

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):

July 1, 2021

HC2 HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>001-35210</u> (Commission File Number)	<u>54-1708481</u> (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

Not Applicable

(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 1.01 Entry into a Material Definitive Agreement

On July 1, 2021, HC2 Holdings 2, Inc. (“Seller”), a wholly-owned subsidiary of HC2 Holdings, Inc. (“HC2” or the “Company”), closed the previously announced sale (the “Continental Sale”) of its subsidiary, Continental Insurance Group, Ltd. (“Continental”), a Delaware corporation, to Continental General Holdings LLC (“Purchaser”), a Michigan limited liability company, pursuant to that certain Stock Purchase Agreement, dated March 26, 2021, by and among Seller, Purchaser and Continental (the “SPA”). As previously announced by HC2 on December 10, 2020 and March 29, 2021, Purchaser is controlled by Michael Gorzynski, who is (i) a director of HC2, (ii) the beneficial owner of approximately 6.6% of HC2’s outstanding common stock and (iii) the executive chairman and president of Continental.

Support Agreements

In connection with the closing of the Continental Sale, HC2 entered into a definitive agreement, dated July 1, 2021 (the “HC2 Preferred Support Agreement”), with Purchaser and Continental General Insurance Company (“CGIC”), a Texas domiciled life and health insurance company and subsidiary of Continental, pursuant to which, among other things, CGIC and Purchaser agreed to (a) vote all shares of preferred stock, par value \$0.001 per share, of HC2 now or hereafter “beneficially owned” by any of them during the term of the HC2 Preferred Support Agreement (the “HC2 Preferred Shares”) (i) in favor of each director nominated and recommended by the Board of Directors of HC2 (the “HC2 Board”) for election, (ii) against any stockholder nominations for directors that are not approved and recommended by the HC2 Board, (iii) against any proposals or resolutions to remove any member of the HC2 Board, unless otherwise approved and recommended by the HC2 Board, and (iv) in accordance with recommendations by the HC2 Board on all other proposals or business; and (b) certain restrictions on the transfer of the HC2 Preferred Shares, in each case, subject to the terms and conditions set forth therein.

In connection with the closing of the Continental Sale, HC2 also entered into a definitive agreement, dated July 1, 2021 (the “DBM Support Agreement”) and, together with the HC2 Preferred Support Agreement, the “Support Agreements”), with Purchaser and CGIC, pursuant to which, among other things, CGIC and Purchaser agreed to (a) vote all shares of common stock, par value \$0.001 per share, of DBM Global Inc. (“DBM”), a Delaware corporation, now or hereafter “beneficially owned” by any of them during the term of the DBM Support Agreement (the “DBM Shares”) (i) in favor of each director nominated and recommended by the Board of Directors of DBM (the “DBM Board”) for election, (ii) against any stockholder nominations for directors that are not approved and recommended by the DBM Board, (iii) against any proposals or resolutions to remove any member of the DBM Board, unless otherwise approved and recommended by the DBM Board, and (iv) in accordance with recommendations by the DBM Board on all other proposals or business; and (b) certain restrictions on the transfer of the DBM Shares, in each case, subject to the terms and conditions set forth therein.

The Support Agreements, and all rights and obligations of the parties thereunder, shall terminate on July 1, 2022, unless earlier terminated by mutual agreement of the applicable parties thereto.

The foregoing summary description of the SPA, Support Agreements and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to (a) the full text of the SPA, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and the terms of which are incorporated by reference herein, and (b) the full text of the Support Agreements, which are filed as Exhibit 10.1 and Exhibit 10.2 to this Current Report on Form 8-K and the terms of which are incorporated by reference herein.

Item 2.01 Completion of Acquisition or Disposition of Assets

The information disclosed in the first and last paragraph of Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On July 1, 2021, HC2 issued a press release announcing the closing of the Continental Sale. The full text of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by HC2 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.

(b) Pro Forma Financial Information.

The unaudited pro forma financial statements of the Company (giving effect to the Continental Sale) as of and for the three month period ended March 31, 2021 and for the year ended December 31, 2021, filed herewith and attached hereto as Exhibit 99.2, are incorporated herein by reference.

(d) Exhibits

Item No.	Description
2.1	<u>Stock Purchase Agreement, dated March 26, 2021, by and among HC2 Holdings 2, Inc., Continental Insurance Group, Ltd. and Continental General Holdings LLC (incorporated by reference to Exhibit 2.1 to the Form 8-K filed by HC2 Holdings, Inc. on March 29, 2021).</u>
10.1*	<u>HC2 Preferred Support Agreement, dated July 1, 2021, by and among HC2 Holdings, Inc., Continental General Insurance Company and Continental General Holdings LLC.</u>
10.2*	<u>DBM Common Support Agreement, dated July 1, 2021, by and among HC2 Holdings, Inc., Continental General Insurance Company and Continental General Holdings LLC.</u>
99.1	<u>Press Release, dated July 1, 2021, issued by HC2 Holdings, Inc., regarding the Continental Sale.</u>
99.2	<u>Unaudited pro forma balance sheet of HC2 Holdings, Inc. as of March 31, 2021 and unaudited pro forma statement of operations of HC2 Holdings, Inc. for the year ended December 31, 2020 and three month period ended March 31, 2021.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. HC2 Holdings, Inc. hereby undertakes to furnish supplemental copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

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.

July 1, 2021

By: /s/ Michael J. Sena

Name: Michael J. Sena
Title: Chief Financial Officer

SUPPORT AGREEMENT

This SUPPORT AGREEMENT (this “Agreement”), dated as of July 1, 2021, is entered into by and among HC2 Holdings, Inc., a Delaware corporation (the “Company”), Continental General Holdings LLC, a Michigan limited liability company (“Purchaser”), Continental General Insurance Company, a Texas domiciled life and health insurance company (“CGIC” and together with the Purchaser, the “Stockholders”).

W I T N E S S E T H:

WHEREAS, HC2 Holdings 2, Inc. (“Seller”), Continental Insurance Group, Ltd., a Delaware corporation (“CIG”), and Purchaser have entered into a Stock Purchase Agreement, dated as of March 26, 2021 (the “Stock Purchase Agreement”), pursuant to which, upon the terms and subject to the conditions thereof, Seller will sell to Purchaser, and Purchaser will purchase from Seller, all of the issued and outstanding shares of capital stock of CIG as of the Closing;

WHEREAS, as of the date hereof, each Stockholder is the “beneficial owner” (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934 (the “Exchange Act”)) and is entitled to vote and dispose of the number of shares of preferred stock, par value \$0.001 per share (the “Preferred Stock”), of the Company set forth on Schedule I (with respect to such Stockholder and until disposed of by such Stockholder in accordance with Section 2.03, the “Owned Stock” and, together with any additional Preferred Stock of which such Stockholder becomes the “beneficial owner” after the date hereof and during the term of this Agreement, the “Subject Stock”); and

WHEREAS, in connection with the Stock Purchase Agreement, the Company and each Stockholder desire to enter into this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions set forth herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Definitions. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Stock Purchase Agreement.

Section 1.02 Interpretation.

(a) As used in this Agreement, references to the following terms have the meanings indicated:

(i) to the Preamble or to the Recitals, Sections, Articles or Schedules are to the Preamble or a Recital, Section or Article of, or Schedule to, this Agreement unless otherwise clearly indicated to the contrary;

(ii) to any Contract (including this Agreement) or “organizational document” are to the Contract or organizational document as amended, modified, supplemented, restated or replaced from time to time;

(iii) to any Law are to such Law as amended, modified, supplemented or replaced from time to time and all rules and regulations promulgated thereunder, and to any section of any Law include any successor to such section;

(iv) to any Governmental Authority include any successor to the Governmental Authority and to any Affiliate include any successor to the Affiliate;

(v) to any “copy” of any Contract or other document or instrument are to a true and complete copy thereof;

(vi) to “hereof,” “herein,” “hereunder,” “hereby,” “herewith” and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or clause of this Agreement, unless otherwise clearly indicated to the contrary;

(vii) to the “date of this Agreement,” “the date hereof” and words of similar import refer to July 1, 2021; and

(viii) to “this Agreement” include the Schedule to this Agreement.

