inc.						$ (70.0)
Less: Discontinued operations						(63.6)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.6	$ (4.4)	$ (9.2)	$ (64.0)	$ 69.6	$ (6.4)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	5.3	0.1	3.4	—	—	8.8
Depreciation and amortization (included in cost of revenue)	4.6	—	—	—	—	4.6
Other operating (income) expenses	0.1	—	(2.2)	—	—	(2.1)
Interest expense	4.4	—	6.7	27.2	—	38.3
Loss on early extinguishment or restructuring of debt	—	—	—	9.2	—	9.2
Other (income) expense, net	0.1	(2.3)	1.0	6.4	(71.3)	(66.1)
Income tax (benefit) expense	1.0	—	—	3.9	(2.6)	2.3
Noncontrolling interest	0.1	(2.2)	(2.4)	—	2.0	(2.5)
Bonus to be settled in equity	—	—	—	(0.3)	—	(0.3)
Share-based compensation expense	—	0.1	0.1	1.5	—	1.7
Nonrecurring Items	1.8	—	—	5.2	—	7.0
COVID-19 Costs	8.8	—	—	—	—	8.8
Acquisition and disposition costs	0.3	—	0.4	2.3	1.4	4.4
Adjusted EBITDA	$ 28.1	$ (8.7)	$ (2.2)	$ (8.6)	$ (0.9)	$ 7.7

HC2 Holdings, Inc.

Q2 2021 Earnings Release Supplement

August 6, 2021

Safe Harbor Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This presentation contains, and certain oral statements made by our representatives from time to time may contain, "forward-looking statements." Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “could,” “might,” or “continues” or similar expressions. Such forward-looking statements are based on current expectations and inherently involve certain risks, assumptions and uncertainties. The forward-looking statements in this presentation include, without limitation, any statements regarding our expectations regarding entering definitive agreements in respect of and consummating potential divestitures of any of our subsidiaries, our ability to successfully consummate previously announced acquisitions, HC2’s inability to predict the extent to which the COVID-19 pandemic and related impacts will continue to adversely impact HC2’s business operations, financial performance, results of operations, financial position, the prices of HC2’s securities and the achievement of HC2’s strategic objectives, and changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including interest rates, the value of securities and other financial assets, and the impact of such changes and volatility on HC2’s financial position. Such statements are based on the beliefs and assumptions of HC2’s management and the management of HC2’s subsidiaries and portfolio companies.

The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance, results or the creation of stockholder value and the Company’s actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, including those that may be identified in subsequent statements and reports filed with the Securities and Exchange Commission (“SEC”), including in our reports on Forms 10-K, 10-Q, and 8-K. Such important factors include, without limitation: the severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of businesses’ and governments’ responses to the pandemic on HC2’s operations and personnel, and on commercial activity and demand across our businesses, capital market conditions, including the ability of HC2 and HC2’s subsidiaries to raise capital; the ability of HC2’s subsidiaries and portfolio companies to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries and portfolio companies to identify any suitable future acquisition or disposition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries and portfolio companies of HC2.

Although HC2 believes its expectations and assumptions regarding its future operating performance are reasonable, there can be no assurance that the expectations reflected herein will be achieved. These risks and other important factors discussed under the caption “Risk Factors” in our most recent Annual Report on Form 10-K filed with the SEC, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this presentation.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and unless legally required, HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Safe Harbor Disclaimers

Non-GAAP Financial Measures

In this earnings release supplement, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, which excludes results for discontinued operations, and Adjusted EBITDA for its operating segments.

Adjusted EBITDA

Adjusted EBITDA is not a measurement recognized under U.S. GAAP. In addition, other companies may define Adjusted EBITDA differently than we do, which could limit its usefulness.

