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): January 25, 2021 (January 25, 2021)

HC2 HOLDINGS, INC.

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

450 Park Avenue, 29th Floor
New York, NY 10022
(Address of principal executive offices)

(212) 235-2690
(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	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 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 7.01 Regulation FD Disclosure

On January 25, 2021, HC2 Holdings, Inc. ("HC2" or the "Company") announced that it intends to offer $300 million aggregate principal amount of senior secured notes due 2026 (the "Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). Concurrently with the offering of the Notes, the Company intends to enter into exchange agreements with certain holders of its outstanding 7.5% Convertible Senior Notes due June 1, 2022 (the "Convertible Notes") pursuant to which the Company plans to exchange a portion of the outstanding aggregate principal amount of the Convertible Notes for new convertible notes (the "New Convertible Notes").

A copy of the press release announcing the Notes Offering and the Convertible Notes Exchange is furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

In connection with the Notes Offering, HC2 is providing prospective investors with certain financial and other information which HC2 is furnishing with this report as Exhibit 99.2. This information, which has not been previously reported, is excerpted from a preliminary offering memorandum that is being disseminated in connection with the offering of the Notes.

This Current Report on Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offering, solicitation or sale would be unlawful. The Notes and the New Convertible Notes will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of HC2's filings under the Securities Act or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Forward Looking Statements

This Current Report on Form 8-K, including the exhibits, contains forward-looking statements. Actual results, events or developments may differ materially from those anticipated or discussed in any forward-looking statement. These statements are subject to risks, uncertainties and other factors, as discussed further in the press release attached hereto as Exhibits 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by HC2, dated January 25, 2021, titled "HC2 Holdings Announces Launch of $300 Million Senior Secured Notes Offering and Concurrent Convertible Notes Exchange."
99.2	Certain information with respect to HC2 provided to investors in connection with the offering of the Notes.
99.3	Unaudited Pro Forma Condensed Consolidated Financial Statements.
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: January 25, 2021

HC2 Holdings, Inc.
(Registrant)

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

Exhibit 99.1

FOR IMMEDIATE RELEASE

HC2 Holdings Announces Launch of $300 Million Senior Secured Notes Offering and Concurrent Convertible Notes Exchange

Net Proceeds to Refinance Existing Senior Secured Notes and Repay Revolving Credit Agreement

New York, January 25, 2021 (GlobeNewswire) - HC2 Holdings, Inc. ("HC2" or the "Company") (NYSE: HCHC), a diversified holding company, announced today its intention to offer $300 million aggregate principal amount of senior secured notes due 2026 (the "Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), subject to market and other conditions. The Notes will be senior secured obligations of the Company and will be guaranteed by certain of the Company's domestic subsidiaries.

Concurrently with the offering of the Notes, the Company intends to enter into exchange agreements with certain holders of its outstanding 7.5% convertible senior notes due June 1, 2022 (the "Existing Convertible Notes") pursuant to which the Company plans to exchange approximately $37 million of the outstanding aggregate principal amount of the Convertible Notes for new convertible notes (the "New Convertible Notes") with substantially the same terms, except that the maturity date of such new convertible notes will be August 1, 2026.

The proceeds from the issuance of the Notes are expected to be used, together with the net cash proceeds of the Company's previously announced sale of its majority-owned subsidiary Beyond6, Inc. and cash on hand, to redeem in full HC2's existing 11.500% senior secured notes, repay the outstanding indebtedness under its revolving credit agreement and pay related fees and expenses.

The Notes and the New Convertible Notes will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration. The Notes are expected to be offered and sold only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act, and the New Convertible Notes are expected to be issued in one or more private exchange transactions pursuant to an exemption from registration under the Securities Act.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About HC2

HC2 (NYSE: HCHC) has a class-leading portfolio of assets primarily in Infrastructure, Life Sciences, Spectrum and Insurance. HC2 is headquartered in New York, New York and through its subsidiaries employs 2,864 people.

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 refinancing transactions, including, among others, the use of proceeds from the issuance of the Notes, 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.

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Exhibit 99.2

Our Company

HC2 Holdings, Inc. ("HC2", "we", "us", "the Company", or "our") is a diversified holding company with principal operations conducted through five operating platforms or reportable segments: Infrastructure, Insurance, Life Sciences, Spectrum and Other.

Infrastructure Segment

Our Infrastructure segment (f/k/a Construction segment) is comprised of DBM Global, Inc. and its wholly-owned subsidiaries ("DBMG"). DBMG is a fully integrated Building Information Modelling modeler, detailer, fabricator and erector of structural steel and heavy steel plate. DBMG models, details, fabricates and erects structural steel for commercial and industrial construction projects such as high- and low-rise buildings and office complexes, hotels and casinos, convention centers, sports arenas, shopping malls, hospitals, dams, bridges, mines and power plants. DBMG also fabricates trusses and girders and specializes in the fabrication and erection of large-diameter water pipe and water storage tanks. Through GrayWolf Industrial, Inc. ("GrayWolf"), DBMG provides services including maintenance, repair, and installation to a diverse range of end markets in order to provide high-quality outage, turnaround, and new installation services to customers. Through Aitken Manufacturing Inc., DBMG manufactures pollution control scrubbers, tunnel liners, pressure vessels, strainers, filters, separators and a variety of customized products. As of September 30, 2020, the Company maintains an approximately 90% controlling interest in DBMG (not including a 2.5% interest held by Continental General Insurance Company ("CGI")).

At September 30, 2020, DBMG's reported backlog was $436 million and adjusted backlog was $640 million. Projects in backlog consist of awarded contracts, letters of intent, notices to proceed, change orders and purchase orders obtained. Backlog increases as contract commitments are obtained, decreases as revenues are recognized and increases or decreases to reflect modifications in the work to be performed under the contracts. Backlog is converted to sales in future periods as work is performed or projects are completed. Backlog can be significantly affected by the receipt or loss of individual contracts.

In addition, Schuff International, Inc., a steel fabrication and erection company, operates seven fabrication facilities and 11 sales and management facilities across six states, and has a production capacity of 310,400 tons with further capacity available through its extensive network of steel fabricators.