(b) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation.” The word “or” need not be disjunctive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. The word “shall” shall be construed to have the same meaning and effect as the word “will”, unless the context otherwise requires.

(c) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the party having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word “day” shall be interpreted as a calendar day. With respect to any determination of any period of time, unless otherwise set forth herein, the word “from” means “from and including” and the word “to” means “to but excluding.”

(d) The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(e) References to a “party” hereto means the Company, Purchaser or CGIC and references to “parties” hereto means the Company, Purchaser and CGIC unless the context otherwise requires.

(f) References to “dollars” or “\$” mean United States dollars, unless otherwise clearly indicated to the contrary.

(g) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(h) No summary of this Agreement prepared by or on behalf of any party shall affect the meaning or interpretation of this Agreement.

(i) All capitalized terms used without definition in the Schedule to this Agreement shall have the meanings ascribed to such terms in this Agreement.

ARTICLE II

COVENANTS OF STOCKHOLDERS

Section 2.01 Agreement to Vote.

(a) Each Stockholder irrevocably and unconditionally agrees during the term of this Agreement, that such Stockholder will (i) cause all of the Subject Stock that such Stockholder or any of its controlled Affiliates (and direct each of its other Affiliates with respect to all of the Subject Stock that each such other Affiliate) has the right to vote (or to direct the vote of), as of the applicable record date, to be present in person or by proxy for quorum purposes and to be voted at any meeting of stockholders of the Company or at any adjournments or postponements thereof (a “Company Stockholders Meeting”) and (ii) in connection with any solicitation of written consents from stockholders of the Company, to consent in connection with any action by written consent in lieu of a meeting, in the case of each of clauses (i) and (ii): (A) in favor of each director nominated and recommended by the Board of Directors of the Company (the “Board of Directors”) for election, (B) against any stockholder nominations for directors that are not approved and recommended by the Board of Directors, (C) against any proposals or resolutions to remove any member of the Board of Directors, unless otherwise approved and recommended by the Board of Directors, and (D) in accordance with recommendations by the Board of Directors on all other proposals or business; provided, however, that such Stockholder shall not participate in or deliver any written consent in connection with any solicitation of written consents of the stockholders of the Company unless expressly requested to do so in writing by the Board of the Directors.

(b) Nothing contained in this Agreement shall be deemed to vest in the Company any direct or indirect ownership or incidence of ownership of any Subject Stock. All rights,

ownership and economic benefits of and relating to the Subject Stock shall remain vested in and belong to the Stockholders.

Section 2.02 Irrevocable Proxy. Each Stockholder hereby appoints the Company and any designee of the Company, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and re-substitution, to vote such Stockholder's Subject Stock at any Company Stockholders Meeting or act by written consent, in each case as provided in Section 2.01; provided, that in the case of a vote at any Company Stockholders Meeting, this proxy and power of attorney granted by such Stockholder shall be effective if, and only if, such Stockholder has not delivered to the Company at least five (5) Business Days prior to a Company Stockholders Meeting, a duly executed proxy card voting such Stockholder's Subject Stock in accordance with the recommendation of the Board of Directors with respect to each proposal or nomination presented at such Company Stockholders Meeting. This proxy and power of attorney is given by such Stockholder to secure the performance of the duties of such Stockholder under this Agreement. Each Stockholder shall take such further action or execute such other instruments as may be necessary, required or advisable to effectuate the intent and purposes of this proxy and power of attorney. The proxy and power of attorney granted by each Stockholder shall (w) be irrevocable, (x) be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and power of attorney, (y) revoke any and all prior proxies and powers of attorney granted by such Stockholder with respect to any of its Subject Stock and (z) terminate upon the termination of this Agreement pursuant to Section 5.01. The power of attorney granted by each Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of any Stockholder.

Section 2.03 Transfer and Other Restrictions. Each Stockholder shall not, directly or indirectly, (a) sell, transfer, pledge, assign or otherwise dispose of (collectively, "Transfer"), or enter into any Contract, option or other arrangement or understanding with respect to the Transfer of, any Subject Stock to any Person (other than to any Affiliate of such Stockholder; provided that the applicable transferee executes a joinder hereto that is reasonably satisfactory to the Company), (b) enter into any voting agreement, understanding or arrangement, whether by proxy, voting agreement or otherwise, or grant a proxy or power of attorney with respect to any Subject Stock that would, or would reasonably be expected to, restrict or interfere with such Stockholder's obligations pursuant to this Agreement or (c) enter into any other agreement, understanding or arrangement, or commit or agree to take any other action, that would, or would reasonably be expected to, restrict or interfere with such Stockholder's obligations pursuant to this Agreement.

Section 2.04 Stock Dividends, etc. If following the date of this Agreement, the issued and outstanding Preferred Stock shall have been changed into a different number of shares or a different class by reason of the occurrence or record date of any stock dividend, subdivision, reclassification, recapitalization, split, combination, exchange of shares or similar transaction, the terms "Owned Stock" and "Subject Stock" shall be appropriately adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination, exchange of shares or similar transaction.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF EACH STOCKHOLDER

Each Stockholder hereby represents and warrants, severally and not jointly, to the Company that:

Section 3.01 Organization and Authority. Each Stockholder (a) is duly incorporated or organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the Laws of the jurisdiction of its incorporation or organization and (b) has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

Section 3.02 Ownership of Owned Stock. Such Stockholder is the beneficial owner of the Owned Stock, free and clear of all Liens, except for any Liens created by this Agreement or those imposed by applicable securities and insurance Laws. As of the date of this Agreement, the Stockholder does not beneficially own (within the meaning of Section 13 of the Exchange Act) any Preferred Stock other than the Owned Stock. Such Stockholder has the sole right to vote the Owned Stock, and, except as contemplated by this Agreement, none of the Owned Stock are subject to any voting trust or other agreement with respect to the voting of the Owned Stock. Such Stockholder has the sole right to dispose of the Owned Stock with no restrictions, subject to applicable securities Laws on its rights of disposition of the Owned Stock. As of the date of this Agreement, except as contemplated by this Agreement, (i) there are no agreements or arrangements of any kind, contingent or otherwise, obligating such Stockholder to Transfer or cause to be Transferred any Owned Stock or otherwise relating to the Transfer of any Owned Stock and (ii) no Person has any contractual or other right or obligation to purchase or otherwise acquire any of such Owned Stock.

Section 3.03 Binding Effect.

(a) The execution and delivery of this Agreement by such Stockholder, the performance by of its obligations hereunder and the consummation of the transactions contemplated hereby, have been duly and validly approved by all requisite corporate or limited liability company action on the part of such Stockholder and no additional corporate or limited liability company proceedings on the part of such Stockholder or any of its Affiliates or any of their respective stockholders are necessary to approve or authorize, as applicable, this Agreement, the performance of such Stockholder's obligations hereunder or the consummation of the transactions contemplated hereby.

(b) This Agreement has been duly executed and delivered by such Stockholder. Assuming the due authorization, execution and delivery by the Company, this Agreement constitutes the valid and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting creditors' rights generally, and by general principles of equity (regardless of whether enforcement is sought in equity or at law) (the "Bankruptcy and Equity Exceptions").

Section 3.04 No Conflicts; Governmental Approvals.

(a) The execution, delivery and performance of this Agreement by such Stockholder do not, and the consummation of the transactions contemplated hereby do not and will not, (i) conflict with or violate any provision of the organizational documents of such Stockholder, (ii) assuming that all consents, approvals, authorizations and waivers contemplated by Section 3.04(b) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness of the representations and warranties contained in Section 4.03(a), conflict with or violate any Law applicable to such Stockholder or by which any property or asset of such Stockholder is bound or affected, (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, or result in the loss of any right or benefit to which such Stockholder is entitled under, any Contract to which such Stockholder is a party or by which such Stockholder, or any property or asset of such Stockholder, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset of such Stockholder, except in the case of clauses (ii), (iii) and (iv) for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Stockholder to perform its obligations hereunder.