Management believes that Adjusted EBITDA provides investors with meaningful information for gaining an understanding of our results as it is frequently used by the financial community to provide insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation, amortization and the other items listed in the definition of Adjusted EBITDA below can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt. While management believes that non-U.S. GAAP measurements are useful supplemental information, such adjusted results are not intended to replace our U.S. GAAP financial results. Using Adjusted EBITDA as a performance measure has inherent limitations as an analytical tool as compared to net income (loss) or other U.S. GAAP financial measures, as this non-GAAP measure excludes certain items, including items that are recurring in nature, which may be meaningful to investors. As a result of the exclusions, Adjusted EBITDA should not be considered in isolation and does not purport to be an alternative to net income (loss) or other U.S. GAAP financial measures as a measure of our operating performance. Adjusted EBITDA excludes the results of operations and any consolidating eliminations of our Insurance segment.

The calculation of Adjusted EBITDA, as defined by us, consists of Net income (loss) as adjusted for discontinued operations; depreciation and amortization; Other operating (income) expense, which is inclusive of (gain) loss on sale or disposal of assets, lease termination costs, asset impairment expense and FCC reimbursements; interest expense; net gain (loss) on contingent consideration; loss on early extinguishment or restructuring of debt; gain (loss) on sale of subsidiaries; other (income) expense, net; foreign currency transaction (gain) loss included in cost of revenue; income tax (benefit) expense; noncontrolling interest; bonus to be settled in equity; share-based compensation expense; non-recurring items; costs associated with the COVID-19 pandemic and acquisition and disposition costs.

Third Party Sources

Third party information presented in this earnings release supplement is based on sources we believe to be reliable, however there can be no assurance information so presented will prove accurate in whole or in part.

Second Quarter 2021 Summary

Continued Progress Executing our Strategy with Momentum into 2H 2021

- Accomplished near-term goals:
  - Completed the acquisition of Banker Steel
  - Closed the divestiture of Continental Insurance
- DBM entered into a new credit agreement
  - Fully refinanced DBM's existing debt
  - Funded a portion of the Banker Steel acquisition
  - Added working capital capacity
- Infused R2 Technologies with $15 million in Series C funding to accelerate growth
- Announced name change to INNOVATE Corp.

Segment Highlights

Infrastructure Highlights

- Reported Backlog = $1,634M
- Acquisition of Banker Steel doubles the size of our backlog

Legacy DBM adjusted backlog = $988M

Banker Steel adjusted backlog = $911M

Total adjusted backlog = $1,899M

- Backlog provides good visibility for the next couple years
- Poised to benefit from Infrastructure Bill, directly or indirectly

Life Sciences Highlights

R2 Technologies

- Infused R2 with $15 million to continue the rollout and development of its products.
- Glacial Spa launch in China pushed to second half of 2021

MediBeacon

- U.S. Pivotal Study on track to begin in the fourth quarter 2021

Spectrum Highlights

- Net (Loss) of $1.1M, and Adjusted EBITDA of $2.7M
- Signed Scripps Networks: 9 networks / 47 stations / 143 channels
- 81 Networks using the HC2 platform

Q2 2021 Financial Highlights

Revenue		
($ millions)	2Q21	2Q20
Infrastructure	$ 232.0	$ 172.3
Life Sciences	1.2	—
Spectrum	10.6	9.5
Consolidated HC2	**$ 243.8**	**$ 181.8**

Non-GAAP Adjusted EBITDA(1)		
($ millions)	2Q21	2Q20
Infrastructure	$ 13.9	$ 19.1
Life Sciences	(6.1)	(4.5)
Spectrum	2.7	(1.2)
Non-operating Corporate	(5.7)	(3.6)
Other & Eliminations	1.7	0.8
Consolidated HC2	**$ 6.5**	**$ 10.6**

Consolidated Q2 Results

- Revenue increased $62.0M or 34.1% driven by our Infrastructure segment, due primarily to DBM's recent acquisition of Banker Steel
- Net Loss attributable to common stock and participating preferred stockholders of $23.7M
- Adjusted EBITDA decreased to $6.5M, or $4.1M driven by margin compression at Infrastructure combined with timing of work under execution and increased spend at our Life Sciences segment offset by continued improvement in our Spectrum segment