Insurance Segment

Our Insurance segment is comprised of Continental Insurance Group Ltd. ("CIG") and its wholly-owned subsidiary CGI. CGI provides long-term care, life, annuity, and other accident and health coverage that help protect policy and certificate holders from the financial hardships associated with illness, injury, loss of life, or income continuation. The Company maintains a 100% interest in CIG, although the Company expects to sell its interest in CIG as set forth under "—Recent Developments—CIG Sale."

Life Sciences Segment

Our Life Sciences segment is comprised of Pansend Life Sciences, LLC ("Pansend"). Pansend maintains controlling voting interests of approximately 80% in Genovel Orthopedics, Inc., which seeks to develop products to treat early osteoarthritis of the knee and approximately 56% voting interest in R2 Technologies, Inc. ("R2"), which develops aesthetic and medical technologies for the skin using technologies developed by R2 that deliver in-office treatments that provide patients skin lightening, brightening skin tone evening and reduction or elimination of hyperpigmentation. Pansend also invests in other early stage or developmental stage healthcare companies including an approximately 47% voting interest in MediBeacon Inc. ("MediBeacon"), a company developing a proprietary non-invasive real-time monitoring system for evaluation of kidney function monitoring, and an investment in Triple Ring Technologies, Inc., in which we hold a 23% voting interest (in each case, on a fully diluted basis).

On July 31, 2019, MediBeacon entered into a definitive agreement with Huadong Medicine, a publicly traded company on the Shenzhen Stock Exchange, providing exclusive rights to MediBeacon's portfolio of assets in Greater China. In 2020, Huadong Medicine expanded the commercial agreement with MediBeacon to include a China clinical study. Under the expanded commercial agreement, MediBeacon will receive an additional $20 million in non-dilutive funding, of which $10 million was received in November 2020.

Spectrum Segment

Our Spectrum segment (f/k/a Broadcasting segment) is comprised of HC2 Broadcasting Holdings Inc. ("HC2 Broadcasting") and its subsidiaries. HC2 Broadcasting strategically acquires and operates over-the-air broadcasting stations across the United States. In addition, HC2 Broadcasting, through its wholly-owned subsidiary, HC2 Network Inc., operates Azteca America, a Spanish-language broadcast network offering high quality Hispanic content to a diverse demographic across the United States. The Company maintains an approximately 98% controlling voting interest in HC2 Broadcasting and an approximately 50% controlling voting interest in DTV America Corporation as well as approximately 10% proxy and voting rights from minority holders.

Other Segment

Our Other segment represents all other businesses or investments that do not meet the definition of a segment individually or in the aggregate. Included in the Other segment is the former Marine Services segment, which includes its holding company, Global Marine Holdings, LLC ("GMH"), in which the Company maintains approximately 73% controlling interest. GMH results include the current and prior year equity investment in Huawei Marine Networks Co., Limited ("HMN"), its 19% equity method investment with Huawei Technologies Co., Ltd., and the discontinued operations of Global Marine Systems Limited ("GMSL").

Recent Developments

Exchange Agreement

We have entered into exchange agreements with certain holders of approximately $37 million of our outstanding 7.5% Convertible Senior Notes due June 1, 2022 (the "Existing Convertible Notes") pursuant to which we plan to exchange such holder's Existing Convertible Notes for new convertible notes (the "New Convertible Notes" and together with the Existing Convertible Notes, the "Convertible Notes") with substantially the same terms, except that the maturity date of such New Convertible Notes will be August 1, 2026 (the "Convertible Notes Exchange") and conversions of the New Convertible Notes may be settled in cash, shares of common stock or a combination thereof, at our election. No separate cash payment will be made at the settlement of the Convertible Notes Exchange for accrued and unpaid interest on the Existing Convertible Notes being exchanged, as such interest will be paid on August 1, 2021 to holders of record on July 15, 2021.

Sale of HMN

On October 30, 2019, the Company announced the sale of its stake in HMN, its 49% joint venture with Huawei Technologies Co., Ltd., to Hengtong Optic-Electric Co Ltd. The sale valued HMN at $285 million, and Global Marine Holdings, LLC's 49% stake, through New Saxon 2019 Limited ("New Saxon"), at approximately $140 million.

Under the terms of the Sale and Purchase Agreement, the sale of New Saxon's 49% interest in HMN was effected in two tranches. The sale of the portion of New Saxon's 30% interest of HMN, closed on May 12, 2020 (the "First HMN Close"). The remaining 19% interest of HMN is retained by New Saxon and subject to a put option agreement by New Saxon, exercisable starting on the second year anniversary of the closing date of the First HMN Close at a price equal to the greater of the share price paid for the 30% interest or fair market value as of the exercisable date.

In conjunction with the first tranche of the sale, the Company received $85.5 million in cash, of which $17.5 million and $2.1 million were paid to noncontrolling interest holders and redeemable noncontrolling interest holders, respectively. New Saxon recorded a $71.1 million gain, included in Other income (loss) in the Condensed Consolidated Statements of Operations. The gain recognized includes $11.3 million related to the fair value of the put option. In addition, the Company recorded a $7.2 million tax expense related to a foreign tax payment when the first tranche closed.

Sale of PTGi International Carrier Services, Inc.

On October 2, 2020, ICS Group Holdings Inc., a subsidiary of the Company, entered into a Stock Purchase Agreement with GoIP Global, Inc., a company that provides cable and pay television services and offers a range of mobile media services, solutions and tools for brands, agencies, content providers, online portals, entertainment and media companies, for the sale of ICS (the "ICS Sale"), its wholly-owned subsidiary. The ICS Sale closed on October 31, 2020. The ICS Sale resulted in the disposition of the Company's telecommunications division and is part of the Company's continuing efforts to pursue strategic alternatives across its portfolio.