(b) The execution, delivery and performance of this Agreement by such Stockholder do not, and the consummation of the transactions contemplated hereby do not and will not, require any consent, approval, authorization or waiver from any Governmental Authority, except for consents, approvals, authorizations and waivers contemplated by the Stock Purchase Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Stockholders that:

Section 4.01 Organization and Authority. The Company (a) is a duly incorporated, validly existing and in good standing under the laws of the State of Delaware and (b) has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

Section 4.02 Binding Effect.

(a) The execution and delivery of this Agreement by the Company, the performance by of its obligations hereunder and the consummation of the transactions contemplated hereby, have been duly and validly approved by all requisite corporate action on the part of the Company and no additional corporate proceedings on the part of the Company or any of its Affiliates or any of their respective stockholders are necessary to approve or authorize, as applicable, this

Agreement, the performance of the Company's obligations hereunder or the consummation of the transactions contemplated hereby.

(b) This Agreement has been duly executed and delivered by the Company. Assuming the due authorization, execution and delivery by the Stockholders, this Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Bankruptcy and Equity Exceptions.

Section 4.03 No Conflicts; Governmental Approvals.

(a) The execution, delivery and performance of this Agreement by the Company do not, and the consummation of the transactions contemplated hereby do not and will not, (i) conflict with or violate any provision of the organizational documents of the Company, (ii) assuming that all consents, approvals, authorizations and waivers contemplated by Section 4.03(b) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness of the representations and warranties contained in Section 3.04(a), conflict with or violate any Law applicable to the Company or by which any property or asset of the Company is bound or affected, (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, or result in the loss of any right or benefit to which the Company is entitled under, any Contract to which the Company is a party or by which the Company, or any property or asset of the Company, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset of such Stockholder, except in the case of clauses (ii), (iii) and (iv) for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder.

(b) The execution, delivery and performance of this Agreement by the Company do not, and the consummation of the transactions contemplated hereby do not and will not, require any consent, approval, authorization or waiver from any Governmental Authority, except for consents, approvals, authorizations and waivers contemplated by the Stock Purchase Agreement.

ARTICLE V

TERMINATION, AMENDMENT AND WAIVER

Section 5.01 Termination. This Agreement and all rights and obligations of the parties hereunder shall automatically terminate, without further action by any party hereto, with respect to any Stockholder, on the later to occur of (a) the one (1) year anniversary of the date hereof and (b) July 1, 2022, or sooner upon the mutual written agreement of such Stockholder and the Company.

Section 5.02 Effect of Termination. In the event of termination of this Agreement, this Agreement shall forthwith become void and have no effect, without any liability or obligation on

the part of the Company or the applicable Stockholders, except that the provisions of this Section 5.02 and Article VI shall survive termination.

Section 5.03 Amendment; Waiver. Subject to Section 5.01, this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, (a) in the case of an amendment, by the parties, or (b) in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 6.02 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by email (provided that no “error message” or other notification of non-delivery is generated) or (c) one (1) Business Day following the day sent by an internationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses and email addresses (or to such other address or email address as a party may have specified by notice given to the other party pursuant to this provision):

if to the Company, to:
HC2 Holdings, Inc.
295 Madison Avenue, 12th Floor
New York, NY 10017
Email: legal@hc2.com
Attention: Joseph A. Ferraro

with a copy (which shall not constitute notice to the Company for the purposes of this Section 6.02) to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, New York 10001
Email: Todd.Freed@skadden.com
Jon.Hlafter@skadden.com
Attention: Todd E. Freed
Jon A. Hlafter

if to a Stockholder, to:

To them at the address, facsimile number and email address set forth opposite such Stockholder's name on Schedule I.

Section 6.03 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations under it may be, directly or indirectly, assigned, delegated, sublicensed or transferred by any party, in whole or in part, to any other Person (including any bankruptcy trustee) by operation of law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other party, and any attempted or purported assignment in violation of this Section 6.03 will be null and void; provided, however, that this Agreement may be, directly or indirectly, assigned, delegated, sublicensed or transferred by the Company, in whole or in part, to the Company. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors, administrators and permitted assigns.

Section 6.04 No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer any rights, privileges, benefits, remedies, obligations or liabilities upon any Person, other than the parties and their respective successors, administrators and permitted assigns.

Section 6.05 Governing Law; Submission to Jurisdiction.

(a) This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the laws of New York without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction.

(b) Each of the parties hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction and venue of the federal courts of the United States located in the Southern District of the State of New York or, if such courts do not have jurisdiction, the state courts of the State of New York sitting in the Borough of Manhattan ("New York Courts") in any Action arising out of or relating to this Agreement, including the negotiation, execution or performance of this Agreement and agrees that all claims in respect of any such Action shall be heard and determined in the New York Courts, (ii) waives, to the fullest extent permitted by Law, (x) any objection which it may now or hereafter have to the laying of venue of any Action arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement in the New York Courts, including any objection based on its place of incorporation or domicile and (y) the defense of an inconvenient forum to the maintenance of such Action in any such court and (iii) agrees that a final and non-appealable judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the parties consents and agrees that service of process, summons, notice or document for any action permitted hereunder

may be delivered by registered mail addressed to it at the applicable address set forth in Section 6.02 or in any other manner permitted by Law.

Section 6.06 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY BE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY DISPUTE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION OR VALIDITY THEREOF OR ANY TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NEITHER THE OTHER PARTY NOR ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAVE REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS SECTION 6.06. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 6.07 Specific Performance. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached or threatened to be breached and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. It is accordingly agreed that without posting bond or other undertaking, the parties shall be entitled to injunctive or other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no party will allege, and each party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties agree that (a) by seeking any remedy provided for in this Section 6.07, a party shall not in any respect waive its right to seek any other form of relief that may be available to such party under this Agreement and (b) nothing contained in this Section 6.07 shall require any party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 6.07 before exercising any other right under this Agreement.

Section 6.08 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 6.09 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 6.10 Public Disclosure. The parties shall agree on the form and content of any initial press release and, except with the prior written consent of the other party (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby; provided that the parties may, without the prior written consent of the other party, make such public statement or issue such public communication (a) as may be required by Law, any Governmental Authority or the rules or regulations of any stock exchange or interdealer quotation service; provided, however, that, to the extent permitted by Law and practicable under the circumstances, the issuing party shall give the other party reasonable advance notice of any such disclosure and a reasonable opportunity to review and comment thereon prior to such public statement or communication being made, or (b) to enforce its rights or remedies under this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HC2 HOLDINGS, INC.

By: /s/ Michael J. Sena
Name: Michael J. Sena
Title: Chief Financial Officer

[Signature Page to the Support Agreement]

CONTINENTAL GENERAL HOLDINGS LLC

By: /s/ Michael Gorzynski

Name: Michael Gorzynski

Title: Chief Executive Officer

[Signature Page to the Support Agreement]

CONTINENTAL GENERAL INSURANCE COMPANY

By: /s/ David Ramsey

Name: David Ramsey

Title: President & CEO

[Signature Page to the Support Agreement]

SCHEDULE I

Stockholder	Number of Preferred Stock	Address
Continental General Holdings LLC	0	c/o MG Capital Management Ltd. 595 Madison Avenue, 29th Floor New York, NY 10022 Email:mike@mgcapitalpartners.com Attention: Michael Gorzynski
Continental General Insurance Company	6,125 Series A 10,000 Series A-2	c/o MG Capital Management Ltd. 595 Madison Avenue, 29th Floor New York, NY 10022 Email:mike@mgcapitalpartners.com Attention: Michael Gorzynski

SUPPORT AGREEMENT

This SUPPORT AGREEMENT (this “Agreement”), dated as of July 1, 2021, is entered into by and among HC2 Holdings, Inc., a Delaware corporation (“HC2”), Continental General Holdings LLC, a Michigan limited liability company (“Purchaser”), Continental General Insurance Company, a Texas domiciled life and health insurance company (“CGIC” and together with the Purchaser, the “Stockholders”).