Infrastructure

- Net Income of $1.4M
- $13.9M in Adjusted EBITDA; contracted backlog of $1,634.4M (Adjusted ~$1,899M(2)), compared to $394.5M at 12/31/20

Spectrum

- Net Loss of $1.1M
- $2.7M in Adjusted EBITDA
- Third consecutive quarter of positive Adjusted EBITDA contribution

Life Sciences

- R2 continued to scale operations to support the commercial launch of Glacial Rx in the U.S. and Glacial Spa in China (planned 2H 2021), as well as further development of the product platform.
- MediBeacon preparing for its Pivotal Clinical Study for use of the TGFR system for renal monitoring (planned Q4 2021)

Non-operating Corporate

- Recurring SG&A up 58.3% Y/Y driven largely by costs attributable to the former Chairman, President and CEO's arbitration acceptance in Q2 2021 and changes to bonus accrual that went into effect in Q2 2020

Infrastructure backlog provides runway for revenue visibility over the next two years; Spectrum achieves third consecutive quarter of positive Adjusted EBITDA

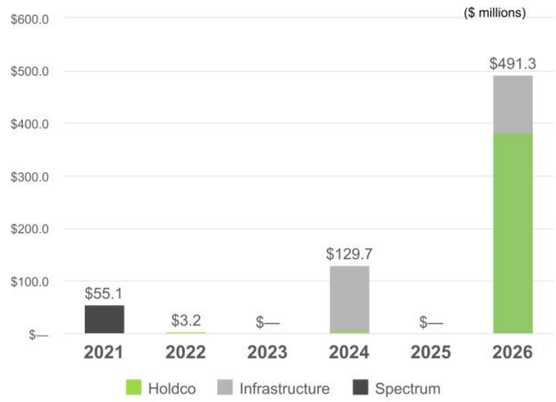
(1) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.
(2) Adjusted Backlog takes into consideration awarded, but not yet signed contracts.

Current Credit Picture

Debt Summary

($ millions)	Maturity	Jun-21	Dec-20
11.50% Senior Secured Notes	2021	$ —	$ 340.4
8.50% Senior Secured Notes	2026	330.0	—
7.50% Convertible Senior Notes	2022	3.2	55.0
7.50% Convertible Senior Notes	2026	51.8	—
Line of Credit (1)	2024	5.0	15.0
Infrastructure Debt	Various	234.4	110.5
Spectrum Debt	Various	55.2	55.7
Total Principal Outstanding		**$ 679.6**	**$ 576.6**
Unamortized OID and DFC		(3.1)	(15.1)
Total Debt		**$ 676.5**	**$ 561.5**
Cash & Cash Equivalents (2)		18.1	43.8
Net Debt		**$ 658.4**	**$ 517.7**

Debt Maturity Profile



(1) Borrowing rate on Line of Credit reduced from LIBOR plus 6.75% to LIBOR plus 5.75% in February 2021.
(2) Excludes cash included in Discontinued Operations.
(3) Debt Maturity Profile excludes Preferred Stock and capital leases
(4) Infrastructure Line of Credit reflects maturity in 2024 and not U.S. GAAP presentation.

Segment Highlights - Infrastructure

DBM Global ("DBM")

Overview

- 34.6% revenue increase due to the acquisition of Banker Steel as well as higher revenues across DBM's service offering
- Adjusted EBITDA decrease was driven by the timing of project work under execution and the change in backlog mix, including the impact of market pressures on point-of-sale project margins in the current period, partially offset by contribution from Banker Steel
- Reported backlog is $1.6B, up from $395M from year-end
- Taking into consideration awarded but not yet signed contracts, adjusted backlog was ~$1.9B; provides visibility into 2022 and beyond

Near-Term Focus

- Well-positioned to take advantage of rebounding commercial and industrial construction markets, and opportunities from potential federal infrastructure spending

Financials

($ millions)	2Q21	2Q20
Revenue	$ 232.0	$ 172.3
Net Income	$ 1.4	$ 1.7
Adjusted EBITDA [1]	$ 13.9	$ 19.1

Trending Backlog

(1) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.
(2) All data as of June 30, 2021 unless otherwise noted.

