

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): March 8, 2024

INNOVATE CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35210
(Commission
File Number)

54-1708481
(IRS Employer
Identification No.)

292 Madison Ave., 12th Floor
New York, NY 10017
(Address of principal executive offices)

(212) 235-2691
(Registrant's telephone number, including area code)

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:

- 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	of each exchange on which registered
Common Stock, par value \$0.001 per share	VATE	New York Stock Exchange
Preferred Stock Purchase Rights	N/A	New York Stock Exchange

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

Emerging growth company

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

Item 8.01. Other Events.

On March 8, 2024, INNOVATE Corp. (the “Company”) commenced its previously announced \$19.0 million common stock rights offering. The rights offering is being made pursuant to the Company’s Registration Statement on Form S-3 (File No. 333274760) (the “Registration Statement”), filed with the Securities and Exchange Commission (the “SEC”) on September 29, 2023, the prospectus forming a part of the Registration Statement and the prospectus supplement relating to the rights offering (the “Prospectus Supplement”), filed with the SEC on March 8, 2024.

Copies of the prospectus and the related prospectus supplement will be mailed to all eligible stockholders as of 5:00 p.m., New York City time, March 6, 2024 on or about March 8, 2024 and can also be accessed through the SEC’s website at www.sec.gov or be obtained from the information agent, Okapi Partners LLC, toll free at (855) 208-8902. Additional information regarding the rights offering is set forth in the prospectus and the related prospectus supplement.

In connection with the rights offering, the Company is filing certain ancillary documents as Exhibits 4.1, 5.1, 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7, and 99.8, to this Current Report on Form 8-K for the purpose of incorporating such items by reference as exhibits to the Registration Statement.

On March 8, 2024 the Company issued a press release announcing the launch of the rights offering. A copy of the press release is attached as Exhibit 99.9 to this Current Report on Form 8-K. Exhibit 99.9 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Forward Looking Statements

This Current Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the rights offering, the timing thereof, the Company’s ability to complete the rights offering on the expected terms or at all, and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. All forward-looking statements speak only as of the date of this Current Report, and unless legally required, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the Company’s filings with the SEC, including its most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, for additional information about the risks and uncertainties related to the Company’s business that may affect the forward-looking statements made in this Current Report.

Not a Solicitation

This Current Report does not constitute an offer to sell or a solicitation of an offer to buy the securities described above, and shall not constitute an offer, solicitation or sale, nor shall there be any sale of such securities of the Company in any state or other jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
4.1	<u>Form of Subscription Rights Certificate</u>
5.1	<u>Opinion of Woods Oviatt Gilman, LLP, special counsel to INNOVATE Corp.</u>
99.1	<u>Form of Instructions as to Use of INNOVATE Corp. Rights Certificates</u>
99.2	<u>Form of Letter to Stockholders who are Record Holders</u>
99.3	<u>Form of Letter to Brokers, Dealers, Banks, and Other Nominees</u>
99.4	<u>Form of Broker Letter to Clients who are Beneficial Holders</u>
99.5	<u>Form of Beneficial Holder Election Form</u>
99.6	<u>Form of Nominee Holder Election Certification</u>
99.7	<u>Form of Beneficial Owner Letter for Transfer or Sale of Rights</u>
99.8	<u>Form of Nominee Holder Letter for Transfer or Sale of Rights</u>
99.9	<u>Press Release, dated March 8, 2024, titled "INNOVATE Corp. Announces Commencement of Rights Offering"</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

Date: March 8, 2024

INNOVATE Corp.

By: /s/ Michael J. Sena

Name: Michael J. Sena

Title: Chief Financial Officer



Computershare Trust Company,
N.A. 150 Royal Street Canton
Massachusetts 02021 For questions
call the Information Agent Okapi
Partners LLC at (855) 208-8902



MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4
ADD 5
ADD 6



C 1234567890 J N T



Primary Subscription Rights 12345678901234

SUBSCRIPTION RIGHTS CERTIFICATE

INNOVATE CORP. SUBSCRIPTION RIGHTS FOR SHARES OF COMMON STOCK

VOID IF NOT RECEIVED BY THE SUBSCRIPTION AGENT BEFORE 5:00 P.M. NEW YORK CITY TIME ON MARCH 25, 2024, UNLESS EXTENDED BY THE COMPANY ("EXPIRATION DATE")

The registered holder (the "holder") whose name is inscribed hereon is the owner of the number of subscription rights ("Rights") set forth above. Each Right provides the holder thereof the opportunity to purchase (the "Basic Subscription Privilege") 0.2858 shares of common stock, par value \$0.001 per share (the "Common Stock"), of the Company, at a subscription price of \$0.70 per share of Common Stock (the "Subscription Price"), pursuant to a rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Company's Base Prospectus, dated September 29, 2023 (the "Base Prospectus"), and the Prospectus Supplement, dated March 8, 2024 (the "Prospectus Supplement" and, together with the Base Prospectus, the "Prospectus"). If you subscribe for all of the shares available pursuant to the Basic Subscription Privilege, you are also entitled to purchase additional shares at the Subscription Price up to that number of shares of Common Stock that are offered in the Rights Offering but are not purchased by the other Rights holders under their Basic Subscription Privilege (the "Oversubscription Privilege"). If oversubscription requests exceed the number of shares which are available, the Company will allocate the available shares pro rata among those Rights holders who oversubscribed based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege. The other terms and conditions of these Rights are set forth in the enclosed Prospectus. The Rights represented by this Rights Certificate may be exercised, as described further in the Prospectus, by delivering to Computershare Trust Company, N.A. (the "Subscription Agent") this Rights Certificate, properly completed and executed, together with full payment for all Rights completing the appropriate forms on the reverse side hereof and by returning the full payment for all the Rights the holder elects to exercise under the Basic Subscription Privilege and Oversubscription Privilege prior to 5:00 p.m., New York City time, on the Expiration Date (unless extended by the Company). If the holder attempts to exercise its Oversubscription Privilege and the Company is unable to issue the holder the full amount of shares of Common Stock requested, the Subscription Agent will return to the holder any excess amount, in the manner in which made, without interest or deduction as soon as practicable after the Expiration Date of the Rights Offering. This Rights Certificate may be transferred by duly completing and signing Section 2 on the reverse side hereof. All Rights not exercised prior to the Expiration Date (unless extended by the Company) shall be null and void.

If you choose to exercise your Rights, your completed Rights Certificate must be received by 5:00 p.m., New York City time, on March 25, 2024, which is the Expiration Date (unless extended by the Company). If you choose to transfer your Rights, your completed Rights Certificate must be received by the Subscription Agent by 5:00 P.M., New York City time, on March 20, 2024, which is five business days prior to the Expiration Date, as may be adjusted in the event of an extension of the Expiration Date.

Holder ID	COY	Class	Rights Qty Issued	Rights Cert #
123456789	XXXX	Subscription Rights	XXX.XXXXXX	12345678
Signature of Owner and U.S. Person for Tax Certification		Signature of Co-Owner (if more than one registered holder listed)		Date (mm/dd/yyyy)
<div style="border: 1px solid black; height: 30px;"></div>		<div style="border: 1px solid black; height: 30px;"></div>		<div style="border: 1px solid black; height: 30px;"></div>

1 2 3 4 5 6 7 8 C L S X R T 2 C O Y C 03YGBE

EXERCISABLE ON OR BEFORE 5:00 P.M., NEW YORK CITY TIME, ON MARCH 25, 2024,
UNLESS EXTENDED BY THE COMPANY (THE "EXPIRATION DATE")

(Complete appropriate section on subsequent pages of this form.)

The Company is conducting a Rights Offering, which entitles holders of: (i) shares of Common Stock; (ii) shares of the Company's Series A-3 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-3 Preferred Stock"), Series A-4 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-4 Preferred Stock", and, together with the Series A-3 Preferred Stock, the "Preferred Stock"); and (iii) holders of the 7.5% Convertible Senior Notes due 2026 pursuant to that certain Indenture, dated as of February 1, 2021 between HC2 Holdings, Inc., (nka INNOVATE Corp.) and U.S. Bank National Association, as Trustee (the "Convertible Notes") to receive one Right for each share of Common Stock, Preferred Stock, or note held by them as of 5:00 P.M. New York City time, on March 6, 2024 (the "Record Date"). Each Right provides the holder to subscribe for 0.2858 shares of Common Stock pursuant to its Basic Subscription Privilege and, if its Basic Subscription Privilege is fully exercised, to subscribe for additional shares of Common Stock pursuant to its Oversubscription Privilege. If the aggregate Subscription Price delivered or transmitted by the holder with the Rights Certificate exceeds the aggregate Subscription Price for all shares for which the holder would be entitled to subscribe pursuant to its Basic Subscription Privilege and no direction is given as to the excess, such holder will be deemed to have subscribed for a number of additional shares of Common Stock equal to the maximum whole number of additional shares of Common Stock that could be purchased with such excess Subscription Price. Shares of Common Stock purchased pursuant to the Rights Offering will be issued as soon as practicable following the Expiration Date. Rights may only be exercised in aggregate for whole numbers of shares of Common Stock; no fractional Rights or cash in lieu thereof were issued or paid. Fractional Rights will be rounded to the nearest whole number with such adjustments as may be necessary to ensure that if all Rights are exercised, the Company will receive gross proceeds of \$19.0 million. Set forth herein is the number of Rights evidenced by this Rights Certificate that the holder is entitled to exercise pursuant to such holder's Basic Subscription Privilege. If shares of Common Stock or Preferred Stock applicable to a subscription are held by more than one record holder, the Rights Certificate must be signed by each such holder; if a holder or joint holders (registrants) hold more than one position in the Company, as indicated by different accounts on the relevant record holder list, then separate, properly completed and executed Rights Certificates must be submitted for each such position held by that or those joint holders (registrants).