WITNESSETH:

WHEREAS, HC2 Holdings 2, Inc. (“Seller”), Continental Insurance Group, Ltd., a Delaware corporation (“CIG”), and Purchaser have entered into a Stock Purchase Agreement, dated as of March 26, 2021 (the “Stock Purchase Agreement”), pursuant to which, upon the terms and subject to the conditions thereof, Seller will sell to Purchaser, and Purchaser will purchase from Seller, all of the issued and outstanding shares of capital stock of CIG as of the Closing;

WHEREAS, as of the date hereof, each Stockholder is the “beneficial owner” (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934 (the “Exchange Act”)) and is entitled to vote and dispose of the number of shares of common stock, par value \$0.001 per share (the “Common Stock”), of DBM Global Inc., a Delaware corporation (the “Company”) set forth on Schedule I (with respect to such Stockholder and until disposed of by such Stockholder in accordance with Section 2.03, the “Owned Stock” and, together with any additional Common Stock of which such Stockholder becomes the “beneficial owner” after the date hereof and during the term of this Agreement, the “Subject Stock”); and

WHEREAS, in connection with the Stock Purchase Agreement, HC2 and each Stockholder desire to enter into this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions set forth herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Definitions. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Stock Purchase Agreement.

Section 1.02 Interpretation.

(a) As used in this Agreement, references to the following terms have the meanings indicated:

(i) to the Preamble or to the Recitals, Sections, Articles or Schedules are to the Preamble or a Recital, Section or Article of, or Schedule to, this Agreement unless otherwise clearly indicated to the contrary;

(ii) to any Contract (including this Agreement) or “organizational document” are to the Contract or organizational document as amended, modified, supplemented, restated or replaced from time to time;

(iii) to any Law are to such Law as amended, modified, supplemented or replaced from time to time and all rules and regulations promulgated thereunder, and to any section of any Law include any successor to such section;

(iv) to any Governmental Authority include any successor to the Governmental Authority and to any Affiliate include any successor to the Affiliate;

(v) to any “copy” of any Contract or other document or instrument are to a true and complete copy thereof;

(vi) to “hereof,” “herein,” “hereunder,” “hereby,” “herewith” and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or clause of this Agreement, unless otherwise clearly indicated to the contrary;

(vii) to the “date of this Agreement,” “the date hereof” and words of similar import refer to July 1, 2021; and

(viii) to “this Agreement” include the Schedule to this Agreement.

(b) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation.” The word “or” need not be disjunctive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. The word “shall” shall be construed to have the same meaning and effect as the word “will”, unless the context otherwise requires.

(c) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the party having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word “day” shall be interpreted as a calendar day. With respect to any determination of any period of time, unless otherwise set forth herein, the word “from” means “from and including” and the word “to” means “to but excluding.”

(d) The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(e) References to a “party” hereto means HC2, Purchaser or CGIC and references to “parties” hereto means HC2, Purchaser and CGIC unless the context otherwise requires.

(f) References to “dollars” or “\$” mean United States dollars, unless otherwise clearly indicated to the contrary.

(g) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(h) No summary of this Agreement prepared by or on behalf of any party shall affect the meaning or interpretation of this Agreement.

(i) All capitalized terms used without definition in the Schedule to this Agreement shall have the meanings ascribed to such terms in this Agreement.

ARTICLE II

COVENANTS OF STOCKHOLDERS

Section 2.01 Agreement to Vote.

(a) Each Stockholder irrevocably and unconditionally agrees during the term of this Agreement, that such Stockholder will (i) cause all of the Subject Stock that such Stockholder or any of its controlled Affiliates (and direct each of its other Affiliates with respect to all of the Subject Stock that each such other Affiliate) has the right to vote (or to direct the vote of), as of the applicable record date, to be present in person or by proxy for quorum purposes and to be voted at any meeting of stockholders of the Company or at any adjournments or postponements thereof (a “Company Stockholders Meeting”) and (ii) in connection with any solicitation of written consents from stockholders of the Company, to consent in connection with any action by written consent in lieu of a meeting, in the case of each of clauses (i) and (ii): (A) in favor of each director nominated and recommended by the Board of Directors of the Company (the “Board of Directors”) for election, (B) against any stockholder nominations for directors that are not approved and recommended by the Board of Directors, (C) against any proposals or resolutions to remove any member of the Board of Directors, unless otherwise approved and recommended by the Board of Directors, and (D) in accordance with recommendations by the Board of Directors on all other proposals or business; provided, however, that such Stockholder shall not participate in or deliver any written consent in connection with any solicitation of written consents of the stockholders of the Company unless expressly requested to do so in writing by the Board of the Directors.

(b) Nothing contained in this Agreement shall be deemed to vest in HC2 any direct or indirect ownership or incidence of ownership of any Subject Stock. All rights, ownership and economic benefits of and relating to the Subject Stock shall remain vested in and belong to the Stockholders.

Section 2.02 Irrevocable Proxy. Each Stockholder hereby appoints HC2 and any designee of HC2, and each of them individually, its proxies and attorneys-in-fact, with full power of substitution and re-substitution, to vote such Stockholder's Subject Stock at any Company Stockholders Meeting or act by written consent, in each case as provided in Section 2.01; provided, that in the case of a vote at any Company Stockholders Meeting, this proxy and power of attorney granted by such Stockholder shall be effective if, and only if, such Stockholder has not delivered to the Company at least five (5) Business Days prior to a Company Stockholders Meeting, a duly executed proxy card voting such Stockholder's Subject Stock in accordance with the recommendation of the Board of Directors with respect to each proposal or nomination presented at such Company Stockholders Meeting. This proxy and power of attorney is given by such Stockholder to secure the performance of the duties of such Stockholder under this Agreement. Each Stockholder shall take such further action or execute such other instruments as may be necessary, required or advisable to effectuate the intent and purposes of this proxy and power of attorney. The proxy and power of attorney granted by each Stockholder shall (w) be irrevocable, (x) be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy and power of attorney, (y) revoke any and all prior proxies and powers of attorney granted by such Stockholder with respect to any of its Subject Stock and (z) terminate upon the termination of this Agreement pursuant to Section 5.01. The power of attorney granted by each Stockholder herein is a durable power of attorney and shall survive the dissolution, bankruptcy, death or incapacity of any Stockholder.

Section 2.03 Transfer and Other Restrictions. Each Stockholder shall not, directly or indirectly, (a) sell, transfer, pledge, assign or otherwise dispose of (collectively, "Transfer"), or enter into any Contract, option or other arrangement or understanding with respect to the Transfer of, any Subject Stock to any Person (other than to any Affiliate of such Stockholder; provided that the applicable transferee executes a joinder hereto that is reasonably satisfactory to HC2), (b) enter into any voting agreement, understanding or arrangement, whether by proxy, voting agreement or otherwise, or grant a proxy or power of attorney with respect to any Subject Stock that would, or would reasonably be expected to, restrict or interfere with such Stockholder's obligations pursuant to this Agreement or (c) enter into any other agreement, understanding or arrangement, or commit or agree to take any other action, that would, or would reasonably be expected to, restrict or interfere with such Stockholder's obligations pursuant to this Agreement.

Section 2.04 Stock Dividends, etc. If following the date of this Agreement, the issued and outstanding Common Stock shall have been changed into a different number of shares or a different class by reason of the occurrence or record date of any stock dividend, subdivision, reclassification, recapitalization, split, combination, exchange of shares or similar transaction, the terms "Owned Stock" and "Subject Stock" shall be appropriately adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination, exchange of shares or similar transaction.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF EACH STOCKHOLDER

Each Stockholder hereby represents and warrants, severally and not jointly, to HC2 that:

Section 3.01 Organization and Authority. Each Stockholder (a) is duly incorporated or organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the Laws of the jurisdiction of its incorporation or organization and (b) has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

Section 3.02 Ownership of Owned Stock. Such Stockholder is the beneficial owner of the Owned Stock, free and clear of all Liens, except for any Liens created by this Agreement or those imposed by applicable securities and insurance Laws. As of the date of this Agreement, the Stockholder does not beneficially own (within the meaning of Section 13 of the Exchange Act) any Common Stock other than the Owned Stock. Such Stockholder has the sole right to vote the Owned Stock, and, except as contemplated by this Agreement, none of the Owned Stock are subject to any voting trust or other agreement with respect to the voting of the Owned Stock. Such Stockholder has the sole right to dispose of the Owned Stock with no restrictions, subject to applicable securities Laws on its rights of disposition of the Owned Stock. As of the date of this Agreement, except as contemplated by this Agreement, (i) there are no agreements or arrangements of any kind, contingent or otherwise, obligating such Stockholder to Transfer or cause to be Transferred any Owned Stock or otherwise relating to the Transfer of any Owned Stock and (ii) no Person has any contractual or other right or obligation to purchase or otherwise acquire any of such Owned Stock.