Sale of Beyond6

On January 15, 2021, the Company closed the previously announced sale of its majority-owned subsidiary Beyond6, Inc. (f/k/a American Natural Energy Corp. and American Natural Gas, Inc.) ("Beyond6") to an affiliate of Mercuria Investments US, Inc. (the "Beyond6 Sale"), pursuant to an Agreement and Plan of Merger (the "Beyond6 Merger Agreement"), among Beyond6, Greenfill, Inc., a Delaware corporation ("Greenfill"), Greenfill Merger, Inc., a newly-formed Delaware corporation and indirect subsidiary of Greenfill, and an affiliate of HC2 as the Stockholder Representative for the Beyond6 stockholders. Pursuant to the Beyond6 Merger Agreement, Greenfill Merger Sub has merged with and into Beyond6, with Beyond6 as the surviving corporation. The base purchase price of the transaction payable to holders of Beyond6's equity was approximately $169.0 million, net of Beyond6's debt and transaction expenses, subject to customary purchase price adjustments and escrow arrangements as set forth in the Beyond6 Merger Agreement. The Company received net proceeds from the sale of approximately $70.0 million (including intercompany transaction costs) in cash subject to customary closing adjustments, which the Company intends to use to reduce debt as set forth herein under "Use of Proceeds."

On January 20, 2021, the Company provided notice (the "Asset Sale Redemption Notice") to U.S. Bank National Association, as trustee (the "Trustee"), of its intent to use the net cash proceeds of the Beyond6 Sale to redeem $67,716,000 aggregate principal amount of the Company's 11.500% Senior Secured Notes due 2021 (the "Existing Senior Secured Notes"), pursuant to the indenture governing the Existing Senior Secured Notes, at a redemption price equal to 100% of the principal amount of the Existing Senior Secured Notes redeemed, plus accrued and unpaid interest since December 1, 2020 (the last regularly scheduled interest payment date preceding the redemption date) to the redemption date of February 19, 2021.

Proposed Sale of Continental

On December 8, 2020, the Company received from representatives of Continental General Holdings LLC (the "Continental Buyer"), an affiliate of Michael Gorzynski, a director and beneficial owner of approximately 6.6% of the Company's outstanding common stock, a non-binding indication of interest for the potential acquisition by the Continental Buyer of the insurance segment of the Company (the "Indication of Interest"). The Company's insurance segment is comprised of CIG and its indirect, wholly-owned subsidiaries CGI and Continental LTC Inc. (collectively, "Continental"). Prior to the receipt of the Indication of Interest, the board of directors of the Company (the "Board") waived certain standstill provisions contained in that certain Cooperation Agreement, dated as of May 13, 2020, by and among the Company, MG Capital Management Ltd. ("MG Capital"), Percy Rockdale LLC and Rio Royal LLC (each, an affiliate of Mr. Gorzynski), as amended.

The Indication of Interest currently contemplates a total potential transaction value of approximately $90 million, subject to certain adjustments, consisting of, among other things, a combination of $65 million in cash and the transfer to HC2 (or cancellation) and/or modification of the terms of certain HC2 and HC2-affiliate securities owned by Continental.

The Indication of Interest contemplates a request for a 30-day exclusivity period, although the Company has advised the Continental Buyer that it is not prepared to enter into an exclusivity agreement with respect to the transactions contemplated by the Indication of Interest at this time.

The Indication of Interest states that the transactions contemplated thereby are expected to be conditioned on, among other things, receipt of all necessary regulatory approvals (including approval by the Texas Department of Insurance), receipt of other required consents and approvals, receipt of a fairness opinion and approval by the Board.

The Company has engaged a financial advisor, is evaluating the Indication of Interest and negotiating with representatives of the Continental Buyer. Mr. Gorzynski, Executive Chairman of Continental in addition to his role as an HC2 director, and Kenneth Courtis, an HC2 director, have recused themselves from Board deliberations on this matter. The Company is not in a position to make any prediction at this time as to its response to the Buyer or any outcome relating to the Indication of Interest. There can be no assurance that any proposal or binding offer will be made or accepted, that any definitive agreement will be executed (or the timing or final terms thereof), or that any transaction will be consummated in connection with the Indication of Interest. As no definitive agreement has been signed in connection with the proposed Continental Sale, and we cannot provide any assurance that we will enter into any such agreement in the future on the terms described above or at all. The proposed sale of our insurance segment is referred to herein as the “Continental Sale.”

Rights Offering and Sale of Series B Preferred Stock

On November 25, 2020, the Company completed its $65 million common stock rights offering. Pursuant to the terms of the rights offering, 13,979,674 shares of common stock were purchased pursuant to the exercise of basic subscription rights and 2,763,148 shares of common stock were purchased under the over-subscription privilege. In addition, we issued 82,459 additional shares of common stock to MG Capital for the same $2.27 per share consideration payable in the rights offering.

Pursuant to the Investment Agreement (the “Investment Agreement”) entered into with Lancer Capital LLC (“Lancer Capital”), the Company sold 5,560 shares of Series B Non-Voting Convertible Participating Preferred Stock, par value $0.001 per share (the “Series B Preferred Stock”), for an issue price of $1,000 per share in connection with a backstop arrangement.

In connection with the closing of the rights offering, the Company sold approximately 21,433 additional shares of Series B Preferred Stock to Lancer Capital in consideration of Lancer Capital funding $21.4 million pursuant to the Investment Agreement. This issuance and sale was consummated without registration under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon an exemption from the registration requirements of the Securities Act under Section 4(a)(2) of the Securities Act. As contemplated by the Investment Agreement, concurrently with the closing of the rights offering, Lancer Capital converted all of its shares of Series B Preferred Stock into 11,891,539 shares of the Company’s common stock, which, combined with subsequent open market purchases, resulted in Lancer Capital owning approximately 25% of our shares of common stock.

The rights offering, the issuance of common stock in connection therewith, the issuance of Series B Preferred Stock and the conversion thereof to shares of our common stock are collectively referred to herein as the “Rights Offering.”