Segment Highlights - Life Sciences

Pansend Life Sciences

R2 Technologies

- Received $15M Series C funding through HC2's subsidiary Pansend to accelerate their revenue-driving phase following the commercial launch of Glacial Rx, and more broadly to support their development of innovative technologies and global expansion.
- Glacial Rx™
  - The launch of commercial shipments to U.S. aesthetic providers for Glacial Rx™ continues as planned.
- Glacial Spa™
  - China commercial launch expected 2H 2021

MediBeacon

- U.S. Pivotal Study expected to begin in the fourth quarter of 2021
- Global Pivotal Study expanded to include China, starts in early 2022
- Gastrointestinal Health - Current permeability study ongoing with 20 patients

Summary of Investments

Company	Investment to Date	Equity %	Fully Diluted %
R2 Technologies	$42.4M	56.3%	51.6%
MediBeacon	$24.9M	47.2%	41.6%
Genovel	$3.8M	80.0%	75.2%
Triple Ring	$3.0M	25.8%	22.9%

(1) Investment-to-date totals and equity ownership percentages are as of June 30, 2021, except for R2, which includes $15M investment in July; fully diluted includes all exercisable options and warrants.
(2) MediBeacon agents and devices are not approved for human use by any regulatory agency.

Segment Highlights - Spectrum

HC2 Broadcasting

Overview

- Third consecutive quarter of positive Adjusted EBITDA contribution
- Reached an agreement with Scripps Networks to broadcast all 9 of their networks on 47 stations which represent 143 channels of programming
- 81 networks air on HC2's platform as of June 2021
- 2.3 billion of MHz POPs of Spectrum, approximately 90% of which is UHF Spectrum

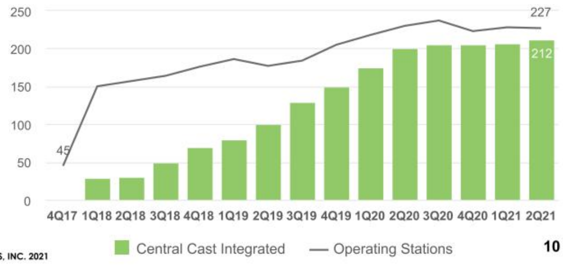
Financials

($ millions)	2Q21	2Q20
Station Group	$ 4.6	$ 3.8
Network ("Azteca")	6.0	5.7
Revenue	$ 10.6	$ 9.5
Net Loss	$ (1.1)	$ (3.7)
Adjusted EBITDA [1]	$ 2.7	$ (1.2)

Near-Term Focus

- Continue business development and sign up large content providers; strong pipeline of pending lease agreements or revenue shares across multiple markets
- We expect 25 new station builds to be completed by Q1 2022
- Explore ATSC 3.0 technologies that offer expanded capability and use of HC2's Spectrum

Station Growth



(1) See Appendix for reconciliation of Non-GAAP to U.S. GAAP.