Section 3.03 Binding Effect.

(a) The execution and delivery of this Agreement by such Stockholder, the performance by of its obligations hereunder and the consummation of the transactions contemplated hereby, have been duly and validly approved by all requisite corporate or limited liability company action on the part of such Stockholder and no additional corporate or limited liability company proceedings on the part of such Stockholder or any of its Affiliates or any of their respective stockholders are necessary to approve or authorize, as applicable, this Agreement, the performance of such Stockholder's obligations hereunder or the consummation of the transactions contemplated hereby.

(b) This Agreement has been duly executed and delivered by such Stockholder. Assuming the due authorization, execution and delivery by HC2, this Agreement constitutes the valid and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting creditors' rights generally, and by general principles of equity (regardless of whether enforcement is sought in equity or at law) (the "Bankruptcy and Equity Exceptions").

Section 3.04 No Conflicts; Governmental Approvals.

(a) The execution, delivery and performance of this Agreement by such Stockholder do not, and the consummation of the transactions contemplated hereby do not and will not, (i) conflict with or violate any provision of the organizational documents of such Stockholder, (ii) assuming that all consents, approvals, authorizations and waivers contemplated by Section 3.04(b) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness of the representations and warranties contained in Section 4.03(a), conflict with or violate any Law applicable to such Stockholder or by which any property or asset of such Stockholder is bound or affected, (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, or result in the loss of any right or benefit to which such Stockholder is entitled under, any Contract to which such Stockholder is a party or by which such Stockholder, or any property or asset of such Stockholder, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset of such Stockholder, except in the case of clauses (ii), (iii) and (iv) for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Stockholder to perform its obligations hereunder.

(b) The execution, delivery and performance of this Agreement by such Stockholder do not, and the consummation of the transactions contemplated hereby do not and will not, require any consent, approval, authorization or waiver from any Governmental Authority, except for consents, approvals, authorizations and waivers contemplated by the Stock Purchase Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF HC2

HC2 hereby represents and warrants to the Stockholders that:

Section 4.01 Organization and Authority. HC2 (a) is a duly incorporated, validly existing and in good standing under the laws of the State of Delaware and (b) has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

Section 4.02 Binding Effect.

(a) The execution and delivery of this Agreement by HC2, the performance by of its obligations hereunder and the consummation of the transactions contemplated hereby, have been duly and validly approved by all requisite corporate action on the part of HC2 and no additional corporate proceedings on the part of HC2 or any of its Affiliates or any of their respective stockholders are necessary to approve or authorize, as applicable, this Agreement, the

performance of HC2's obligations hereunder or the consummation of the transactions contemplated hereby.

(b) This Agreement has been duly executed and delivered by HC2. Assuming the due authorization, execution and delivery by the Stockholders, this Agreement constitutes the valid and binding obligation of HC2 enforceable against HC2 in accordance with its terms, subject to the Bankruptcy and Equity Exceptions.

Section 4.03 No Conflicts; Governmental Approvals.

(a) The execution, delivery and performance of this Agreement by HC2 do not, and the consummation of the transactions contemplated hereby do not and will not, (i) conflict with or violate any provision of the organizational documents of HC2, (ii) assuming that all consents, approvals, authorizations and waivers contemplated by Section 4.03(b) have been obtained, and all filings described therein have been made, and assuming the accuracy and completeness of the representations and warranties contained in Section 3.04(a), conflict with or violate any Law applicable to HC2 or by which any property or asset of HC2 is bound or affected, (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, or result in the loss of any right or benefit to which HC2 is entitled under, any Contract to which HC2 is a party or by which HC2, or any property or asset of HC2, is bound or affected or (iv) result (immediately or with notice or lapse of time or both) in the creation of a Lien on any property or asset of such Stockholder, except in the case of clauses (ii), (iii) and (iv) for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of HC2 to perform its obligations hereunder.

(b) The execution, delivery and performance of this Agreement by HC2 do not, and the consummation of the transactions contemplated hereby do not and will not, require any consent, approval, authorization or waiver from any Governmental Authority, except for consents, approvals, authorizations and waivers contemplated by the Stock Purchase Agreement.

ARTICLE V

TERMINATION, AMENDMENT AND WAIVER

Section 5.01 Termination. This Agreement and all rights and obligations of the parties hereunder shall automatically terminate, without further action by any party hereto, with respect to any Stockholder, on the later to occur of (a) the one (1) year anniversary of the date hereof and (b) July 1, 2022, or sooner upon the mutual written agreement of such Stockholder and HC2.

Section 5.02 Effect of Termination. In the event of termination of this Agreement, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of HC2 or the applicable Stockholders, except that the provisions of this Section 5.02 and Article VI shall survive termination.

Section 5.03 Amendment; Waiver. Subject to Section 5.01, this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, (a) in the case of an amendment, by the parties, or (b) in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 6.02 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by email (provided that no “error message” or other notification of non-delivery is generated) or (c) one (1) Business Day following the day sent by an internationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses and email addresses (or to such other address or email address as a party may have specified by notice given to the other party pursuant to this provision):

if to HC2, to:

HC2 Holdings, Inc.
295 Madison Avenue, 12th Floor
New York, NY 10017
Email: legal@hc2.com
Attention: Joseph A. Ferraro

with a copy (which shall not constitute notice to HC2 for the purposes of this Section 6.02) to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, New York 10001
Email: Todd.Freed@skadden.com
Jon.Hlafter@skadden.com
Attention: Todd E. Freed
Jon A. Hlafter

if to a Stockholder, to:

To them at the address, facsimile number and email address set forth opposite such Stockholder's name on Schedule I.

Section 6.03 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations under it may be, directly or indirectly, assigned, delegated, sublicensed or transferred by any party, in whole or in part, to any other Person (including any bankruptcy trustee) by operation of law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other party, and any attempted or purported assignment in violation of this Section 6.03 will be null and void; provided, however, that this Agreement may be, directly or indirectly, assigned, delegated, sublicensed or transferred by HC2, in whole or in part, to the Company. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective successors, administrators and permitted assigns.

Section 6.04 No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer any rights, privileges, benefits, remedies, obligations or liabilities upon any Person, other than the parties and their respective successors, administrators and permitted assigns.

Section 6.05 Governing Law; Submission to Jurisdiction.

(a) This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the laws of New York without respect to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction.

(b) Each of the parties hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction and venue of the federal courts of the United States located in the Southern District of the State of New York or, if such courts do not have jurisdiction, the state courts of the State of New York sitting in the Borough of Manhattan ("New York Courts") in any Action arising out of or relating to this Agreement, including the negotiation, execution or performance of this Agreement and agrees that all claims in respect of any such Action shall be heard and determined in the New York Courts, (ii) waives, to the fullest extent permitted by Law, (x) any objection which it may now or hereafter have to the laying of venue of any Action arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement in the New York Courts, including any objection based on its place of incorporation or domicile and (y) the defense of an inconvenient forum to the maintenance of such Action in any such court and (iii) agrees that a final and non-appealable judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the parties consents and agrees that service of process, summons, notice or document for any action permitted hereunder

may be delivered by registered mail addressed to it at the applicable address set forth in Section 6.02 or in any other manner permitted by Law.

Section 6.06 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY BE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY DISPUTE BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION OR VALIDITY THEREOF OR ANY TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NEITHER THE OTHER PARTY NOR ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAVE REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS SECTION 6.06. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 6.07 Specific Performance. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached or threatened to be breached and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. It is accordingly agreed that without posting bond or other undertaking, the parties shall be entitled to injunctive or other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no party will allege, and each party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties agree that (a) by seeking any remedy provided for in this Section 6.07, a party shall not in any respect waive its right to seek any other form of relief that may be available to such party under this Agreement and (b) nothing contained in this Section 6.07 shall require any party to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 6.07 before exercising any other right under this Agreement.