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated balance sheet as of September 30, 2020 and the unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2020 and the year ended December 31, 2019 of HC2 Holdings, Inc. ("HC2", "we", "us", "the Company", or "our") give effect to the following transactions: the disposition of PTGI International Carrier Services Inc. (the "ICS Sale"); the November 20, 2020 rights offering, in which the Company issued 28.7 million shares of common stock, receiving $59.6 million in proceeds, net of fees (the "Rights Offering"); the disposition of Beyond6, Inc. ("Beyond6 Sale"); and the refinancing of the current $340.4 million aggregate principal amount of 11.5% Senior Secured Notes (the "Existing Senior Secured Notes") and $15.0 million aggregate principal amount of the LIBOR plus 6.75% Revolving Credit Facility (the "2020 Revolving Credit Agreement") with the issuance of $300 million aggregate principal amount of new Senior Secured Notes ("New Senior Secured Notes") due 2026 (collectively with the ICS Sale, the Rights Offering and the Beyond6 Sale, the "Pro Forma Transactions"); and the planned disposition of Continental Insurance Group, Inc. (the "Continental Sale").

The ICS Sale closed on October 31, 2020 for $0.9 million of proceeds to HC2 and the Beyond6 Sale closed on January 15, 2021 for $70.0 million (including intercompany transaction costs) of net proceeds. On December 10, 2020, HC2 received an indication of interest to sell Continental Insurance Group Ltd. and its indirect, wholly-owned subsidiaries Continental General Insurance Company ("CGI") and Continental LTC Inc. (collectively, "Continental") for a total value of $90 million.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2020 gives effect to the Pro Forma Transactions and the Continental Sale as if they had occurred on September 30, 2020. The unaudited pro forma condensed consolidated statement of operations for the nine months and twelve months ended September 30, 2020 and the audited pro forma consolidated statement of operations year ended December 31, 2019 of the Company gives effect to the Pro Forma Transactions and the Continental Sale as if they had occurred on January 1, 2019.

The unaudited pro forma condensed consolidated financial statements and the notes to the unaudited pro forma condensed 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 nine months ended September 30, 2020, filed on November 11, 2020.

- 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, 2019, filed on March 16, 2020 and recasted on Form 8-K filed on October 7, 2020.

The unaudited pro forma condensed consolidated financial statements have been prepared by HC2's management in a manner consistent with the accounting policies adopted by the Company and are not necessarily indicative of the financial position or results of operations that would have been realized had the Pro Forma Transactions and the Continental Sale 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 after the Pro Forma Transactions and the Continental Sale.

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

HC2 HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of September 30, 2020 (in millions)

		Pro Forma Adjustments									
	HC2	ICS Sale	Ref.	Beyond6 Sale	Ref.	Continental Sale	Ref.	Total Pro Forma Adjustments	Financing Adjustments	Ref.	Total Pro Forma
Assets											
Investments:											
Fixed maturity securities, available-for-sale at fair value	$ 4,295.2	$ —		$ —		$ (4,294.7)	(b)	$ (4,294.7)	$ —		$ 0.5
Equity securities	74.2	—		—		(68.9)	(b)	(68.9)	—		5.3
Mortgage loans	121.1	—		—		(121.1)	(b)	(121.1)	—		—
Policy loans	18.2	—		—		(18.2)	(b)	(18.2)	—		—
Other invested assets	60.7	—		—		(14.9)	(b)	(14.9)	—		45.8
Total investments	4,569.4	—		—		(4,517.8)		(4,517.8)	—		51.6
Cash and cash equivalents	163.6	(10.2)	(a)	60.5	(a)	(114.7)	(b)	(64.4)	(18.4)	(g)	80.8
Accounts receivable, net	252.3	(50.7)	(b)	(15.0)	(b)	1.2		(64.5)	—		187.8
Recoverable from reinsurers	961.4	—		—		(961.4)	(b)	(961.4)	—		—
Deferred tax asset	1.8	—		—		(0.4)	(b)	(0.4)	—		1.4
Property, plant and equipment, net	213.8	(0.5)	(b)	(90.1)	(b)	(1.1)	(b)	(91.7)	—		122.1
Goodwill	112.7	—		(2.1)	(b)	—		(2.1)	—		110.6
Intangibles, net	202.2	—		(9.8)	(b)	(2.5)	(b)	(12.3)	—		189.9
Assets held for sale	5.6	—		—		—		—	—		5.6
Other assets	205.6	(11.6)	(b)	(4.0)	(b)	(14.9)	(c)	(30.5)	(2.0)	(h)	173.1
Total assets	$ 6,688.4	$ (73.0)		$ (60.5)		$ (5,611.6)		$ (5,745.1)	$ (20.4)		$922.9
Liabilities, temporary equity and stockholders' equity											
Life, accident and health reserves	4,622.9	—		—		(4,622.9)	(b)	(4,622.9)	—		—
Annuity reserves	230.9	—		—		(230.9)	(b)	(230.9)	—		—
Value of business acquired	205.0	—		—		(205.0)	(b)	(205.0)	—		—
Accounts payable and other current liabilities	298.6	(73.5)	(b)	(15.4)	(b)	(26.8)	(b)	(115.7)	(13.1)	(i)	169.8
Deferred tax liability	113.2	—		(2.1)	(b)	(105.5)	(b)	(107.6)	—		5.6
Debt obligations	646.4	—		(56.7)	(b)	—		(56.7)	(58.6)	(j)	531.1
Liabilities Held for Sale	0.1	—		—		—		—	—		0.1
Other Liabilities	135.7	(0.2)	(b)	(9.1)	(b)	(12.3)	(b)	(21.6)	—		114.1
Total liabilities	6,252.8	(73.7)		(83.3)		(5,203.4)		(5,360.4)	(71.7)		820.7
Commitments and contingencies											
Temporary equity											
Preferred stock	15.9	—		—		16.1	(d)	16.1	(5.6)	(k)	26.4
Redeemable noncontrolling interest	7.0	—		—		—		—	—		7.0
Total temporary equity	22.9	—		—		16.1		16.1	(5.6)		33.4
Stockholders' equity											
Total HC2 Holdings, Inc. stockholders' equity	371.8	0.7	(e)	37.3	(e)	(427.8)	(e)	(389.8)	56.9	(l)	38.9
Noncontrolling interest	40.9	—		(14.5)	(f)	3.5	(f)	(11.0)	—		29.9
Total stockholders' equity	412.7	0.7		22.8		(424.3)		(400.8)	56.9		68.8
Total liabilities, temporary equity and stockholders' equity	$ 6,688.4	$ (73.0)		$ (60.5)		$ (5,611.6)		$ (5,745.1)	$ (20.4)		$922.9