Appendix

Select GAAP Financials & Non-GAAP Reconciliations

HC2 Selected GAAP Financials

Income Statement - Unaudited

(in millions)	Three Months Ended June 30, 2021		Six Months Ended June 30, 2021	
	2021	2020	2021	2020
Revenue	$ 243.8	$ 181.8	$ 415.6	$ 368.4
Cost of revenue	207.4	152.1	348.7	308.9
Gross profit	36.4	29.7	66.9	59.5
Operating expenses:				
Selling, general and administrative	39.5	36.4	76.6	75.3
Depreciation and amortization	4.8	4.5	8.7	8.8
Other operating (income) loss	(0.2)	(2.3)	0.2	(2.1)
Loss from operations	(7.7)	(8.9)	(18.6)	(22.5)
Other (expense) income:				
Interest expense	(12.4)	(19.1)	(33.8)	(38.3)
Loss on early extinguishment or restructuring of debt	(1.6)	(3.4)	(12.4)	(9.2)
Income (loss) from equity investees	0.2	(0.2)	(1.9)	(2.7)
Other income	0.4	64.6	3.8	66.1
(Loss) income from continuing operations before income taxes	(21.1)	33.0	(62.9)	(6.6)
Income tax expense	(2.6)	(12.0)	(3.7)	(2.3)
(Loss) income from continuing operations	(23.7)	21.0	(66.6)	(8.9)
(Loss) income from discontinued operations (including gain on disposal of $40.4 million and loss on disposal of $39.3 million for the six months ended June 30, 2021 and 2020, respectively)	(1.5)	7.5	50.4	(63.6)
Net (loss) income	(25.2)	28.5	(16.2)	(72.5)
Net income (loss) attributable to noncontrolling interest and redeemable noncontrolling interest	1.7	(15.4)	5.3	2.5
Net (loss) income attributable to HC2 Holdings, Inc.	(23.5)	13.1	(10.9)	(70.0)
Less: Preferred dividends and deemed dividends from conversions	0.2	0.4	0.6	0.8
Net (loss) income attributable to common stock and participating preferred stockholders	$ (23.7)	$ 12.7	$ (11.5)	$ (70.8)

Reconciliation of U.S. GAAP Income (Loss) to Adjusted EBITDA

(in millions)

	Three months ended June 30, 2021					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net (loss) attributable to HC2 Holdings, Inc.						$ (23.5)
Less: Discontinued operations						(1.5)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.4	$ (4.3)	$ (1.1)	$ (19.2)	$ 1.2	$ (22.0)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	3.3	0.1	1.4	—	—	4.8
Depreciation and amortization (included in cost of revenue)	2.7	—	—	—	—	2.7
Other operating (income)	—	—	(0.2)	—	—	(0.2)
Interest expense	2.2	—	2.4	7.8	—	12.4
Other (income) expense, net	(4.1)	—	0.4	3.3	—	(0.4)
Loss on early extinguishment or restructuring of debt	1.5	—	—	0.1	—	1.6
Income tax expense	1.2	—	—	1.4	—	2.6
Noncontrolling interest	0.1	(1.9)	(0.5)	—	0.6	(1.7)
Share-based compensation expense	—	—	0.2	0.5	—	0.7
Nonrecurring Items	0.2	—	—	—	—	0.2
COVID-19 Costs	4.0	—	—	—	—	4.0
Acquisition and disposition costs	1.4	—	0.1	0.4	(0.1)	1.8
Adjusted EBITDA	**$ 13.9**	**$ (6.1)**	**$ 2.7**	**$ (5.7)**	**$ 1.7**	**$ 6.5**

Reconciliation of U.S. GAAP Income (Loss) to Adjusted EBITDA

(in millions)

	Six months ended June 30, 2021					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net (loss) attributable to HC2 Holdings, Inc.						$ (10.9)
Less: Discontinued operations						50.4
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.4	$ (8.5)	$ (5.5)	$ (50.0)	$ 1.3	$ (61.3)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	5.7	0.1	2.9	—	—	8.7
Depreciation and amortization (included in cost of revenue)	5.0	—	—	—	—	5.0
Other operating expenses	—	—	0.2	—	—	0.2
Interest expense	4.1	—	4.7	25.0	—	33.8
Other (income) expense, net	(3.9)	—	0.8	(0.7)	—	(3.8)
Loss on early extinguishment or restructuring of debt	1.5	—	0.9	10.0	—	12.4
Income tax expense	1.2	—	—	2.5	—	3.7
Noncontrolling interest	0.1	(4.0)	(1.0)	—	(0.5)	(5.4)
Share-based compensation expense	—	0.1	0.3	0.9	—	1.3
Nonrecurring Items	0.4	—	—	0.5	—	0.9
COVID-19 Costs	7.9	—	—	—	—	7.9
Acquisition and disposition costs	1.8	—	0.2	2.1	—	4.1
Adjusted EBITDA	**$ 25.2**	**$ (12.3)**	**$ 3.5**	**$ (9.7)**	**$ 0.8**	**$ 7.5**