Section 6.08 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 6.09 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 6.10 Public Disclosure. The parties shall agree on the form and content of any initial press release and, except with the prior written consent of the other party (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby; provided that the parties may, without the prior written consent of the other party, make such public statement or issue such public communication (a) as may be required by Law, any Governmental Authority or the rules or regulations of any stock exchange or interdealer quotation service; provided, however, that, to the extent permitted by Law and practicable under the circumstances, the issuing party shall give the other party reasonable advance notice of any such disclosure and a reasonable opportunity to review and comment thereon prior to such public statement or communication being made, or (b) to enforce its rights or remedies under this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HC2 HOLDINGS, INC.

By: /s/ Michael J. Sena
Name: Michael J. Sena
Title: Chief Financial Officer

[Signature Page to the Support Agreement]

CONTINENTAL GENERAL HOLDINGS LLC

By: /s/ Michael Gorzynski

Name: Michael Gorzynski

Title: Chief Executive Officer

[Signature Page to the Support Agreement]

CONTINENTAL GENERAL INSURANCE COMPANY

By: /s/ David Ramsey

Name: David Ramsey

Title: President & CEO

[Signature Page to the Support Agreement]

SCHEDULE I

Stockholder	Number of Common Stock	Address
Continental General Holdings LLC	0	c/o MG Capital Management Ltd. 595 Madison Avenue, 29th Floor New York, NY 10022 Email:mike@mgcapitalpartners.com Attention: Michael Gorzynski
Continental General Insurance Company	102,700	c/o MG Capital Management Ltd. 595 Madison Avenue, 29th Floor New York, NY 10022 Email:mike@mgcapitalpartners.com Attention: Michael Gorzynski



FOR IMMEDIATE RELEASE

HC2 Holdings Completes Sale of Continental Insurance Business for \$90 Million

Transaction Further Refines HC2's Strategic Focus and Bolsters Liquidity Position

NEW YORK, July 1, 2021 -- HC2 Holdings, Inc. ("HC2" or "the Company") (NYSE: HCHC) announced today that it has completed the previously announced sale of its insurance segment, comprised of Continental Insurance Group Ltd. and its wholly-owned subsidiaries, Continental General Insurance Company and Continental LTC Inc. (collectively, "Continental"), to Continental General Holdings LLC, an entity controlled by Michael Gorzynski. The total transaction value of approximately \$90 million consists of a combination of \$65 million in cash plus securities, including certain assets of Continental.

Mr. Gorzynski, a director of the Company and beneficial owner of approximately 6.6% of the Company's outstanding common stock, is the managing member of MG Capital Management, Ltd. and has also served as executive chairman of Continental since October 2020.

"This divestiture marks another key milestone in the transformation of HC2. Going forward our focus will be on our three core operating segments – Infrastructure, Life Sciences and Spectrum - all of which have best-in-class assets that are well positioned to thrive," said Avie Glazer, Chairman of HC2.

"The consummation of this deal increases the Company's financial flexibility, better supports our remaining assets and positions us to drive growth," said Wayne Barr, Jr., HC2's President and CEO. "Over the last several months, we have refinanced our balance sheet and made a strategic acquisition of Banker Steel in our Infrastructure segment. We believe we are well positioned for growth and value creation in the years ahead."

"I believe completing this transaction helps HC2 meet its key strategic objectives while positioning Continental to strategically expand its footprint and pursue new opportunities," added Mr. Gorzynski. "We look forward to continuing to build a best-in-class organization that prioritizes policyholders."

The transaction was approved by the Board of Directors of HC2, excluding Mr. Gorzynski and Kenneth Curtis, who recused themselves from the deliberations.

For further information regarding the terms and conditions of the agreement, please refer to the transaction agreement filed on Form 8-K with the Securities and Exchange Commission.

Duff & Phelps served as financial advisor to HC2 in connection with the transaction and issued a fairness opinion to the Board of Directors of HC2 in connection with this transaction. Skadden, Arps, Slate, Meagher & Flom LLP served as legal advisor to HC2. Olshan Frome Wolosky LLP, Duane Morris LLP, and Roberts & Holland LLP served as legal advisors to Michael Gorzynski.

About HC2

HC2 Holdings, Inc. (NYSE: HCHC) has a class-leading portfolio of subsidiaries in Infrastructure, Life Sciences and Spectrum. HC2 is headquartered in New York, NY, and through its subsidiaries employs over 4,300 people.



About MG Capital Management

Based in New York City, MG Capital is a private investment firm that specializes in complex, value-oriented investments.

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 regarding the sale of Continental by the Company and our expectations regarding building shareholder value, as well as those that may be identified by words such as “will,” “intend,” “expect,” “anticipate,” “should,” “could” and similar expressions, all of which involve risks, assumptions and uncertainties, many of which are outside of the Company’s control, and are subject to change. All forward-looking 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’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, that may be revised or supplemented 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. 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 press release.

FOR HC2:

Media Contact:

Reevemark
Paul Caminiti/Pam Greene/Luc Herbowy
HC2@reevemark.com (212) 433-4600

Investor Contact:

Solebury Trout
Anthony Rozmus
ir@hc2.com
(212) 235-2691

FOR CONTINENTAL:

MKA
Greg Marose, 646-386-0091
gmarose@mkacomms.com

HC2 HOLDINGS, INC.
UNAUDITED PRO FORMA FINANCIAL STATEMENTS

On July 1, 2021, HC2 Holdings, Inc., a Delaware corporation ("HC2" or the "Company"), closed on the previously announced disposition of its Insurance segment, comprised of Continental Insurance Group LTD. and its wholly-owned subsidiary, Continental General Insurance Company and Continental LTC Inc. (collectively, "CGI" or "Continental") to Continental General Holdings LLC (the "Buyer"). The Buyer is controlled by Michael Gorzynski, a director of the Company and beneficial owner of approximately 6.6% of the Company's outstanding common stock, the managing member of MG Capital Management, LTD., and has served as executive chairman of CGI since October 2020. The total consideration received is approximately \$90 million, consisting of a combination of \$65.0 million in cash plus the return of intercompany securities and certain assets held by CGI at cost plus accrued interest valued at approximately \$25.7 million, which are eliminated in consolidation, less certain closing adjustments and transaction costs of \$1.5 million.

The disposition of CGI (the "Insurance Disposition") constituted a significant disposition for purposes of Item 2.01 of Form 8-K. As a result, the Company prepared the accompanying unaudited pro forma consolidated financial statements in accordance with Article 8 and Article 11 of Regulation S-X. The Insurance Disposition qualified as discontinued operations in the historical Quarterly Report on Form 10-Q as of and for the three months ended March 31, 2021, filed on May 7, 2021, as it represented a strategic shift that had a major effect on the Company's operations and financial results.

The following unaudited pro forma consolidated balance sheet as of March 31, 2021 gives effect to the Insurance Disposition as if the transaction had occurred on March 31, 2021. The historical unaudited pro forma consolidated statements of operations for the three months ended March 31, 2021 and for the year ended December 31, 2020 of the Company gives effect to the Insurance Disposition as if the transaction had occurred on January 1, 2020.

The unaudited pro forma consolidated financial statements and the notes to the unaudited pro forma consolidated financial statements are based on, and should be read in conjunction with:

- Our historical unaudited consolidated financial statements, related notes, and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q as of and for the three months ended March 31, 2021, filed on May 7, 2021.
- Our historical audited consolidated financial statements, related notes, and the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K as of and for the year ended December 31, 2020, filed on March 10, 2021.

The historical audited consolidated financial statements have been adjusted to reflect factually supportable items that are directly attributable to the transaction and, with respect to the unaudited pro forma consolidated statements of operations, are expected to have a continuing impact on the results of operations of the Company.