See notes to unaudited pro forma condensed consolidated financial statements

HC2 HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Twelve Months Ended September 30, 2020
(in millions, except per share data amounts)

		Pro Forma Adjustments						
	HC2	ICS Sale	Beyond6 Sale	Continental Sale	Total Pro Forma Adjustments	Financing Adjustments	Ref.	Total Pro Forma
		(m)	(m)	(m)				
Revenue	$ 1,377.9	$ (617.7)	$ (50.7)	$ —	$ (668.4)	$ —		$ 709.5
Life, accident and health earned premiums, net	115.0	—	—	(114.9)	(114.9)	—		0.1
Net investment income	198.3	—	—	(198.4)	(198.4)	—		(0.1)
Net realized and unrealized gains on investments	(20.2)	—	—	20.2	20.2	—		—
Net revenue	1,671.0	(617.7)	(50.7)	(293.1)	(961.5)	—		709.5
Operating expenses								
Cost of revenue	1,208.3	(610.8)	(20.3)	—	(631.1)	—		577.2
Policy benefits, changes in reserves, and commissions	262.7	—	—	(262.7)	(262.7)	—		—
Selling, general and administrative	191.9	(5.7)	(6.2)	(36.2)	(48.1)	—		143.8
Depreciation and amortization	6.7	(0.3)	(8.3)	20.7	12.1	—		18.8
Other operating (income) expense, net	58.6	(3.1)	(0.1)	(47.3)	(50.5)	—		8.1
Total operating expenses	1,728.2	(619.9)	(34.9)	(325.5)	(980.3)	—		747.9
Income (loss) from operations	(57.2)	2.2	(15.8)	32.4	18.8	—		(38.4)
Interest expense	(83.9)	—	4.6	—	4.6	17.6	(p)	(61.7)
Loss on early extinguishment or restructuring of debt	(13.4)	—	5.0	(0.8)	4.2	—		(9.2)
Loss from equity investees	(2.4)	—	—	—	—	—		(2.4)
Gain on bargain purchase	—	—	—	—	—	—		—
Other income (expenses), net	75.6	(2.5)	2.2	(2.7)	(3.0)	—	(n)	72.6
Income (loss) before income taxes	(81.3)	(0.3)	(4.0)	28.9	24.6	17.6		(39.1)
Income tax (expense) benefit	22.1	—	(0.8)	(31.0)	(31.8)	—	(p)	(9.7)
Income (loss) from continuing operations	$ (59.2)	$ (0.3)	$ (4.8)	$ (2.1)	$ (7.2)	$ 17.6		$(48.8)

See notes to unaudited pro forma condensed consolidated financial statements

HC2 HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Nine Months Ended September 30, 2020
(in millions, except per share data amounts)

	HC2	Pro Forma Adjustments: ICS Sale	Pro Forma Adjustments: Beyond6 Sale	Pro Forma Adjustments: Continental Sale	Total Pro Forma Adjustments	Financing Adjustments	Ref.	Total Pro Forma	Ref.
		(m)	(m)	(m)					
Revenue	$ 1,000.0	$ (430.1)	$ (31.0)	$ —	$ (461.1)	$ —		$ 538.9	
Life, accident and health earned premiums, net	86.8	—	—	(86.8)	(86.8)	—		—	
Net investment income	147.1	—	—	(147.1)	(147.1)	—		—	
Net realized and unrealized gains on investments	(18.8)	—	—	18.8	18.8	—		—	
Net revenue	1,215.1	(430.1)	(31.0)	(215.1)	(676.2)	—		538.9	
Operating expenses									
Cost of revenue	886.9	(424.4)	(14.8)	—	(439.2)	—		447.7	
Policy benefits, changes in reserves, and commissions	195.0	—	—	(195.0)	(195.0)	—		—	
Selling, general and administrative	145.6	(4.0)	(4.5)	(27.3)	(35.8)	—		109.8	
Depreciation and amortization	4.1	(0.3)	(6.3)	15.8	9.2	—		13.3	
Other operating (income) expense, net	7.5	—	—	—	—	—		7.5	
Total operating expenses	1,239.1	(428.7)	(25.6)	(206.5)	(660.8)	—		578.3	
Income (loss) from operations	(24.0)	(1.4)	(5.4)	(8.6)	(15.4)	—		(39.4)	
Interest expense	(62.4)	—	3.0	0.1	3.1	13.0	(p)	(46.3)	
Loss on early extinguishment or restructuring of debt	(13.4)	—	5.0	(0.8)	4.2	—		(9.2)	
Loss from equity investees	(4.0)	—	—	—	—	—		(4.0)	
Gain on bargain purchase	—	—	—	—	—	—		—	
Other income (expenses), net	74.1	(2.4)	0.8	(2.2)	(3.8)	—	(n)	70.3	
Income (loss) before income taxes	(29.7)	(3.8)	3.4	(11.5)	(11.9)	13.0		(28.6)	
Income tax (expense) benefit	(4.4)	—	—	(7.2)	(7.2)	—	(p)	(11.6)	
Income (loss) from continuing operations	$ (34.1)	$ (3.8)	$ 3.4	$ (18.7)	$ (19.1)	$ 13.0		$ (40.2)	
(Loss) Income per common share - continuing operations									
Basic	$ (0.94)							$ (0.67)	(q)
Diluted	$ (0.94)							$ (0.67)	(q)
Weighted average common shares outstanding									
Basic	46.7							75.4	(o)
Diluted	46.7							75.4	(o)

See notes to unaudited pro forma condensed consolidated financial statements

HC2 HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Nine Months Ended September 30, 2019
(in millions, except per share data amounts)