This Rights Certificate is transferable. Holders should be aware that if they choose to exercise, assign or transfer only part of their Rights they may not receive a new Rights Certificate in sufficient time to exercise, assign or transfer the remaining Rights evidenced thereby.

For questions and to request copies of materials, call the Information Agent – Okapi Partners LLC at (855) 208-8902 (toll free)

Please complete and return, as described below, on or before the dates outlined below.

SUBSCRIPTION AGENT: Computershare, N.A.

By First Class Mail:

Computershare, N.A.

INNOVATE Corp. Rights Offering
P.O. Box 43011
Providence, RI 02940-3011

By all Trackable Mail or Overnight Courier:

Computershare, N.A.

INNOVATE Corp. Rights Offering
150 Royall Street, Suite V
Canton, MA 02021

To participate in the Rights Offering available through your shares held through Computershare you must follow the instructions and complete the relevant section(s) below, **sign and date the front page of this document, and return this signed Rights Certificate, with payment or any additional documents if applicable, to the Subscription Agent listed above.**

1. Exercise Your Rights and Subscribe for Shares of Common Stock

To subscribe for shares of Common Stock under the Basic Subscription Privilege, please complete Sections 1.A and 1.C below. If you wish to subscribe for shares of Common Stock under the Oversubscription Privilege as well, you must also complete Section 1.B below. This Form of Exercise, Sale or Transfer and payment to the Subscription Agent must be received by 5:00 p.m., New York City time, on March 25, 2024, which is the Expiration Date (unless extended by the Company). **Funds must clear your account before the Expiration Date. Please note that personal checks may take approximately five business days to clear your account. Please see paragraph 1 of the instructions accompanying this Rights Certificate.**

PLEASE FILL IN ALL APPLICABLE INFORMATION.

B. Basic Subscription _____ = _____ x\$ \$0.70 = \$ _____
(1 Rights = 0.2858 Shares (Rights Exercised) (No. of Shares of Common Stock) (Subscription Price)
of Common Stock)

C. Over-Subscription Privilege* _____ x\$ \$0.70 = \$ _____
(No. of Shares of Common Stock) (Subscription Price)

* The Oversubscription Privilege may only be exercised if the Basic Subscription Privilege is exercised to the fullest extent possible and may only be exercised by Record Date Shareholders as described in the Prospectus. Oversubscriptions may not be accepted by the Company and are subject to pro rata deductions.

A. Amount of Check Enclosed (A + B) (or amount in Notice of Guaranteed Delivery) = \$ _____

SECTION 1. TO SUBSCRIBE: I acknowledge that I have received the Prospectus for the Rights Offering and I hereby irrevocably subscribe for the number of shares of Common Stock indicated as the total of A and B hereon upon the terms and conditions specified in the Prospectus. I hereby agree that if I fail to pay for the shares of Common Stock for which I have subscribed (or are deemed to have subscribed for as set forth above), the Company may exercise any of the remedies set forth in the Prospectus.

SECTION 2. TO TRANSFER RIGHTS: For value received, _____ of the Rights represented by this Subscription Certificate are assigned to:

(Print Full Name of Assignee) _____ Social Security Number _____

(Print Full Address) _____

(Print Full Address) _____

Signature(s) of Assignor(s) _____

IMPORTANT: The signature(s) must correspond in every particular, without alteration, with the name(s) as printed on your Subscription Certificate.

Your Signature must be guaranteed by an Eligible Guarantor Institution as that term is defined under Rule 17Ad-15 of the Securities Exchange Act of 1934, which may include:

- a) a commercial bank or trust company, or
- b) a member firm of a domestic stock exchange, or
- c) a savings bank or credit union.

Signature Guaranteed By: _____ (Name of Bank or Firm) _____ (Signature of Officer and Title)

Return Subscription Certificate by first class mail or overnight courier to: Computershare.

By First Class Mail:

Computershare
C/O Voluntary Corporate Actions/INNOVATE Corp.
P.O. Box 43011
Providence, RI 02940-3011

By Trackable Mail or Overnight Courier:

Computershare
C/O Voluntary Corporate Actions/INNOVATE Corp.
150 Royal Street Suite V
Canton, MA 02021

1900 Bausch & Lomb Place
Rochester, New York 14604
P 585.987.2800 F 585.454.3968



ATTORNEYS
woodsoviatt.com

1900 Main Place Tower
Buffalo, New York 14202
P 716.248.3200 F 716.854.5100

March 8, 2024

INNOVATE Corp.
292 Madison Ave., 12th Floor
New York, NY 10017

Re: INNOVATE Corp. – Rights and Common Stock to be Issued in Connection with Rights Offering

Ladies and Gentlemen:

We have acted as special counsel to INNOVATE, Corp., a Delaware corporation (the “Company” or “Our Client”) in connection with the issuance by the Company to the holders of its common stock, par value \$0.001 (“Common Stock”), Series A-3 Convertible Participating Preferred Stock, par value \$0.001 per share, Series A-4 Convertible Participating Preferred Stock, par value \$0.001 per share, and to holders of the 7.5% Convertible Senior Notes due 2026 pursuant to that certain Indenture, dated as of February 1, 2021 between HC2 Holdings, Inc., (n/k/a INNOVATE Corp.) and U.S. Bank National Association, as Trustee (collectively, the “Holders”), of transferable rights (the “Rights”) entitling the Holders of such Rights to subscribe for and purchase, upon exercise of the Rights, up to an aggregate of 27,142,857 shares of Common Stock (the “Shares”).

In rendering the opinions stated herein, we have examined and relied upon the following:

- (a) the registration statement on Form S-3 (File No. 333-274760) of the Company relating to equity securities and other securities of the Company filed with the Securities and Exchange Commission (the “Commission”) on September 29, 2023 under the Securities Act of 1933 (the “Securities Act”), allowing for delayed offerings pursuant to Rule 415 of the General Rules and Regulations under the Securities Act (the “Rules and Regulations”), including information deemed to be a part of the registration statement pursuant to Rule 430B of the Rules and Regulations, and the Notice of Effectiveness of the Commission posted on its website declaring such registration statement effective on October 6, 2023 (such registration statement including the Incorporated Documents (as defined below) being hereinafter referred to as the “Registration Statement”);
- (b) the prospectus, dated October 6, 2023 (the “Base Prospectus”), which forms a part of and is included in the Registration Statement;

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- (c) the prospectus supplement, dated March 8, 2024 (together with the Base Prospectus and the Incorporated Documents, the “Prospectus Supplement”), relating to the offering of the Rights, in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;
- (d) a copy of the Company’s Second Amended and Restated Certificate of Incorporation, as amended and in effect as of the date hereof, certified by the Secretary of State of the State of Delaware as of March 7, 2024;
- (e) a copy of the Company’s Fourth Amended and Restated By-laws, as amended and in effect as of the date hereof;
- (f) copies of certain resolutions of the Board of Directors of the Company, adopted on February 20, 2024 and March 5, 2024, respectively, certified to us by the Company;
- (g) a copy of a certificate, dated March 4, 2024, from the Secretary of State of the State of Delaware with respect to the Company’s existence and good standing in the State of Delaware; and
- (h) a form of Rights certificate representing the Rights.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements, certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents as we have deemed necessary or appropriate as a basis for the opinions stated below.

In our examination, we have assumed the genuineness of all signatures, including electronic signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photocopied copies, and the authenticity of the originals of such copies. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Company and others and of public officials

OPINING JURISDICTION

We are members of the Bar of the State of New York and the opinions set forth herein are limited to the laws of the State of New York, the federal laws of the United States, and the General Corporation Law of the State of Delaware (“DGCL”). Insofar as the opinions set forth herein relate to matters governed by laws other than those set forth in the preceding sentence, we have assumed, without having made any independent investigation, that such laws do not affect the opinions set forth herein. Our opinions with respect to the DGCL are based solely upon review of the statutory language thereof as in effect on the date hereof and not on any legislative history or judicial decisions or any rules, regulations, guidelines, releases or interpretations thereof. The opinions set forth herein are based on laws in effect on the date hereof, which laws are subject to change with possible retroactive effect.