The unaudited pro forma consolidated financial statements have been prepared by HC2's management in a manner consistent with the accounting policies of the Company and are not necessarily indicative of the financial position or results of operations that would have been realized had the disposition been completed as of the dates indicated, nor are they meant to be indicative of the Company's anticipated financial position or future results of operations that the Company will experience following the disposition.

HC2 HOLDINGS, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
As of March 31, 2021
(in millions)

	As Filed	Pro Forma Adjustments	Total Pro Forma
Assets			
Current assets			
Cash and cash equivalents	\$ 54.2	\$ 63.5 (a)	\$ 117.7
Accounts receivable, net	186.4	—	186.4
Cost and recognized earnings in excess of billings on uncompleted contracts	65.7	—	65.7
Assets held for sale	5,592.8	(5,586.8) (b)	6.0
Other current assets	21.3	—	21.3
Total current assets	5,920.4	(5,523.3)	397.1
Investments	52.7	—	52.7
Deferred tax assets	2.7	—	2.7
Property, plant and equipment, net	110.7	—	110.7
Goodwill	110.9	—	110.9
Intangibles, net	167.1	—	167.1
Other assets	41.5	—	41.5
Total assets	\$ 6,406.0	\$ (5,523.3)	\$ 882.7
Liabilities, temporary equity and stockholders' equity			
Current liabilities			
Accounts payable	\$ 70.2	\$ —	\$ 70.2
Accrued liabilities	78.6	—	78.6
Current portion of debt obligations	82.8	—	82.8
Billings in excess of costs and recognized earnings on uncompleted contracts	58.5	—	58.5
Liabilities held for sale	5,166.0	(5,166.0) (b)	—
Other current liabilities	14.2	0.4 (c)	14.6
Total current liabilities	5,470.3	(5,165.6)	304.7
Debt obligation	463.3	—	463.3
Deferred tax liabilities	6.9	—	6.9
Other liabilities	34.0	—	34.0
Total liabilities	5,974.5	(5,165.6)	808.9
Commitments and contingencies			
Temporary equity			
Preferred stock	10.4	16.2 (d)	26.6
Redeemable noncontrolling interest	7.6	40.9 (e)	48.5
Total temporary equity	18.0	57.1	75.1
Stockholders' equity			
Preferred Stock	—	—	—
Common stock, \$0.001 par value	0.1	—	0.1
Shares authorized: 160,000,000 at March 31, 2021			—
Shares issued: 78,949,329 at March 31, 2021			—
Shares outstanding: 77,564,273 at March 31, 2021			—
Additional paid-in capital	355.7	(0.7) (b)	355.0
Treasury stock, at cost	(5.2)	—	(5.2)
Accumulated deficit	(176.1)	(197.9) (f)	(374.0)
Accumulated other comprehensive income	215.1	(220.5) (b)	(5.4)
Total HC2 Holdings, Inc. stockholders' equity	389.6	(419.1)	(29.5)
Noncontrolling interest	23.9	4.3 (b)	28.2
Total stockholders' equity	413.5	(414.8)	(1.3)
Total liabilities, temporary equity and stockholders' equity	\$ 6,406.0	\$ (5,523.3)	\$ 882.7

See notes to unaudited pro forma consolidated financial statements

HC2 HOLDINGS, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the Three Months Ended March 31, 2021
(in millions, except per share amounts)

	As Filed	Pro Forma Adjustments	(g)	Pro Forma
Revenue	\$ 171.8	\$ —		\$ 171.8
Cost of revenue	141.3	—		141.3
Gross profit	30.5	—		30.5
Operating expenses				
Selling, general and administrative	37.1	—		37.1
Depreciation and amortization	3.9	—		3.9
Other operating expense, net	0.4	—		0.4
Loss from operations	(10.9)	—		(10.9)
Other (expense) income:				
Interest expense	(21.4)	—		(21.4)
Loss on early extinguishment or restructuring of debt	(10.8)	—		(10.8)
Income from equity investees	(2.1)	—		(2.1)
Other expense, net	3.4	—		3.4
Loss before income taxes	(41.8)	—		(41.8)
Income tax expense	(1.1)	—		(1.1)
Loss from continuing operations	\$ (42.9)	—		\$ (42.9)
Loss per share - continuing operations				
Basic	\$ (0.51)	\$ (0.02)	(n)	\$ (0.53)
Diluted	\$ (0.51)	\$ (0.02)	(n)	\$ (0.53)
Weighted average common shares outstanding				
Basic	76.9			76.9
Diluted	76.9			76.9

HC2 HOLDINGS, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020
(in millions, except per share amounts)

	As Filed	Pro Forma Adjustments		Pro Forma
Revenue	\$ 716.9	\$ —		\$ 716.9
Life, accident and health earned premiums, net	115.1	(115.1) (h)		—
Net investment income	188.9	(188.9) (h)		—
Net realized and unrealized losses on investments	(15.1)	15.1 (h)		—
Net revenue	1,005.8	(288.9)		716.9
Operating expenses				
Cost of revenue	588.5	—		588.5
Policy benefits, changes in reserves, and commissions	250.0	(250.0) (i)		—
Selling, general and administrative	181.1	(35.7) (j)		145.4
Depreciation and amortization	(3.2)	20.9 (k)		17.7
Asset impairment expense	13.5	—		13.5
Other operating expense, net	(20.0)	—		(20.0)
Total operating expenses	1,009.9	(264.8)		745.1
Loss from operations	(4.1)	(24.1)		(28.2)
Interest expense	(79.4)	—		(79.4)
Loss on early extinguishment or restructuring of debt	(9.4)	—		(9.4)
Loss from equity investees	(3.4)	—		(3.4)
Other income	68.5	(2.9) (l)		65.6
Loss before income taxes	(27.8)	(27.0)		(54.8)
Income tax expense	(10.5)	(5.3) (m)		(15.8)
Loss from continuing operations	\$ (38.3)	\$ (32.3)		\$ (70.6)
Loss per share - continuing operations				
Basic	\$ (0.94)	\$ (0.64) (n)		\$ (1.58)
Diluted	\$ (0.94)	\$ (0.64) (n)		\$ (1.58)
Weighted average common shares outstanding				
Basic	50.3			50.3
Diluted	50.7			50.7

See notes to unaudited pro forma consolidated financial statements

HC2 HOLDINGS, INC.
NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The unaudited pro forma consolidated balance sheet as of March 31, 2021 gives effect to the Insurance Disposition as if it had occurred on March 31, 2021. The unaudited pro forma statements of operations give effect to the Insurance Disposition as if it had occurred on January 1, 2020.

The unaudited pro forma consolidated balance sheet is derived from the unaudited historical financial statements of HC2 for the three months ended March 31, 2021, as included in the Company's Form 10-Q filed with the Securities and Exchange Commission ("SEC") on May 7, 2021. The unaudited pro forma consolidated statement of operations are derived from the unaudited historical financial statements of March 31, 2021, as included in the Company's Form 10-Q filed with the SEC on May 7, 2021, and the unaudited pro forma consolidated statement of operations are derived from the audited consolidated statement of operations of December 31, 2020, as included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on March 10, 2021, as adjusted to give effect to the transaction.

The unaudited pro forma consolidated financial statements are not necessarily indicative of what the financial position and results from operations actually would have been had the disposition been completed at the date indicated and includes adjustments which are preliminary and may be revised. Such revisions may result in material changes. The financial position shown herein is not necessarily indicative of what the past financial position of the consolidated companies would have been, nor necessarily indicative of the financial position of the consolidated Company in the future.