		Pro Forma Adjustments							
	HC2	ICS Sale	Beyond6 Sale	Continental Sale	Total Pro Forma Adjustments	Financing Adjustments	Ref.	Total Pro Forma	Ref.
		(m)	(m)	(m)					
Revenue	$ 1,112.3	$ (507.0)	$ (19.3)	$ —	$ (526.3)	$ —		$ 586.0	
Life, accident and health earned premiums, net	88.7	—	—	(88.7)	(88.7)	—		—	
Net investment income	152.6	—	—	(152.6)	(152.6)	—		—	
Net realized and unrealized gains on investments	2.1	—	—	(2.1)	(2.1)	—		—	
Net revenue	1,355.7	(507.0)	(19.3)	(243.4)	(769.7)	—		586.0	
Operating expenses									
Cost of revenue	976.4	(498.4)	(11.6)	—	(510.0)	—		466.4	
Policy benefits, changes in reserves, and commissions	166.8	—	—	(166.8)	(166.8)	—		—	
Selling, general and administrative	143.8	(5.2)	(3.2)	(26.8)	(35.2)	—		108.6	
Depreciation and amortization	3.7	(0.3)	(4.9)	18.2	13.0	—		16.7	
Other operating (income) expense, net	(1.7)	(1.4)	0.1	—	(1.3)	—		(3.0)	
Total operating expenses	1,289.0	(505.3)	(19.6)	(175.4)	(700.3)	—		588.7	
Income (loss) from operations	66.7	(1.7)	0.3	(68.0)	(69.4)	—		(2.7)	
Interest expense	(58.0)	—	1.9	(0.3)	1.6	13.8	(p)	(42.6)	
Loss on early extinguishment or restructuring of debt	—	—	—	—	—	—		—	
Loss from equity investees	—	—	—	—	—	—		—	
Gain on bargain purchase	1.1	—	—	(1.1)	(1.1)	—		—	
Other income (expenses), net	4.7	(0.3)	(0.1)	(1.0)	(1.4)	—	(n)	3.3	
Income (loss) before income taxes	14.5	(2.0)	2.1	(70.4)	(70.3)	13.8		(42.0)	
Income tax (expense) benefit	(6.2)	—	—	3.3	3.3	—	(p)	(2.9)	
Income (loss) from continuing operations	$ 8.3	$ (2.0)	$ 2.1	$ (67.1)	$ (67.0)	$ 13.8		$ (44.9)	
(Loss) Income per common share - continuing operations									
Basic	$ 0.28							$ (0.56)	(q)
Diluted	$ 0.23							$ (0.56)	(q)
Weighted average common shares outstanding									
Basic	45.4							74.1	(o)
Diluted	60.1							74.1	(o)

See notes to unaudited pro forma condensed consolidated financial statements

HC2 HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019
(in millions, except per share data amounts)

		Pro Forma Adjustments							
	HC2	ICS Sale	Beyond6 Sale	Continental Sale	Total Pro Forma Adjustments	Financing Adjustments	Ref.	Total Pro Forma	Ref.
		(m)	(m)	(m)					
Revenue	$ 1,490.2	$ (694.6)	$ (39.0)	$ —	$ (733.6)	$ —		$ 756.6	
Life, accident and health earned premiums, net	116.9	—	—	(116.8)	(116.8)	—		0.1	
Net investment income	203.8	—	—	(203.9)	(203.9)	—		(0.1)	
Net realized and unrealized gains on investments	0.7	—	—	(0.7)	(0.7)	—		—	
Net revenue	1,811.6	(694.6)	(39.0)	(321.4)	(1,055.0)	—		756.6	
Operating expenses									
Cost of revenue	1,297.8	(684.8)	(17.1)	—	(701.9)	—		595.9	
Policy benefits, changes in reserves, and commissions	234.5	—	—	(234.5)	(234.5)	—		—	
Selling, general and administrative	190.1	(6.9)	(4.9)	(35.7)	(47.5)	—		142.6	
Depreciation and amortization	6.3	(0.3)	(6.9)	23.1	15.9	—		22.2	
Other operating (income) expense, net	49.4	(4.5)	—	(47.3)	(51.8)	—		(2.4)	
Total operating expenses	1,778.1	(696.5)	(28.9)	(294.4)	(1,019.8)	—		758.3	
Income (loss) from operations	33.5	1.9	(10.1)	(27.0)	(35.2)	—		(1.7)	
Interest expense	(79.5)	—	3.5	(0.4)	3.1	18.4	(p)	(58.0)	
Loss on early extinguishment or restructuring of debt	—	—	—	—	—	—		—	
Income (loss) from equity investees	1.6	—	—	—	—	—		1.6	
Gain on bargain purchase	1.1	—	—	(1.1)	(1.1)	—		—	
Other income (expenses), net	6.2	(0.4)	1.3	(1.5)	(0.6)	—	(n)	5.6	
Income (loss) before income taxes	(37.1)	1.5	(5.3)	(30.0)	(33.8)	18.4		(52.5)	
Income tax (expense) benefit	20.3	—	(0.8)	(20.5)	(21.3)	—	(p)	(1.0)	
Income (loss) from continuing operations	$ (16.8)	$ 1.5	$ (6.1)	$ (50.5)	$ (55.1)	$ 18.4		$ (53.5)	
(Loss) Income per common share - continuing operations									
Basic	$ (0.32)							$ (0.67)	(q)
Diluted	$ (0.32)							$ (0.67)	(q)
Weighted average common shares outstanding									
Basic	44.8							73.5	(o)
Diluted	44.8							73.5	(o)

See notes to unaudited pro forma condensed consolidated financial statements

(in millions, except as noted otherwise)

1. Basis of Presentation

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2020 gives effect to the Pro Forma Transactions and the Continental Sale as if they had occurred on September 30, 2020. The unaudited pro forma statements of operations give effect to the Pro Forma Transactions and the Continental Sale as if they had occurred on January 1, 2019.

The unaudited pro forma condensed consolidated balance sheet is derived from the unaudited historical financial statements of HC2 for the nine months ended September 30, 2020. The unaudited pro forma condensed consolidated statement of operations are derived from the unaudited historical financial statements of September 30, 2020 and December 31, 2019, as adjusted to give effect to the Pro Forma Transactions and the Continental Sale.