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OPINION

Based upon the foregoing and subject to the qualifications and assumptions stated herein, we are of the opinion that:

1. The Rights have been duly authorized by all requisite corporate action on the part of the Company under the DGCL.
2. The Shares issuable upon exercise of the Rights have been duly authorized by all requisite corporate action on the part of the Company under the DGCL, and, when issued upon exercise of the Rights in accordance with the terms of the Prospectus Supplement, and delivered upon payment in full of the consideration payable therefor by the Holders, the Shares will be validly issued, fully paid and non-assessable.

USE

We hereby consent to the filing of this opinion letter with the Commission as Exhibit 5.1 to the Current Report on Form 8-K dated March 8, 2024. We also hereby consent to the reference to our name under the heading "Legal Matters" in the prospectus forming part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations. The opinions expressed in this letter are rendered as of the date hereof and we express no opinion as to circumstances or events that may occur subsequent to such date. We disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

WOODS OVIATT GILMAN LLP

/s/ Woods Oviatt Gilman LLP

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FORM OF INSTRUCTIONS AS TO USE OF INNOVATE CORP. RIGHTS CERTIFICATE

PLEASE CONSULT OKAPI PARTNERS LLC, THE INFORMATION AGENT, YOUR BANK
OR BROKER AS TO ANY QUESTIONS.

The following instructions relate to a rights offering (the "Rights Offering") by INNOVATE Corp., a Delaware corporation (the "Company"), (i) to all holders of record ("Record Holders") of shares of its Common Stock, par value \$0.001 per share (the "Common Stock") and shares of its Series A-3 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-3 Preferred Stock"), and Series A-4 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-4 Preferred Stock" and, together with the Series A-3 Preferred Stock, the "Preferred Stock"), and (ii) to holders ("Noteholders" and, together with the Record Holders, the "Rights Holders") of the 7.5% Convertible Senior Notes due 2026 pursuant to that certain Indenture, dated as of February 1, 2021 between HC2 Holdings, Inc., (nka INNOVATE Corp.) and U.S. Bank National Association, as Trustee (the "2026 Convertible Notes"), that are entitled to participate in dividend distributions to holders of the Common Stock, as of 5:00 p.m., New York City time, on March 6, 2024 (the "Record Date"), in connection with a distribution in a rights offering (the "Rights Offering") of transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock. The Rights are described in the Company's Base Prospectus, dated October 6, 2023 (the "Base Prospectus"), and the Prospectus Supplement, dated March 8, 2024 (the "Prospectus Supplement" and, together with the Base Prospectus, the "Prospectus"). Each Noteholder and Record Holder of Common Stock and Preferred Stock as of 5:00 p.m., New York City time, on March 6, 2024 (the "Record Date") will receive transferable subscription rights (the "Rights") to purchase shares of Common Stock.

In the Rights Offering, the Company is offering up to an aggregate of \$19.0 million of its Common Stock pursuant to the Prospectus. The Rights may be exercised at any time during the subscription period, which commences on March 8, 2024 and ends at 5:00 p.m., New York City time, on March 25, 2024, unless extended in the sole discretion of the Company, (as it may be extended, the "Expiration Date"). After the Expiration Date, unexercised Rights will be null and void.

As described in the Prospectus, each Rights Holder is entitled to one Right for each share of Common Stock and each share of Preferred Stock, on an as-converted basis, owned by such holder on the Record Date, evidenced by transferable Rights certificates (the "Rights Certificates"). Each Right allows the holder thereof to subscribe (the "Basic Subscription Privilege") at the cash price of \$0.70 per share (the "Subscription Price") for 0.2858 shares of Common Stock. The Rights are described in the Prospectus.

The Company will not be required to issue shares of Common Stock to you if Computershare Trust Company, N.A. (the "Subscription Agent") receives your Rights Certificate or your subscription payment after that time. The Company has the option to extend the Rights Offering by giving oral or written notice to the Subscription Agent before the Rights Offering expires in the Company's sole discretion. If the Company elects to extend the Rights Offering, the Company will issue a press release announcing the extension no later than 9:00 a.m., New York City time, on the next business day after the most recently announced Expiration Date of the Rights Offering.

The Company will not issue fractional Rights in the Rights Offering. Instead, the number of Rights distributed will be rounded to the nearest whole number, with such adjustments as may be necessary to ensure that if all Rights are exercised, the gross proceeds to the Company from the Rights Offering will equal \$19.0 million. Rights may only be exercised in aggregate for whole numbers of shares of Common Stock; no fractional shares of the Common Stock will be issued in the Rights Offering. Any fractional shares of the Common Stock created by the exercise of the Rights will be rounded down to the nearest whole share. A minimum of four Rights will be required to purchase one share of Common Stock. Rights Holders who are entitled to receive less than four Rights on a pro rata basis will be distributed four Rights in the Rights Offering. Any excess subscription payments received by the Subscription Agent in respect of fractional shares will be returned promptly after the expiration of the Rights Offering, in the manner in which made, without interest or deduction.

In addition, Rights Holders that exercise their Basic Subscription Privilege also will be eligible to subscribe (the “Oversubscription Privilege”) at the same cash price of \$0.70 per share up to that number of shares of Common Stock that are offered in the Rights Offering but are not purchased by the other Rights Holders under their Basic Subscription Privilege. If an insufficient number of shares is available to fully satisfy the Oversubscription Privilege requests, the available shares will be sold pro rata, after eliminating all fractional shares, among Rights Holders who exercised their Oversubscription Privilege based on the number of shares each Rights Holder subscribed for under the Basic Subscription Privilege.

You may exercise your Oversubscription Privilege only if you have exercised your Basic Subscription Privilege in full and other holders of Rights do not exercise their Basic Subscription Privileges in full. If there are not enough shares of Common Stock to satisfy all subscriptions made under the Oversubscription Privilege, the Company will allocate the remaining shares of Common Stock pro rata, after eliminating all fractional shares, among those oversubscribing Rights Holders. For purposes of determining if you have fully exercised your Basic Subscription Privilege, the Company will consider only the Basic Subscription Privilege held by you in the same capacity.

The Company may cancel or terminate the Rights Offering in its sole discretion at any time on or before the expiration of the Rights Offering for any reason (including, without limitation, a change in the market price of the Common Stock). The Company also reserves the right to amend the terms of the Rights Offering.

The number of Rights to which you are entitled is printed on the face of your Rights Certificate. You should indicate your wishes with regard to the exercise of your Rights by completing the appropriate portions of your Rights Certificate and returning the Rights Certificate to the Subscription Agent pursuant to the procedures described in the Prospectus.

YOUR RIGHTS CERTIFICATE AND SUBSCRIPTION PRICE PAYMENT FOR ALL SHARES OF COMMON STOCK, BY PERSONAL CHECK, MUST BE ACTUALLY RECEIVED BEFORE 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. ONCE A HOLDER OF RIGHTS HAS EXERCISED THE BASIC SUBSCRIPTION RIGHT AND THE OVER-SUBSCRIPTION RIGHT, SUCH EXERCISE MAY NOT BE REVOKED. RIGHTS NOT VALIDLY EXERCISED PRIOR TO THE EXPIRATION DATE OF THE RIGHTS OFFERING WILL EXPIRE WITHOUT VALUE. IN CASE YOU HOLD RIGHTS THROUGH A BROKER OR OTHER NOMINEE, YOU SHOULD VERIFY WITH YOUR BROKER OR NOMINEE BY WHEN YOU MUST DELIVER YOUR INSTRUCTION.

1. Method of Subscription—Exercise of Rights. To exercise Rights, complete your Rights Certificate and send your properly completed and executed Rights Certificate, with any signatures required to be guaranteed so guaranteed, together with payment in full of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Oversubscription Privilege, to the Subscription Agent, so that it will be actually received by the Subscription Agent on or prior to 5:00 p.m., New York City time, on the Expiration Date. The Subscription Agent will hold all funds it receives in a segregated bank account until completion of the Rights Offering. PLEASE DO NOT SEND RIGHTS CERTIFICATES OR PAYMENTS TO THE COMPANY. Your payment of the Subscription Price must be made in U.S. dollars for the full number of shares of common stock you are subscribing for by wire transfer of immediately available funds or personal check drawn upon a United States bank payable to the subscription agent. Cashier’s checks, money orders, and certified checks will not be accepted.

The method of delivery of the Rights Certificate and the payment of the Subscription Price to the Subscription Agent is at your election and risk.

If you are a beneficial owner of Common Stock that is registered in the name of a broker, dealer, bank, or other nominee, you will need to coordinate exercises of Rights through your broker, dealer, bank, or other nominee in order for them to transmit payment to the Subscription Agent.