Reconciliation of U.S. GAAP Income (Loss) to Adjusted EBITDA

(in millions)	Three months ended June 30, 2020					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net income attributable to HC2 Holdings, Inc.						$ 13.1
Less: Discontinued operations						7.5
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.7	$ (1.2)	$ (3.7)	$ (38.2)	$ 47.0	$ 5.6
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	2.7	0.1	1.7	—	—	4.5
Depreciation and amortization (included in cost of revenue)	2.3	—	—	—	—	2.3
Other operating (income)	(0.1)	—	(2.2)	—	—	(2.3)
Interest expense	2.2	—	3.5	13.4	—	19.1
Loss on early extinguishment or restructuring of debt	—	—	—	3.4	—	3.4
Other (income) expense, net	(0.1)	(2.3)	0.4	8.8	(71.3)	(64.5)
Income tax expense	0.8	—	—	4.3	6.9	12.0
Noncontrolling interest	0.1	(1.2)	(1.3)	—	17.7	15.3
Bonus to be settled in equity	—	—	—	(0.3)	—	(0.3)
Share-based compensation expense	—	0.1	—	0.1	—	0.2
Nonrecurring Items	0.9	—	—	3.8	—	4.7
COVID-19 Costs	8.4	—	—	—	—	8.4
Acquisition and disposition costs	0.2	—	0.4	1.1	0.5	2.2
Adjusted EBITDA	**$ 19.1**	**$ (4.5)**	**$ (1.2)**	**$ (3.6)**	**$ 0.8**	**$ 10.6**

Reconciliation of U.S. GAAP Income (Loss) to Adjusted EBITDA

(in millions)	Six months ended June 30, 2020					
	Infrastructure	Life Sciences	Spectrum	Non-operating Corporate	Other and Eliminations	HC2
Net (loss) attributable to HC2 Holdings, Inc.						$ (70.0)
Less: Discontinued operations						(63.6)
Net Income (loss) attributable to HC2 Holdings, Inc., excluding discontinued operations	$ 1.6	$ (4.4)	$ (9.2)	$ (64.0)	$ 69.6	$ (6.4)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:						
Depreciation and amortization	5.3	0.1	3.4	—	—	8.8
Depreciation and amortization (included in cost of revenue)	4.6	—	—	—	—	4.6
Other operating (income) expenses	0.1	—	(2.2)	—	—	(2.1)
Interest expense	4.4	—	6.7	27.2	—	38.3
Loss on early extinguishment or restructuring of debt	—	—	—	9.2	—	9.2
Other (income) expense, net	0.1	(2.3)	1.0	6.4	(71.3)	(66.1)
Income tax (benefit) expense	1.0	—	—	3.9	(2.6)	2.3
Noncontrolling interest	0.1	(2.2)	(2.4)	—	2.0	(2.5)
Bonus to be settled in equity	—	—	—	(0.3)	—	(0.3)
Share-based compensation expense	—	0.1	0.1	1.5	—	1.7
Nonrecurring Items	1.8	—	—	5.2	—	7.0
COVID-19 Costs	8.8	—	—	—	—	8.8
Acquisition and disposition costs	0.3	—	0.4	2.3	1.4	4.4
Adjusted EBITDA	**$ 28.1**	**$ (8.7)**	**$ (2.2)**	**$ (8.6)**	**$ (0.9)**	**$ 7.7**