The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of what the financial position and results from operations actually would have been had the Pro Forma Transactions and the Continental Sale 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 condensed consolidated balance sheet as of September 30, 2020 are as follows:

(a) This adjustment represents the expected receipt of cash consideration at the closing of the transactions, net of existing cash and cash equivalents eliminated as part of the sold entity.
(i) The ICS Sale closed on October 31, 2020. Net Proceeds of $0.9 million were received by the Company.
(ii) The Beyond6 Sale closed on January 15, 2021. Net Proceeds of $70.0 (including intercompany transaction costs) million were received by the Company.

(b) These adjustments represent the elimination of assets and liabilities attributable to entities sold, or probable sales.

(c) This adjustment represents the elimination of other assets attributable to the probable Continental Sale, net of total consideration contemplated based on the indication of interest received from MG Capital Management Ltd. for the purchase of Continental. Total Value of $90 Million in cash and Asset Consideration.

(d) This adjustment reflects the previously eliminated preferred stock of HC2 Holdings, Inc. owned by CGI. Upon potential sale of the subsidiary, the preferred stock will no longer be eliminated in consolidation.

(e) This adjustment reflects the following:
(i) the gains or losses arising from the ICS Sale, the Beyond6 Sale and the potential Continental Sale. These estimated gains have not been reflected in the pro forma consolidated statement of operations as it is considered to be nonrecurring in nature. No adjustment has been made to the sale proceeds to give effect to any potential post-closing adjustments under the terms of the agreements.
(ii) The realization of AOCI, inclusive of unrealized gains on investments and foreign currency translation attributable to the Pro Forma Transactions and the Continental Sale.

(f) This adjustment reflects changes in Non-controlling interests which would result from the Pro Forma Transactions and the Continental Sale.

Financing updates included in the unaudited pro forma condensed consolidated balance sheet as of September 30, 2020 are as follows:

(g)	*Adjustments to Cash and cash equivalents*		
	Cash proceeds of the rights offering on November 20, 2020	$	59.6
	Estimated Cash proceeds of this offering		300.0
	Estimated Deferred financing costs of the New Senior Secured Notes		(7.5)
	Pay down of the Existing Senior Secured Notes with proceeds from debt refinancing and cash proceeds from the sale of entities.		(342.4)
	Pay down of 2020 Revolving Credit Agreement, with proceeds from debt refinancing and cash proceeds from the sale of entities.		(15.0)
	Payment of accrued interest related to the Existing Senior Secured Notes		(13.1)
		$	(18.4)

(h)	*Adjustments to Other assets*		
	Costs of the rights offering previously accrued. Such costs are allocated to APIC when equity is issued	$	(1.9)
	Adjustment to reflect the write off of deferred financing fees of the 2020 Revolving Credit Agreement		(0.1)
		$	(2.0)
(i)	*Adjustments to Accounts payable and other current liabilities*		
	Adjustment to reflect settlement of accrued interest of the Existing Senior Secured Notes	$	(13.1)
(j)	*Adjustments to Debt Obligations*		
	Adjustment to reflect the issuance of the New Senior Secured Notes	$	300.0
	Adjustment to reflect estimated deferred financing fees related to the New Senior Secured Notes		(7.5)
	Adjustment to reflect repayment of the Existing Senior Secured Notes		(342.4)
	Adjustment to reflect repayment of the 2020 Revolving Credit Agreement		(15.0)
	Adjustment to reflect the write off of deferred financing fees and original issuance discount of the Existing Senior Secured Notes		6.3
		$	(58.6)
(k)	Adjustments to preferred stock to reflect the investment agreement with Lancer Capital LLC, whereby the preferred stock mandatorily converted upon the successful rights offering	$	(5.6)
(l)	*Adjustments to Stockholders Equity*		
	Additional paid-in-capital reflecting the successful rights offering on November 20, 2020, where the Company issued 28.7 million of common shares	$	63.3
	Adjustment to accumulated deficit reflecting the write off of original issuance discount deferred financing cost of the Existing Senior Secured Notes		(6.4)
		$	56.9

3. Unaudited Pro Forma Condensed Consolidated Statements of Operations Adjustments

Adjustments included in the “Pro Forma Adjustments” column in the accompanying unaudited pro forma condensed consolidated statements of operations for the nine months and twelve months ended September 30, 2020 and the year ended December 31, 2019 are as follows:

(m)	To eliminate revenues and expenses, including the tax impact, related to the operations of the actual and probable dispositions for the periods presented.
(n)	The gains (losses) directly attributable to the Pro Forma Transactions and the Continental Sale are not expected to have a continuing impact on the Company’s operations, and therefore, are not reflected in the unaudited pro forma condensed consolidated statement of operations for the periods presented.
(o)	The weighted average shares of the Company for the nine months ended September 30, 2020 and the year ended December 31, 2019 were increased by 28.7 million shares, as a result of the rights offering issuance of common shares, as if the rights offering had occurred on January 1, 2019.

Financing updates included in the unaudited pro forma condensed consolidated Statements of Operations for the periods presented are as follows:

	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
(p) Interest Expense		
Adjustment to reflect interest expense on the Existing Senior Secured Notes at 11.5% per annum	$ 32.8	$ 45.2
Adjustment to reflect amortization expense of original issue discount and deferred financing fees of the Existing Senior Secured Notes at 11.5% per annum	4.0	4.8
Adjustment to reflect interest expense on the New Senior Secured Notes at an estimated 10.0% per annum	(22.5)	(30.0)
Adjustment to reflect amortization expense of estimated deferred financing fees of the New Senior Secured Notes	(1.3)	(1.6)
	$ 13.0	$ 18.4
To reflect the income tax impact of the financing adjustments using blended federal and state tax rate.	—	—
Total financing adjustments to Interest Expense	$ 13.0	$ 18.4

(q) Basic and Diluted Income per Share

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 nine months ended September 30, 2020, due to the results being a loss from continuing operations and discontinued operations, net of tax.