2. **Acceptance of Payments.** Payments will be deemed to have been received by the Subscription Agent only upon the clearance of (i) wire transfer of immediately available funds or (ii) a personal check drawn on a U.S. bank payable to “Computershare Trust Company, N.A., as subscription agent for INNOVATE Corp.” Funds paid by uncertified personal check may take several business days to clear. If your personal check does not clear before the Expiration Date, then you will not receive any shares of Common Stock, and the Company’s only obligation will be to return your subscription payment, without interest or deduction. Accordingly, if you wish to pay the Subscription Price by uncertified personal check, then you should make payment sufficiently in advance of the Expiration Date to ensure its receipt and clearance by that time.

If you are sending payment of Subscription Price by wire of immediately available funds:

Bank of America

ABA Number: 026009593

DDA: 4426655268

Account Name: CINC CSSI AAF RIGHTS OFFERING I

SWIFT: BOFAUS3N

Reference Line: HCHTRO

If you do not include your 11 digit Computershare Account Number in the reference line of your wire, the Subscription Agent will not be able to match your wire to your Rights exercise and your Rights exercise would not be accepted into the offer.

In considering which method of delivery to use, holders of rights should take into consideration the amount of time remaining in the Rights Offering to ensure that materials are delivered prior to the expiration of the Rights Offering.

If you are a beneficial owner of Common Stock that is registered in the name of a broker, dealer, bank, or other nominee, you will need to coordinate payments through your broker, dealer, bank, or other nominee.

3. **Delivery of Subscription Materials.** You should deliver your Rights Certificate to the Subscription Agent by one of the methods described below:

By First Class Mail:

Computershare Trust Company, N.A.
Attn: Corporate Actions Voluntary Offer
P.O. Box 43011
Providence, RI 02940-3011

By Express Mail, Courier or Other Expedited Service:

Computershare Trust Company, N.A.
Attn: Corporate Actions Voluntary Offer
150 Royall Street, Suite V
Canton, MA 02021

Your delivery to an address or by any method other than as set forth above will not constitute valid delivery.

4. **Missing or Incomplete Subscription Forms or Payment.** If you fail to complete and sign the Rights Certificate or otherwise fail to follow the subscription procedures that apply to the exercise of your Rights before the Rights Offering expires, the Subscription Agent will reject your subscription or accept it to the extent of the payment received. Neither the Company nor the Subscription Agent undertakes any responsibility or action to contact you concerning an incomplete or incorrect subscription form, nor is the Company or the Subscription Agent under any obligation to correct such forms. The Company has the sole discretion to determine whether a subscription exercise properly complies with the subscription procedures. If the aggregate Subscription Price paid by you is insufficient to purchase the number of shares of Common Stock subscribed for, or if no number of shares of Common Stock to be purchased is specified, then you will

be deemed to have exercised your Rights under the Basic Subscription Privilege to purchase shares of Common Stock to the full extent of the payment tendered. Any excess subscription payments received by the Subscription Agent will be returned, in the manner in which made, without interest or penalty, as soon as practicable following the expiration of the Rights Offering.

5. Deliveries to Holders. The following deliveries and payments to you will be made:

- (a) **Rights.** We will deliver to you the shares which you purchased with your Basic Subscription Privilege as soon as practicable after the Rights Offering has expired. All shares that are purchased in the Rights Offering will be issued in uncertificated book-entry form meaning that you will receive a direct registration account statement from our transfer agent reflecting ownership of these securities if you are a holder of record. If you hold your shares in the name of a bank, broker, dealer, or other nominee, the Depository Trust Company will credit your nominee with the securities you purchased in the Rights Offering.
- (b) **Excess Payments.** If you exercised your Oversubscription Privilege and are allocated less than all of the shares for which you wished to subscribe, your excess payment for shares that were not allocated to you will be returned, in the manner in which made, without interest or deduction as soon as practicable after the Expiration Date. We will deliver or cause the transfer agent to deliver shares that you purchased as soon as practicable after the Expiration Date and after all pro rata allocations and adjustments have been completed.

6. Transfer of Rights. Although the Rights are transferable, the Company does not intend to list the Rights on the New York Stock Exchange (the “NYSE”) or any other national securities exchange. Therefore, the Rights will effectively only be able to be transferred in private transactions. You may transfer or sell your Rights during the course of the subscription period (unless you exercise your Rights). The Rights are a new issue of securities, however, and do not have an established trading market. The Company cannot give you any assurance that a market for the Rights will develop or, if a market does develop, as to how long it will continue or at what prices the Rights will trade. Therefore, the Company cannot assure you that you will be able to sell any of your Rights or as to the value you may receive in a sale. The absence of a trading market or liquidity for the Rights may adversely affect their value.

7. Fees and Expenses. The Company will pay all customary fees and expenses of the Subscription Agent and the Information Agent related to their acting in such roles in connection with the Rights Offering. The Company has also agreed to indemnify the Subscription Agent and the Information Agent from certain liabilities that they may incur in connection with the Rights Offering.

Jefferies LLC (the “Dealer Manager”) is earning a dealer manager fee in connection with the Rights Offering in an amount of \$750,000, payable at the completion of the Rights Offering. The Company has also agreed to reimburse the Dealer Manager for certain fees and expenses in connection with the Rights Offering. The Company has agreed to indemnify the Dealer Manager and its respective controlling persons against certain liabilities in connection with this Rights Offering, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the Dealer Manager may be required to make in respect of those liabilities. The dealer manager agreement also provides that the Dealer Manager will not be subject to any liability to the Company in rendering the services contemplated by the dealer manager agreement except for any act of gross negligence or willful misconduct of the Dealer Manager.

8. Execution.

- (a) **Execution by Registered Holder.** The signature on the Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Rights Certificate without any alteration, enlargement, or change. Persons who sign the Rights Certificate in a representative or other fiduciary capacity on behalf of a registered holder must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority so to act.

- (b) **Execution by Person Other than Registered Holder.** If the Rights Certificate is executed by a person other than the holder named on the face of the Rights Certificate, proper evidence of authority of the person executing the Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.
- (c) **Signature Guarantees.** If you are neither a registered holder (or signing in a representative or other fiduciary capacity on behalf of a registered holder) nor an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States, your signature must be guaranteed by such an eligible institution.
9. **Method of Delivery.** The method of delivery of and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the Rights Holder. If you send your Subscription Price payment by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery to the subscription agent prior to the time the Rights Offering expires.
10. **Revocation.** Once you have exercised your Rights, you may not revoke your exercise. All exercises of Rights are irrevocable, even if you subsequently learn information about the Company that you consider to be unfavorable. You should not exercise your Rights unless you are certain that you wish to purchase Common Stock in the Rights Offering. Rights not exercised before the Expiration Date of the Rights Offering will expire and will have no value.
11. **Special Provisions Relating to the Delivery of Rights through the Depository Trust Company.** If you will be a broker, a dealer, a trustee, or a depository for securities who holds the Company's Common Stock for the account of others as a nominee holder and thus will hold Common Stock for the account of others as a nominee holder, you may, upon proper showing to the Subscription Agent, exercise your beneficial owners' Basic and Oversubscription Privileges through The Depository Trust Company ("DTC"). Any rights exercised through DTC are referred to as "DTC Exercised Rights." You may exercise your DTC Exercised Rights through DTC's PSOP Function on the "agents subscription over PTS" procedures and instructing DTC to charge the applicable DTC account for the subscription payment and to deliver such amount to the Subscription Agent. DTC must receive the subscription instructions and payment for the new shares by the Expiration Date.
12. **Determinations Regarding the Exercise of Your Rights.** The Company will decide, in its sole discretion, all questions concerning the timeliness, validity, form, and eligibility of the exercise of your Rights. Any such determinations by the Company will be final and binding. The Company, in its sole discretion, may waive, in any particular instance, any defect or irregularity or permit, in any particular instance, a defect or irregularity to be corrected within such time as the Company may determine. The Company will not be required to make uniform determinations in all cases. The Company may reject the exercise of any of your Rights because of any defect or irregularity. The Company will not accept any exercise of Rights until all irregularities have been waived by the Company or cured by you within such time as the Company decides, in its sole discretion.
- Neither the Company, the Subscription Agent, nor the Information Agent will be under any duty to notify you of any defect or irregularity in connection with your submission of Rights Certificates, and the Company will not be liable for failure to notify you of any defect or irregularity. The Company reserves the right to reject your exercise of Rights if it determines that your exercise is not in accordance with the terms of the Rights Offering, as set forth in the Prospectus and these Instructions, or in proper form. The Company will also not accept the exercise of your Rights if the issuance of shares of Common Stock to you could be deemed unlawful under applicable law.
13. **Questions and Request for Additional Materials.** For questions regarding the Rights Offering, assistance regarding the method of exercising Rights, or for additional copies of relevant documents, please contact the Information Agent for the Rights Offering, Okapi Partners LLC, at (855) 208-8902 or via email at info@okapipartners.com.