2. Unaudited Pro Forma Balance Sheet Adjustments

Adjustments included in the "Pro Forma Adjustments" column in the accompanying unaudited pro forma consolidated balance sheet as of March 31, 2021 are as follows:

(a)	This adjustment represents \$65.0 million of cash proceeds received by HC2 at the close of the transaction. The cash received was reduced by \$1.5 million, consisting of certain closing adjustments and estimated transaction costs.	
	Cash received	\$65.0 million
	Intercompany securities and other intercompany assets at cost plus accrued interest	<u>\$25.7 million</u>
	Gross proceeds	\$90.7 million
	Less: Certain closing adjustments and estimated transaction costs	<u>(\$1.5 million)</u>
	Net proceeds	\$89.2 million
	Less: Elimination of intercompany securities and other intercompany assets at cost plus accrued interest	<u>(\$25.7 million)</u>
	Consideration received, net of intercompany eliminations	\$63.5 million
(b)	These adjustments represent the elimination of assets, liabilities, additional paid-in-capital, accumulated other comprehensive income, and non-controlling interest related to the Insurance segment, which were classified as held for sale as of March 31, 2021. An additional \$6.0 million of assets held for sale remaining on the balance sheet relate to activity from other HC2 subsidiaries, primarily HC2 Broadcasting Holdings station assets and certain discontinued operations in the United Kingdom related to HC2's Other segment.	
(c)	This adjustment represents accrued interest payable between DTV America and Continental General Insurance Company, which was previously eliminated in consolidation.	
(d)	This adjustment represents the HC2 Holdings, Inc. A & A-2 Preferred Stock of \$16.2 million owned by Continental General Insurance Company, which was previously eliminated in consolidation and represents additional redeemable Preferred Stock.	
(e)	This adjustment represents the \$40.9 million of DBM Global Intermediate Holdings, Inc. Preferred Stock owned by Continental General Insurance Company, which was previously eliminated in consolidation and represents redeemable non-controlling interest that is accounted for as a mezzanine equity instrument.	
(f)	This adjustment represents the loss arising from the sale of CGI. This estimated loss has not been reflected in the pro forma consolidated statement of operations as it is not included in continuing operations.	
	Net proceeds (as noted in item (a))	\$89.2 million
	Net book value of HC2's investment in Insurance segment immediately prior to the transfer of assets and cash related to the closing of the transaction	\$507.6 million
	Less: Accumulated other comprehensive income	<u>\$220.5 million</u>
	Net assets sold	\$287.1 million
	Estimated loss on sale (Net proceeds less net assets sold)	<u>(\$197.9 million)</u>

3. Unaudited Pro Forma Statements of Operations Adjustments

Adjustments included in the "Pro Forma Adjustments" column in the accompanying unaudited pro forma consolidated statements of operations for the three months ended March 31, 2021 and the audited consolidated statement of operations for the year ended December 31, 2020 are as follows:

- (g) As of March 31, 2021, all activity related to the Insurance segment was classified as discontinued operations and presented on the Income (loss) from discontinued operations line item. As such, no incremental adjustments were required.
- (h) This adjustment reflects the elimination of net investment income, unrealized gains (losses), and life, accident and health earned premiums, net of the Insurance segment.
- (i) This adjustment reflects the elimination of policy benefits, changes in reserves, and commissions of the Insurance segment.
- (j) This adjustment reflects the elimination of operating and administrative expenses of Insurance segment. Not included in the pro-forma results are anticipated savings due to costs that may be reduced or eliminated.
- (k) This adjustment reflects the elimination of depreciation and amortization expense, including negative Value of Business Acquired ("VOBA") amortization, of the Insurance segment. VOBA is a liability that reflects the estimated fair value of in-force contracts in a life insurance company acquisition less the amount recorded as insurance contract liabilities. It represents the portion of the purchase price that is allocated to the value of the rights to receive future cash flows from the business in force at the acquisition date. A VOBA liability (negative asset) occurs when the estimated fair value of in-force contracts in a life insurance company acquisition is less than the amount recorded as insurance contract liabilities. Amortization of negative VOBA reflects an increase to net income.
- (l) This adjustment reflects the elimination of other income of the Insurance segment.
- (m) This adjustment reflects the elimination of income tax expense of the Insurance segment.

- (n) Earnings per share ("EPS") is calculated using the two-class method, which allocates earnings among common stock and participating securities to calculate EPS when an entity's capital structure includes either two or more classes of common stock or common stock and participating securities. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities. As such, shares of any unvested restricted stock of the Company are considered participating securities. The dilutive effect of options and their equivalents (including non-vested stock issued under stock-based compensation plans), is computed using the "treasury" method as this measurement was determined to be more dilutive between the two available methods in each period.

The Company had zero dilutive common share equivalents during the three months ended March 31, 2021, due to the results being a loss from continuing operations, net of tax.

The following table presents a reconciliation of net loss used in basic and diluted EPS from continuing operations, reflecting the Insurance Disposition (in millions, except per share amounts):

	Three Months Ended March 31, 2021		
	As Filed	Pro Forma Adjustments (o)	Total Pro Forma
Loss from continuing operations	\$ (42.9)	\$ —	\$ (42.9)
Loss attributable to noncontrolling interest and redeemable noncontrolling interest from continuing operations	2.8	—	2.8
Loss income from continuing operations attributable to the Company	(40.1)	—	(40.1)
Less: Preferred dividends, deemed dividends and repurchase gains	0.4	—	0.4
Loss from continuing operations attributable to HC2 common stockholders	\$ (40.5)	\$ —	\$ (40.5)
Earnings allocable to common shares:			
Participating shares at end of period:			
Weighted-average common stock outstanding	76.9		76.9
Unvested restricted stock	0.4		—
Preferred stock (as-converted basis)	2.6		—
Total	79.9		76.9
Percentage of income (loss) allocated to:			
Common stock	96.2 %		100.0 %
Unvested restricted stock	0.5 %		— %
Preferred stock	3.3 %		— %
Net loss from continuing operations attributable to common stock, diluted	\$ (39.0)		\$ (40.5)
<i>Denominator for basic and dilutive earnings per share:</i>			
Weighted average common shares outstanding - basic	76.9		76.9
Effect of assumed shares for stock options, restricted shares and convertible instruments	—		—
Weighted average common shares outstanding - diluted	76.9		76.9
Loss per share - continuing operations			
Basic:	\$ (0.51)		\$ (0.53)
Diluted:	\$ (0.51)		\$ (0.53)

(o) As of March 31, 2021, all activity related to the Insurance segment was classified as discontinued operations and presented on the Income (loss) from discontinued operations line item. As such, no incremental adjustments were required.

The Company had no dilutive common share equivalents during the year ended December 31, 2020, due to the results of operations being a loss from continuing operations, net of tax.

The following table presents a reconciliation of net loss used in basic and diluted EPS from continuing operations, reflecting the Insurance Disposition (in millions, except per share amounts):

	Year Ended December 31, 2020		
	As Filed	Pro forma Adjustments	Total Pro Forma
Loss from continuing operations	\$ (38.3)	\$ (32.3)	\$ (70.6)
Loss attributable to noncontrolling interest and redeemable noncontrolling interest from continuing operations	(5.6)	(0.5) (p)	(6.1)
Loss income from continuing operations attributable to the Company	(43.9)	(32.8)	(76.7)
Less: Preferred dividends, deemed dividends and repurchase gains	3.6	—	3.6
Loss from continuing operations attributable to HC2 common stockholders	\$ (47.5)	\$ (32.8)	\$ (80.3)
Earnings allocable to common shares:			
<i>Numerator for basic and diluted earnings per share</i>			
Participating shares at end of period:			
Weighted-average common stock outstanding	50.3		50.3
Unvested restricted stock	—		—
Preferred stock (as-converted basis)	0.4		0.4
Total	50.7		50.7
Percentage of loss allocated to:			
Common stock	99.2 %		99.2 %
Unvested restricted stock	— %		— %
Preferred stock	0.8 %		0.8 %
<i>Numerator for earnings per share, basic:</i>			
Net loss from continuing operations attributable to common stock, basic	\$ (47.1)		\$ (79.7)
Net loss from continuing operations attributable to common stock, diluted	\$ (47.5)		\$ (80.3)
<i>Denominator for basic and dilutive earnings per share</i>			
Weighted average common shares outstanding - basic	50.3		50.3
Effect of assumed shares under treasury stock method for stock options and restricted shares and if-converted method for convertible instruments	0.4		0.4
Weighted average common shares outstanding - diluted	50.7		50.7
Loss per share - continuing operations			
Basic:	\$ (0.94)		\$ (1.58)
Diluted:	\$ (0.94)		\$ (1.58)

(p) This adjustment reflects the adjustments to non-controlling interest related to intercompany activity between the Insurance segment and HC2's Infrastructure and Spectrum segments.