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

	Nine Months Ended September 30, 2020			
	As Filed	Pro forma Adjustments	Financing Adjustments	Total Pro Forma
Loss from continuing operations	$ (34.1)	$ (19.1)	$ 13.0	$ (40.2)
Loss attributable to noncontrolling interest and redeemable noncontrolling interest	(8.5)	(0.7)	—	$ (9.2)
Loss income from continuing operations attributable to the Company	(42.6)	(19.8)	13.0	(49.4)
Less: Preferred dividends, deemed dividends and repurchase gains	1.2	—	—	1.2
Loss from continuing operations attributable to HC2 common stockholders	$ (43.8)	$ (19.8)	$ 13.0	$ (50.6)
Earnings allocable to common shares:				
Participating shares at end of period:				
Weighted-average common stock outstanding	46.7		28.7	75.4
Unvested restricted stock	—			—
Preferred stock (as-converted basis)	0.1			0.1
Total	46.8			75.5
Percentage of income (loss) allocated to:				
Common stock	99.8 %			99.9 %
Unvested restricted stock	— %			— %
Preferred stock	0.2 %			0.1 %
Numerator for earnings per share, basic:				
Net loss from continuing operations attributable to common stock, basic	$ (43.7)			$ (50.5)
Earnings allocable to common shares, diluted:				
Numerator for earnings per share, diluted				
Effect of assumed shares for stock options, restricted shares and convertible instruments	$ —			$ —
Net loss from continuing operations attributable to common stock, diluted	$ (43.7)			$ (50.5)
Denominator for basic and dilutive earnings per share:				
Weighted average common shares outstanding - basic	46.7			75.4
Effect of assumed shares for stock options, restricted shares and convertible instruments	—			—
Weighted average common shares outstanding - diluted	46.7			75.4
Loss per share - continuing operations				
Basic:	$ (0.94)			$ (0.67)
Diluted:	$ (0.94)			$ (0.67)

The Company had no dilutive common share equivalents during the year ended December 31, 2019, 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 Pro Forma Transactions and the Continental Sale (in millions, except per share amounts):

	Year Ended December 31, 2019			
	As Filed	Pro forma Adjustments	Financing Adjustments	Total Pro Forma
Loss from continuing operations	$ (16.8)	$ (55.1)	$ 18.4	$ (53.5)
Loss attributable to noncontrolling interest and redeemable noncontrolling interest	2.4	1.6	—	$ 4.0
Loss income from continuing operations attributable to the Company	(14.4)	(53.5)	18.4	(49.5)
Less: Preferred dividends, deemed dividends and repurchase gains	—	—	—	—
Loss from continuing operations attributable to HC2 common stockholders	$ (14.4)	$ (53.5)	$ 18.4	$ (49.5)
Earnings allocable to common shares:				
Participating shares at end of period:				
Weighted-average common stock outstanding	44.8		28.7	73.5
Unvested restricted stock	—			—
Preferred stock (as-converted basis)	—			—
Total	44.8			73.5
Percentage of income (loss) allocated to:				
Common stock	100.0 %			100.0 %
Unvested restricted stock	— %			— %
Preferred stock	— %			— %
Numerator for earnings per share, basic:				
Net loss from continuing operations attributable to common stock, basic	$ (14.4)			$ (49.5)
Earnings allocable to common shares, diluted:				
Numerator for earnings per share, diluted				
Effect of assumed shares for stock options, restricted shares and convertible instruments	$ —			$ —
Net loss from continuing operations attributable to common stock, diluted	$ (14.4)			$ (49.5)
Denominator for basic and dilutive earnings per share:				
Weighted average common shares outstanding - basic	44.8			73.5
Effect of assumed shares for stock options, restricted shares and convertible instruments	—			—
Weighted average common shares outstanding - diluted	44.8			73.5
Loss per share - continuing operations				
Basic:	$ (0.32)			$ (0.67)
Diluted:	$ (0.32)			$ (0.67)

The following potential weighted common shares were excluded from diluted EPS for the nine months ended September 30, 2019 due to the antidilutive impact to diluted EPS: 2,168,454 for outstanding warrants to purchase the Company's stock, 2,088,568 for Series A Preferred Stock and Series A-2 Preferred Stock. On a pro forma basis, the Company had no dilutive common share equivalents during the nine months ended September, 2019, 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 Pro Forma Transactions and the Continental Sale (in millions):

	Nine Months Ended September 30, 2019			
	As Filed	Pro forma Adjustments	Financing Adjustments	Total Pro Forma
Loss from continuing operations	$ 8.3	$ (67.0)	$ 13.8	$ (44.9)
Loss attributable to noncontrolling interest and redeemable noncontrolling interest	3.8	(0.9)	—	$ 2.9
Loss income from continuing operations attributable to the Company	12.1	(67.9)	13.8	(42.0)
Less: Preferred dividends, deemed dividends and repurchase gains	(0.4)	—	—	(0.4)
Loss from continuing operations attributable to HC2 common stockholders	$ 12.5	$ (67.9)	$ 13.8	$ (41.6)
Earnings allocable to common shares:				
Participating shares at end of period:				
Weighted-average common stock outstanding	45.4		28.7	74.1
Unvested restricted stock	—			—
Preferred stock (as-converted basis)	—			—
Total	45.4			74.1
Percentage of income (loss) allocated to:				
Common stock	100.0 %			100.0 %
Unvested restricted stock	— %			— %
Preferred stock	— %			— %
Numerator for earnings per share, basic:				
Net loss from continuing operations attributable to common stock, basic	$ 12.5			$ (41.6)
Earnings allocable to common shares, diluted:				
Numerator for earnings per share, diluted				
Effect of assumed shares for stock options, restricted shares and convertible instruments	$ 1.6			$ —
Net loss from continuing operations attributable to common stock, diluted	$ 14.1			$ (41.6)
Denominator for basic and dilutive earnings per share:				
Weighted average common shares outstanding - basic	45.4			74.1
Effect of assumed shares for stock options, restricted shares and convertible instruments	14.7			—
Weighted average common shares outstanding - diluted	60.1			74.1
Loss per share - continuing operations				
Basic:	$ 0.28			$ (0.56)
Diluted:	$ 0.23			$ (0.56)