INNOVATE CORP.
FORM OF LETTER TO STOCKHOLDERS WHO ARE RECORD HOLDERS

**Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights
Distributed to Stockholders
of INNOVATE Corp.**

March 8, 2024

Dear Stockholder:

This notice is being distributed by INNOVATE Corp., a Delaware corporation (the "Company"), (i) to all holders of record ("Record Holders") of shares of its Common Stock, par value \$0.001 per share (the "Common Stock") and shares of its Series A-3 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-3 Preferred Stock"), and Series A-4 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-4 Preferred Stock") and, together with the Series A-3 Preferred Stock, the "Preferred Stock"), and (ii) to holders ("Noteholders") and, together with the Record Holders, the "Rights Holders") of the 7.5% Convertible Senior Notes due 2026 pursuant to that certain Indenture, dated as of February 1, 2021 between HC2 Holdings, Inc., (nka INNOVATE Corp.) and U.S. Bank National Association, as Trustee (the "2026 Convertible Notes"), that are entitled to participate in dividend distributions to holders of the Common Stock, as of 5:00 p.m., New York City time, on March 6, 2024 (the "Record Date"), in connection with a distribution in a rights offering (the "Rights Offering") of transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock. The Rights are described in the Company's Base Prospectus, dated October 6, 2023 (the "Base Prospectus"), and the Prospectus Supplement, dated March 8, 2024 (the "Prospectus Supplement" and, together with the Base Prospectus, the "Prospectus").

In the Rights Offering, the Company is offering up to an aggregate of \$19.0 million of its Common Stock pursuant to the Prospectus. The Rights may be exercised at any time during the subscription period, which commences on March 8, 2024 and ends at 5:00 p.m., New York City time, on March 25, 2024, unless extended in the sole discretion of the Company (as it may be extended, the "Expiration Date").

As described in the Prospectus, each Rights Holder is entitled to one Right for each share of Common Stock or each share of Preferred Stock, on an as-converted basis, owned by such Record Holder on the Record Date, evidenced by transferable Rights certificates (the "Rights Certificates"). Each Right allows the holder thereof to subscribe (the "Basic Subscription Privilege") at the cash price of \$0.70 per share (the "Subscription Price") for 0.2858 shares of Common Stock.

Rights may only be exercised in aggregate for whole numbers of shares of Common Stock; no fractional Rights or cash in lieu thereof will be issued or paid. Instead, the number of Rights distributed will be rounded to the nearest whole number, with such adjustments as may be necessary to ensure that if all Rights are exercised, the gross proceeds to the Company from the Rights Offering will equal \$19.0 million. Rights may only be exercised in aggregate for whole numbers of shares of the Common Stock; no fractional shares of the Common Stock will be issued in the Rights Offering. Any fractional shares of the Common Stock created by the exercise of the Rights will be rounded down to the nearest whole share. A minimum of four Rights will be required to purchase one share of Common Stock. Rights Holders who are entitled to receive less than four Rights on a pro rata basis will be distributed four Rights in the Rights Offering. Any excess subscription payments received by the Subscription Agent in respect of fractional shares will be returned promptly after the expiration of the Rights Offering, in the manner in which made, without interest or deduction.

In addition, Rights Holders that exercise their Basic Subscription Privilege also will be eligible to subscribe (the "Oversubscription Privilege") at the same cash price of \$0.70 per share up to that number of shares of Common Stock that are offered in the Rights Offering but are not purchased by the other Rights Holders under their Basic Subscription Privilege. If an insufficient number of shares is available to fully satisfy the

Oversubscription Privilege requests, the available shares will be sold pro rata, after eliminating all fractional shares, among Rights Holders who exercised their Oversubscription Privilege based on the number of shares each Rights Holder subscribed for under the Basic Subscription Privilege.

The Company may cancel or terminate the Rights Offering in its sole discretion at any time on or before the expiration of the Rights Offering for any reason (including, without limitation, a change in the market price of the Common Stock). The Company also reserves the right to amend the terms of the Rights Offering.

The shares of Common Stock to be issued upon exercise of the Rights, like the Company's existing shares of Common Stock, will be listed for trading on the New York Stock Exchange (the "NYSE") under the symbol "VATE." Although the Rights will be transferable, the Company does not intend to list the Rights on the NYSE or any other national securities exchange. The absence of a trading market or liquidity for the Rights may adversely affect their value.

Enclosed are copies of the following documents:

1. Prospectus;
2. Rights Certificate;
3. Instructions as to Use of INNOVATE Corp. Rights Certificates; and

If you desire to exercise Rights, your prompt action is requested. To exercise Rights, you should properly complete and sign the Rights Certificate and forward it, with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and Oversubscription Privilege, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Rights Certificate with payment of the Subscription Price, including final clearance of any checks, prior to 5:00 p.m., New York City time, on the Expiration Date. **All payments of the Subscription Price must be made in United States dollars for the full number of shares of Common Stock you are subscribing for by wire transfer of immediately available funds or personal check drawn upon a United States bank payable to Computershare Trust Company, N.A., as Subscription Agent. Failure to return the properly completed Rights Certificate with the correct payment will result in your not being able to exercise the rights held in your name on behalf of yourself or other beneficial owners.** A Rights Holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Date will expire without value.

Additional copies of the enclosed materials may be obtained from Okapi Partners LLC, the Information Agent. The Information Agent's toll free telephone number is (855) 208-8902 and email address is info@okapipartners.com.

Very truly yours,

INNOVATE Corp.

INNOVATE CORP.
FORM OF LETTER TO BROKERS, DEALERS, BANKS, AND OTHER NOMINEES

**Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights
Distributed to Stockholders
of INNOVATE Corp.**

March 8, 2024

To Brokers, Dealers, Banks, and Other Nominees:

This letter is being distributed to brokers, dealers, banks, and other nominees in connection with the rights offering (the "Rights Offering") by INNOVATE Corp., a Delaware corporation (the "Company"), of shares of its Common Stock, par value \$0.001 per share (the "Common Stock") and shares of its Series A-3 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-3 Preferred Stock"), and Series A-4 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-4 Preferred Stock" and, together with the Series A-3 Preferred Stock, the "Preferred Stock"), and (ii) to holders ("Noteholders" and, together with the Record Holders, the "Rights Holders") of the 7.5% Convertible Senior Notes due 2026 pursuant to that certain Indenture, dated as of February 1, 2021 between HC2 Holdings, Inc., (nka INNOVATE Corp.) and U.S. Bank National Association, as Trustee (the "2026 Convertible Notes"), that are entitled to participate in dividend distributions to holders of the Common Stock, as of 5:00 p.m., New York City time, on March 6, 2024 (the "Record Date"), in connection with a distribution in a rights offering (the "Rights Offering") of transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock. The Rights are described in the Company's Base Prospectus, dated October 6, 2023 (the "Base Prospectus"), and the Prospectus Supplement, dated March 8, 2024 (the "Prospectus Supplement" and, together with the Base Prospectus, the "Prospectus").

In the Rights Offering, the Company is offering up to an aggregate of \$19.0 million of its Common Stock pursuant to the Prospectus. The Rights may be exercised at any time during the subscription period, which commences on March 8, 2024 and ends at 5:00 p.m., New York City time, on March 25, 2024, unless extended in the sole discretion of the Company (as it may be extended, the "Expiration Date").

As described in the Prospectus, each beneficial owner of shares of Common Stock and Preferred Stock, and each Noteholder, is entitled to one Right for each share of Common Stock and each share of Preferred Stock, on an as-converted basis, owned by such beneficial owner on the Record Date, evidenced by transferable Rights certificates (the "Rights Certificates") registered in the Rights Holder's name or the name of its nominee. Each Right allows the holder thereof to subscribe (the "Basic Subscription Privilege") at the cash price of \$0.70 per share (the "Subscription Price") for 0.2858 shares of Common Stock.

Rights may only be exercised in aggregate for whole numbers of shares of Common Stock; no fractional Rights or cash in lieu thereof will be issued or paid. Instead, the number of Rights distributed will be rounded to the nearest whole number, with such adjustments as may be necessary to ensure that if all Rights are exercised, the gross proceeds to the Company from the Rights Offering will equal \$19.0 million. Rights may only be exercised in aggregate for whole numbers of shares of the Common Stock; no fractional shares of the Common Stock will be issued in the Rights Offering. Any fractional shares of the Common Stock created by the exercise of the Rights will be rounded down to the nearest whole share. A minimum of four Rights will be required to purchase one share of Common Stock. Stockholders who are entitled to receive less than four Rights on a pro rata basis will be distributed four Rights in the Rights Offering. Any excess subscription payments received by the Subscription Agent in respect of fractional shares will be returned promptly after the expiration of the Rights Offering, in the manner in which made, without interest or deduction.

In addition, Rights holders that exercise their Basic Subscription Privilege also will be eligible to subscribe (the “**Oversubscription Privilege**”) at the same cash price of \$0.70 per share up to that number of shares of Common Stock that are offered in the Rights Offering but are not purchased by the other Rights holders under their Basic Subscription Privilege. If an insufficient number of shares is available to fully satisfy the Oversubscription Privilege requests, the available shares will be sold pro rata, after eliminating all fractional shares, among Rights holders who exercised their Oversubscription Privilege based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege.

The Company may cancel or terminate the Rights Offering in its sole discretion at any time on or before the expiration of the Rights Offering for any reason (including, without limitation, a change in the market price of the Common Stock). The Company also reserves the right to amend the terms of the Rights Offering.

The shares of Common Stock to be issued upon exercise of the Rights, like the Company’s existing shares of Common Stock, will be listed for trading on the New York Stock Exchange (the “**NYSE**”) under the symbol “VATE.” Although the Rights will be transferable, the Company does not intend to list the Rights on the NYSE or any other national securities exchange. The absence of a trading market or liquidity for the Rights may adversely affect their value.

We are asking persons who hold shares of Common Stock beneficially and who have received the Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company, or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate Rights Certificate to contact the appropriate nominee as soon as possible and request that a separate Rights Certificate be issued.

Please take prompt action to notify any beneficial owners of Common Stock as to the Rights Offering and the procedures and deadlines that must be followed to exercise their Rights. If you exercise the Oversubscription Privilege on behalf of beneficial owners of Rights, you will be required to certify to the Subscription Agent and the Company, in connection with the exercise of the Oversubscription Privilege, as to the aggregate number of Rights that have been exercised pursuant to the Basic Subscription Privilege, whether the Basic Subscription Privilege of each beneficial owner of Rights on whose behalf you are acting has been exercised in full and the number of shares of Common Stock being subscribed for pursuant to the Oversubscription Privilege by each beneficial owner of Rights on whose behalf you are acting.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent and the Information Agent, incurred in connection with the purchase, sale, or exercise of the Rights will be for the account of the transferor of the Rights, and none of such commissions, fees, or expenses will be paid by the Company, the Subscription Agent, or the Information Agent.

Enclosed are copies of the following documents:

1. Prospectus;
2. Form of Beneficial Owner Election Form; and
3. Form of Nominee Holder Certification.

If you desire to exercise Rights, your prompt action is requested. To exercise Rights, you should deliver the properly completed and signed Rights Certificate with payment of the Subscription Price in full for each share of Common Stock subscribed for, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Rights Certificate with payment of the Subscription Price, including final clearance of any checks, prior to 5:00 p.m., New York City time, on the Expiration Date. **All payments of the Subscription Price**

must be made in United States dollars for the full number of shares of Common Stock you are subscribing for by wire transfer of immediately available funds or personal check drawn upon a United States bank payable to Computershare Trust Company, N.A., as Subscription Agent. Failure to return the properly completed Rights Certificate with the correct payment will result in your not being able to exercise the rights held in your name on behalf of yourself or other beneficial owners. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Date will expire without value.

Additional copies of the enclosed materials may be obtained from Okapi Partners LLC, the Information Agent. The Information Agent's toll free telephone number is (855) 208-8902 and email address is info@okapipartners.com.

Very truly yours,

INNOVATE Corp.

NOTHING IN THE PROSPECTUS OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF INNOVATE CORP., THE SUBSCRIPTION AGENT, INFORMATION AGENT, OR ANY OTHER PERSON MAKING OR DEEMED TO BE MAKING OFFERS OF THE SECURITIES ISSUABLE UPON VALID EXERCISE OF THE RIGHTS, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE OFFERING EXCEPT FOR STATEMENTS MADE IN THE PROSPECTUS.

INNOVATE CORP.
FORM OF BROKER LETTER TO CLIENTS WHO ARE BENEFICIAL HOLDERS

**Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights
Distributed to Stockholders
of INNOVATE Corp.**

March 8, 2024

To Our Clients:

Enclosed for your consideration are a Base Prospectus, dated October 6, 2023 (the "Base Prospectus"), and a Prospectus Supplement, dated March 8, 2024 (the "Prospectus Supplement" and, together with the Base Prospectus, the "Prospectus"), relating to the offering (the "Rights Offering") by INNOVATE Corp., a Delaware corporation (the "Company"), of shares of its common stock, par value \$0.001 per share ("Common Stock"), pursuant to transferable subscription rights (the "Rights") distributed (i) to all holders of record ("Record Holders") of shares of its Common Stock, par value \$0.001 per share (the "Common Stock") and shares of its Series A-3 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-3 Preferred Stock"), and Series A-4 Convertible Participating Preferred Stock, par value \$0.001 per share (the "Series A-4 Preferred Stock" and, together with the Series A-3 Preferred Stock, the "Preferred Stock"), and (ii) to holders ("Noteholders" and, together with the Record Holders, the "Rights Holders") of the 7.5% Convertible Senior Notes due 2026 pursuant to that certain Indenture, dated as of February 1, 2021 between HC2 Holdings, Inc., (nka INNOVATE Corp.) and U.S. Bank National Association, as Trustee (the "2026 Convertible Notes"), that are entitled to participate in dividend distributions to holders of the Common Stock, as of 5:00 p.m., New York City time, on March 6, 2024 (the "Record Date"), in connection with a distribution in a rights offering (the "Rights Offering") of transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock. The Rights are described in the Company's Prospectus.

In the Rights Offering, the Company is offering up to an aggregate of \$19.0 million of its Common Stock pursuant to the Prospectus. The Rights may be exercised at any time during the subscription period, which commences on March 8, 2024 and ends at 5:00 p.m., New York City time, on March 25, 2024, unless extended in the sole discretion of the Company (as it may be extended, the "Expiration Date").

Please note that since you hold your shares in the name of a broker, dealer or other nominee who uses the services of the Depository Trust Company, you must exercise your rights before 5:00 p.m., New York City time, on the Expiration Date.

As described in the Prospectus, each Rights Holder is entitled to one Right for each share of Common Stock and each share of Preferred Stock, on an as-converted basis, owned by such Record Holder on the Record Date, evidenced by transferable Rights certificates (the "Rights Certificates"). Each Right allows the holder thereof to subscribe (the "Basic Subscription Privilege") at the cash price of \$0.70 per share (the "Subscription Price") for 0.2858 shares of Common Stock.

Rights may only be exercised in aggregate for whole numbers of shares of Common Stock; no fractional Rights or cash in lieu thereof will be issued or paid. Instead, the number of Rights distributed will be rounded to the nearest whole number, with such adjustments as may be necessary to ensure that if all Rights are exercised, the gross proceeds to the Company from the Rights Offering will equal \$19.0 million. Rights may only be exercised in aggregate for whole numbers of shares of the Common Stock; no fractional shares of the Common Stock will be issued in the Rights Offering. Any fractional shares of the Common Stock created by the exercise of the Rights will be rounded down to the nearest whole share. A minimum of four Rights will be required to purchase one share of Common Stock. Stockholders who are entitled to receive less than four Rights on a pro rata basis will be distributed four Rights in the Rights Offering. Any excess subscription payments received by the Subscription Agent in respect of fractional shares will be returned promptly after the expiration of the Rights Offering, in the manner in which made, without interest or deduction.

In addition, Rights Holders that exercise their Basic Subscription Privilege also will be eligible to subscribe (the “Oversubscription Privilege”) at the same cash price of \$0.70 per share up to that number of shares of Common Stock that are offered in the Rights Offering but are not purchased by the other Rights Holders under their Basic Subscription Privilege. If an insufficient number of shares is available to fully satisfy the Oversubscription Privilege requests, the available shares will be sold pro rata, after eliminating all fractional shares, among Rights Holders who exercised their Oversubscription Privilege based on the number of shares each Rights Holder subscribed for under the Basic Subscription Privilege.

The Company may cancel or terminate the Rights Offering in its sole discretion at any time on or before the expiration of the Rights Offering for any reason (including, without limitation, a change in the market price of the Common Stock). The Company also reserves the right to amend the terms of the Rights Offering.

The shares of Common Stock to be issued upon exercise of the Rights, like the Company’s existing shares of Common Stock, will be listed for trading on the New York Stock Exchange (the “NYSE”) under the symbol “VATE.” Although the Rights will be transferable, the Company does not intend to list the Rights on the NYSE or any other national securities exchange. The absence of a trading market or liquidity for the Rights may adversely affect their value.

Enclosed are copies of the following documents:

1. Prospectus; and
2. Form of Beneficial Owner Election Form.

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES AND SALES OF RIGHTS MAY BE MADE BY ONLY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. However, we urge you to read the Prospectus carefully before instructing us to exercise any Rights.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise the Rights on your behalf in accordance with the provisions of the Rights Offering. The Rights Offering will expire on the Expiration Date. You will have no right to rescind your subscription after receipt of your payment of the Subscription Price. Rights not exercised at or prior to the Expiration Date will expire without value.

If you wish to have us, on your behalf, exercise your Rights for any shares of Common Stock to which you are entitled, please so instruct us by completing, executing and returning to us the Beneficial Owner Election Form included with this letter.

With respect to any instructions to exercise (or not to exercise) Rights, the enclosed Beneficial Holder Election Form must be completed and returned in sufficient time to allow us to process your request and submit your instructions to the Subscription Agent by 5:00 p.m., New York City time, on March 25, 2024, the scheduled Expiration Date of the Rights Offering (which may be extended by the Company).

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE RIGHTS OFFERING SHOULD BE DIRECTED TO THE INFORMATION AGENT, OKAPI PARTNERS LLC, AT THE FOLLOWING TELEPHONE TOLL FREE NUMBER (855) 208-8902 OR VIA EMAIL AT INFO@OKAPIPARTNERS.COM.

**INNOVATE CORP.
FORM OF BENEFICIAL HOLDER ELECTION FORM**

The undersigned acknowledge(s) receipt of your letter and the enclosed materials referred to therein relating to the offering of shares of common stock, par value \$0.001 per share (“Common Stock”), of INNOVATE Corp., a Delaware corporation (the “Company”). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given such terms in the Base Prospectus, dated October 6, 2023 (the “Base Prospectus”), and the Prospectus Supplement, dated March 8, 2024 (the “Prospectus Supplement” and, together with the Base Prospectus, the “Prospectus”).

With respect to any instructions to exercise (or not to exercise) rights, the undersigned acknowledges that this form must be completed and returned such that it will actually be received by you by 5:00 p.m., New York City time, on March 25, 2024, the scheduled expiration date of the rights offering (which may be extended by the Company).

This will instruct you whether to exercise or sell rights to purchase shares of the Company’s Common Stock distributed with respect to the shares of the Company’s Common Stock or preferred stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related “Instructions as to Use of INNOVATE Corp. Rights Certificates.”

The number of Rights for which the undersigned gives instructions for exercise under the Basic Subscription Privilege should not exceed the number of Rights that the undersigned is entitled to exercise. The undersigned is only entitled to the Oversubscription Privilege if the undersigned exercises its Basic Subscription Privilege in full.

Box 1. Please DO NOT EXERCISE RIGHTS for shares of Common Stock.

Box 2. Please EXERCISE RIGHTS for shares of Common Stock as set forth below.

Box 3. Please SELL RIGHTS and remit the net proceeds to the undersigned.

	Number of Rights	Number of Whole Shares (rounded to nearest whole share)	Subscription Price	Payment
Basic Subscription Privilege:	x		\$ 0.70 = \$	(Line 1)
Oversubscription Privilege:	x		\$ 0.70 = \$	(Line 2)
Total Payment Required:			=	(Sum of Lines 1 and 2; must equal total of amounts in Boxes 3 and 4.)

Box 4. Payment in the following amount is enclosed \$.

Box 5. [] Please deduct payment from the following account maintained by you as follows:

Type of Account:

Account No.:

Amount to be deducted: \$

Signature(s):

Please type or print name(s) below:

Date: _____, 2024

**INNOVATE CORP.
FORM OF NOMINEE HOLDER CERTIFICATION**

The undersigned, a broker, dealer, bank, or other nominee holder of transferable subscription rights ("Rights") to purchase shares of common stock, par value \$0.001 per share ("Common Stock"), of INNOVATE Corp., a Delaware corporation (the "Company"), pursuant to the rights offering described and provided for in the Company's Base Prospectus, dated October 6, 2023 (the "Base Prospectus"), and the Company's Prospectus Supplement, dated March 8, 2024 (the "Prospectus Supplement" and, together with the Base Prospectus, the "Prospectus"), hereby certifies to the Company and to Computershare Trust Company, N.A., as Subscription Agent for such rights offering, that the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of Rights specified below pursuant to the Basic Subscription Privilege (as defined in the Prospectus) and the Oversubscription Privilege (as defined in the Prospectus).

Number of Shares Owned on the Record Date	Rights Exercised Pursuant to Basic Subscription Privilege	Number of Shares Subscribed For Pursuant to Oversubscription Privilege
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		

[Certification continues on the following page]

Note: Add lines as needed.

Name of Broker, Dealer, Bank, or Other Nominee

By: _____
Authorized Signature

Name: _____
(please print or type)

Title: _____
(please print or type)

Provide the following information if applicable:

Depository Trust Company (“DTC”) participant number

Participant: _____

By: _____
Signature

Name: _____
(please print or type)

Title: _____
(please print or type)

DTC Basic Subscription Confirmation Number(s): _____

Dated: _____

FORM OF BENEFICIAL OWNER LETTER FOR TRANSFER OR SALE OF RIGHTS

March , 2024

INNOVATE Corp.
295 Madison Avenue, 12th Floor
New York, New York 10017
MSena@innovatecorp.com
Attn: Michael Sena

Re: Transfer or Sale of Rights

Dear Mr. Sena:

This letter is being submitted to INNOVATE Corp., a Delaware corporation (the “Company”), in connection with the Company’s rights offering (the “Rights Offering”) of shares of its common stock, par value \$0.001 per share (the “Common Stock”), pursuant to transferable subscription rights (the “Rights”) distributed to all holders of record of shares of its Common Stock, shares of its preferred stock, and holders of certain convertible notes that are entitled to participate in dividend distributions to holders of Common Stock as of 5:00 p.m., New York City time, on March 6, 2024 (the “Record Date”). The Rights are described in the Company’s Base Prospectus, dated October 6, 2023, and Prospectus Supplement, dated March 8, 2024.

In connection with the Rights Offering, the beneficial owner set forth on Annex A hereto (the “Beneficial Owner”) has transferred or sold the amount of Rights specified on Annex A hereto. Accordingly, the Beneficial Owner requests that the Company record such transfer or sale in its books and records.

The Beneficial Owner hereby certifies that: (i) it was the beneficial owner of the amount of Rights (prior to the transfer or sale) listed on Annex A hereto; (ii) it has sold or transferred the amount of Rights listed on Annex A hereto to the transferee or transferees listed on Annex A hereto (collectively, the “Transferee”); and (iii) this letter has been duly authorized, executed and delivered by the Beneficial Owner or on its behalf.

The Beneficial Owner hereby acknowledges that: (i) it understands that if the Rights Offering is terminated or canceled for any reason, the Rights will expire and will no longer be exercisable or transferable, and will not have any value; (ii) the Company is relying on the certifications and information provided by the Beneficial Owner herein, and the Company has no responsibility to verify the accuracy or completeness of any such information; and (iii) the Beneficial Owner and the Transferee bear all risk of loss associated with the transfer or sale of the Rights, even if the Rights Offering is terminated or canceled.

This letter shall be construed in accordance with, and governed by, the laws of the State of New York without regard to conflicts of law principles thereof that would result in the application of the laws of another jurisdiction.

Sincerely,

By:

Name: _____

Title:

[Signature Page to Beneficial Owner Letter]

Annex A

Name and Address of Beneficial Owner	Name and Address of Transferee	Amount of Rights Held by Beneficial Owner (Prior to the Transfer or Sale)	Amount of Rights Transferred or Sold
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FORM OF NOMINEE HOLDER LETTER FOR TRANSFER OR SALE OF RIGHTS

March , 2024

INNOVATE Corp.
295 Madison Avenue, 12th Floor
New York, New York 10017
MSena@innovatecorp.com
Attn: Michael Sena

Re: Transfer or Sale of Rights

Dear Mr. Sena:

This letter is being submitted to INNOVATE Corp., a Delaware corporation (the “Company”), in connection with the Company’s rights offering (the “Rights Offering”) of shares of its common stock, par value \$0.001 per share (the “Common Stock”), pursuant to transferable subscription rights (the “Rights”) distributed to all holders of record of shares of its Common Stock, shares of its preferred stock, and holders of certain convertible notes that are entitled to participate in dividend distributions to holders of Common Stock as of 5:00 p.m., New York City time, on March 6, 2024 (the “Record Date”). The Rights are described in the Company’s Base Prospectus, dated October 6, 2023, and Prospectus Supplement, dated March 8, 2024.

In connection with the Rights Offering, the rights holder set forth on Annex A hereto (the “Rights Holder”), which holds in its capacity as the custodian the Rights on behalf of the beneficial owner listed on Annex A hereto (the “Beneficial Owner”), has transferred or sold, on behalf of the Beneficial Owner, the amount of Rights specified on Annex A hereto. Accordingly, the Rights Holder requests that the Company record such transfer or sale in its books and records.

The Rights Holder, on behalf of the Beneficial Owner, hereby certifies that: (i) it is a participant of The Depository Trust Company (“DTC”); (ii) it held the amount of Rights (prior to the transfer or sale) listed on Annex A hereto on behalf of the Beneficial Owner; (iii) it has sold or transferred the amount of Rights listed on Annex A hereto to the transferee or transferees listed on Annex A hereto (collectively, the “Transferee”); and (iv) this letter has been duly authorized, executed, and delivered by the Rights Holder on behalf of the Beneficial Owner.

The Rights Holder, on behalf of the Beneficial Owner, hereby acknowledges that: (i) it understands that if the Rights Offering is terminated or canceled for any reason, the Rights will expire and will no longer be exercisable or transferable, and will not have any value; (ii) the Company is relying on the certifications and information provided by the Rights Holder herein, and the Company has no responsibility to verify the accuracy or completeness of any such information; and (iii) the Rights Holder, Beneficial Owner, and the Transferee bear all risk of loss associated with the transfer or sale of the Rights, even if the Rights Offering is terminated or canceled.

This letter shall be construed in accordance with, and governed by, the laws of the State of New York without regard to conflicts of law principles thereof that would result in the application of the laws of another jurisdiction.

Sincerely,

(Name of Rights Holder)

By: _____
Name: _____
Title:

[Signature Page to Nominee Holder Letter]

Annex A

Name and Address of Beneficial Owner	Name, Address and DTC Participant Number of Record Holder	Name, Address and DTC Participant Number of Transferee	Amount of Rights Held by Record Holder (Prior to the Transfer or Sale)	Amount of Rights Transferred or Sold
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FOR IMMEDIATE RELEASE

INNOVATE Corp. Announces Commencement of Rights Offering

New York, March 8, 2024 - INNOVATE Corp. (“INNOVATE” or the “Company”) (NYSE: VATE), a diversified holding company, announced today that it has commenced its previously announced \$19.0 million rights offering for its common stock.

All INNOVATE stockholders will have the opportunity to participate in the offering and subscribe for their basic subscription amount of newly issued shares of common stock in proportion to their respective existing ownership amounts. INNOVATE stockholders who exercise their respective full basic subscription rights will have over-subscription privileges giving such INNOVATE stockholders the option to subscribe for any shares of common stock that remain unsubscribed at the expiration of the rights offering. If the aggregate subscriptions (basic subscriptions plus over-subscriptions) exceed the amount offered in the rights offering, then the aggregate over-subscription amount will be pro-rated among the stockholders exercising their respective over-subscription privileges based on the basic subscription amounts of such stockholders.

The Company is distributing to each holder of the Company’s common stock as of 5:00 p.m., New York time, March 6, 2024 (the “rights offering record date”), one transferable subscription right to purchase 0.2858 shares of the Company’s common stock at a price of \$0.70 per whole share for each share of the Company’s common stock held as of the rights offering record date. Holders of the Company’s existing preferred stock and convertible notes that are entitled to participate in dividend distributions to holders of the Company’s common stock are also entitled to participate in the rights offering.

The rights offering is being backstopped by Lancer Capital LLC (“Lancer Capital”), an investment fund led by Avram A. Glazer, the Chairman of the Board and the Company’s largest stockholder. Lancer Capital will not be permitted to exercise or transfer any subscription rights received by it, or to acquire other rights, in the rights offering, which rights are required to be held by Lancer Capital until the expiration thereof. Due to limitations of common stock that can be acquired by Lancer Capital, in lieu of exercising its subscription rights, Lancer Capital will purchase up to \$19.0 million of the Company’s newly issued Series C Non-Voting Participating Convertible Preferred Stock (the “Preferred Stock”), for an issue price of \$1,000 per share. In connection with the backstop commitment, and as a result of limitations in the amount of common equity that can be raised under the Company’s effective shelf registration statement on Form S-3, Lancer Capital has agreed to purchase an additional \$16.0 million of Preferred Stock in a private placement transaction to close concurrently with the settlement of the rights offering. The Preferred Stock terms will include a liquidation preference junior to the Company’s existing preferred stock and equal to the Company’s common stock (other than a preference of \$0.001 per share of Preferred Stock that will be paid to the holders of the Preferred Stock before any payment or distribution is made to the holders of the common stock).

If for any reason the settlement of the rights offering does not occur by March 28, 2024, then on that date Lancer Capital will purchase \$25.0 million of Preferred Stock. Upon the settlement of the rights offering, to the extent that Lancer Capital would have, based on the number of shares of common stock actually sold upon exercise of the rights, purchased less than \$25.0 million of Convertible Preferred Stock under the backstop commitment and the concurrent private placement, the Company will redeem such excess Preferred Stock from Lancer Capital at the redemption price of \$1,000 per share.

The Preferred Stock can be convertible into common stock at the price equivalent to the subscription price under the rights offering contingent on shareholder approval, which will be voted on at the next annual meeting. If the Preferred Stock is not converted to common stock, it may be redeemed at the Company's option and must be mandatorily redeemed on the sixth anniversary of issuance, in each case at a cash redemption price per share of \$1,000 plus accrued, uncompounded interest of 8% per annum, which is due only upon redemption and not on conversion.

The investment agreement includes customary standstill provisions that restrict the ability of Lancer Capital and its affiliates from, among other things, acquiring (i) our equity securities that would result in having beneficial ownership of more than that percentage of the then-outstanding common stock beneficially owned immediately following the closing of the rights offering, (ii) equity securities of our subsidiaries or (iii) any debt securities or indebtedness of us or our subsidiaries until 90 days after the closing of the rights offering.

Lancer Capital's backstop commitment and the concurrent private placement will be effected in the manner set forth in the investment agreement entered into with the Company in connection with the commencement of the rights offering, a copy of which has been filed by the Company with the SEC.

The offering will expire at 5:00 PM Eastern Time on March 25, 2024, unless extended by the Company. Trading in the rights will cease at 5:00 PM Eastern Time on March 20, 2024. The Company reserves the right to amend or terminate the rights offering at any time prior to its expiration date.

The shares of common stock to be issued upon exercise of the rights, like the Company's existing shares of common stock, will be listed for trading on the New York Stock Exchange (the "NYSE") under the symbol "VATE."

The Company expects that the information agent for the rights offering will mail rights certificates and a copy of the prospectus and prospectus supplement for the rights offering to stockholders as of the rights offering record date beginning on or about March 8, 2024. Holders of shares of common stock in "street name" through a brokerage account, bank or other nominee will not receive physical rights certificates and must instruct their broker, bank or nominee whether to exercise subscription rights on their behalf. For any questions or further information about the rights offering, please call Okapi Partners LLC, the information agent for the rights offering, at (855) 208-8902 (toll-free).

Neither the Company nor its Board of Directors has, or will, make any recommendation to stockholders regarding the exercise or sale of rights in the rights offering. Stockholders should make an independent investment decision about whether or not to exercise or sell their rights based on their own assessment of the Company's business and the rights offering.

INNOVATE expects to use the proceeds from the rights offering for general corporate purposes.

The rights offering will be made pursuant to INNOVATE's effective shelf registration statement on Form S-3, filed with the SEC on September 29, 2023 and declared effective on October 6, 2023, and a prospectus supplement containing the detailed terms of the rights offering to be filed with the SEC. The information in this press release is not complete and is subject to change. This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities (including without limitation the preferred stock to be issued and sold in the concurrent private placement), nor shall there be any offer, solicitation or sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such state or jurisdiction. The rights offering will be made only by means of a prospectus and a related prospectus supplement. Copies of the prospectus and related prospectus supplement, when they become available, will be distributed to all eligible stockholders as of the rights offering record date and may also be obtained free of charge at the website maintained by the SEC at www.sec.gov or by contacting the information agent for the rights offering.

The preferred stock to be issued to Lancer Capital pursuant to the backstop commitment and the concurrent private placement will not be registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

About INNOVATE

INNOVATE Corp. is a portfolio of best-in-class assets in three key areas of the new economy – Infrastructure, Life Sciences and Spectrum. Dedicated to stakeholder capitalism, INNOVATE employs approximately 4,000 people across its subsidiaries. For more information, please visit: www.INNOVATECorp.com.

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 proposed rights offering and concurrent private placement, including, among others, statements related to the expected timing, eligible offerees, backstop purchasers and expectations regarding participation in the rights offering, the use of proceeds from the rights offering, the size of the rights offering and other terms of the rights offering, all of which involve risks, assumptions and uncertainties, many of which are outside of the Company's control, and are subject to change. Accordingly, no assurance can be given that the rights offering or concurrent private placement will be consummated on the terms described above or at all. All forward-looking statements speak only as of the date made, and unless legally required, INNOVATE undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

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