

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the Financial Services and Markets Act 2000, as amended, (FSMA) who specialises in advising on the acquisition of shares and other securities.

This document comprises a supplementary prospectus relating to UIL Finance Limited (the **Company**) prepared in accordance with Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules made pursuant to section 73A of FSMA (the **Supplementary Prospectus**). This document has been approved by the Financial Conduct Authority (the **FCA**) as a supplementary prospectus under Article 23 of the UK Prospectus Regulation and has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

This document includes particulars given in compliance with the UK Prospectus Regulation and Prospectus Regulation Rules of the Financial Conduct Authority for the purpose of giving information with regard to the 2028 ZDP Shares to be issued by the Company. This document is supplemental to, and should be read in conjunction with the prospectus published by the Company on 18 March 2021 (**the Prospectus**) in connection with the rollover offer of 2022 ZDP Shares into 2028 ZDP Shares (**the Rollover Offer**), the placing, intermediaries offer and offer for subscription of up to 25 million 2028 ZDP Shares (less the number of 2028 ZDP Shares arising on the conversion of the 2022 ZDP Shares pursuant to the Rollover Offer) (**the Initial Issue**) and the placing programme of up to 25 million 2028 ZDP Shares (less the number of 2028 ZDP Shares arising on the conversion of the 2022 ZDP Shares pursuant to the Rollover Offer and issued pursuant to the Initial Issue) (**the Placing Programme**). Words or expressions defined in the Prospectus have the same meaning when used in this Supplementary Prospectus unless the context requires otherwise.

The UIL Finance Directors, the UIL Directors and each of UIL Finance and UIL accept responsibility for the information contained in this Supplementary Prospectus, and declare that, the information contained in this Supplementary Prospectus is, to the best of their knowledge, in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

UIL Finance Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39479)

a wholly owned subsidiary of

UIL Limited

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

Supplementary Prospectus

Shore Capital and Corporate Limited (**Shore Capital**), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for UIL Finance and UIL and for no one else in connection with the Proposals. Shore Capital will not regard any other person (whether or not a recipient of this Supplementary Prospectus) as its client in relation to the Proposals and will not be responsible to any person other than UIL Finance and UIL for providing the protections afforded to clients of Shore Capital or for providing advice to them in relation to the Proposals or any other matter referred to in this Supplementary Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Shore Capital by the FCA or FSMA or the regulatory regime established thereunder, Shore Capital does not accept any responsibility whatsoever for the contents of this Supplementary Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with UIL Finance, UIL, the Joint Portfolio Managers, the 2028 ZDP Shares or the Proposals and nothing in this Supplementary Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Shore Capital accordingly, to the fullest extent permissible by law, disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have to any person, other than UIL Finance and UIL, in respect of this Supplementary Prospectus or any such statement.

No action has been taken to permit the distribution of this Supplementary Prospectus or offer of the 2028 ZDP Shares in any jurisdiction other than the United Kingdom. Accordingly, this Supplementary Prospectus may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In particular the 2028 ZDP Shares offered by the Prospectus have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **Securities Act**) or registered or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Australia, Canada, Japan, New Zealand or the Republic of South Africa and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Neither this Supplementary Prospectus nor any copy of it may be distributed directly or indirectly to any persons with addresses in Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. UIL is not and will not be registered as an investment company under the US Investment Company Act of 1940, as amended. This Supplementary Prospectus and the 2028 ZDP Shares have not been recommended, approved or disapproved by any US federal or state securities commission or regulatory authority. Furthermore, none of these authorities has opined on the accuracy or adequacy of this Supplementary Prospectus.

Investors should note that the right of withdrawal referred to in section 3 of this Supplementary Prospectus is only granted to those investors who have already agreed to purchase or subscribe for 2028 ZDP Shares pursuant to the Offer for Subscription and the Intermediaries Offer prior to the date of this Supplementary Prospectus.

25 March 2021

1 Purpose of Supplementary Prospectus

This Supplementary Prospectus is being published in relation to the Rollover Offer, the Initial Issue and the Placing Programme. This Supplementary Prospectus is a regulatory requirement under Article 23 of the UK Prospectus Regulation as the Prospectus which was published on 18 March 2021 contains a material mistake.

2 Correction of material mistake

- 2.1 The risk factor headed “Final Capital Entitlement is not guaranteed” on pages 10 and 11 of the Prospectus and the risk factor headed “Past Performance” on page 14 of the Prospectus mistakenly state that if the total assets of the Group were to fall, based on the assumptions, by more than 52.8 per cent. per annum until 31 October 2028, the holders of the 2028 ZDP Shares will receive less than their Final Capital Entitlement. Each of these risk factors contain a material mistake because they refer to the percentage fall per annum and instead should have referred to a fall of more than 52.8 per cent from 23 April 2021 until 31 October 2028, as correctly stated on page 48 of the Prospectus under the heading “Capital Entitlement”.
- 2.2 Accordingly, the risk factors under the headings “Final Capital Entitlement is not guaranteed” (on pages 10 and 11 of the Prospectus) and “Past Performance” (on page 14 of the Prospectus) are corrected to read as follows:

“Final Capital Entitlement is not guaranteed

The Final Capital Entitlement of any class of ZDP Shares, which is intended to be paid on the relevant ZDP Repayment Date, is not guaranteed. UIL and UIL Finance have entered into arrangements which are intended to ensure that UIL Finance will be able to pay the Final Capital Entitlement on the relevant ZDP Repayment Date but it is not guaranteed that UIL will be able to satisfy its obligations under these arrangements. Specifically, UIL and UIL Finance have entered into a subscription agreement pursuant to which, in consideration for UIL Finance agreeing to transfer to UIL certain assets, UIL has undertaken: (i) to repay any interest free loan; and (ii) to reimburse UIL Finance (by way of payment in advance, if required) any and all costs, expenses, fees or interest UIL Finance incurs or is otherwise liable to pay to the holder of the ZDP Shares so as to enable UIL Finance to pay the final capital entitlement of each ZDP Share when it falls due for payment on maturity.

UIL Finance's ability to pay the Final Capital Entitlement of any class of ZDP Shares is dependent on it having sufficient cash resources to meet such obligation and UIL meeting its obligation under the Subscription Agreement to contribute such funds to UIL Finance. However, there can be no assurance that the arrangements under the Subscription Agreement will result in UIL Finance having sufficient funds available to it to meet its payment obligations in respect of any class of ZDP Shares. In particular, if UIL does not, or is unable to, meet its obligations under the Subscription Agreement, UIL Finance will be unable to pay the Final Capital Entitlement of the ZDP Shares and ZDP Shareholders may not receive some or all of their Final Capital Entitlement.

Based on the Assumptions, should the total assets of the Group have fallen by more than 52.8 per cent. from 23 April 2021 until 31 October 2028 the holders of the 2028 ZDP Shares will receive less than their Final Capital Entitlement.

The ability of UIL to meet its obligations under the Subscription Agreement depends on its ability to realise value from its investment portfolio or to borrow funds or raise equity on or prior to the relevant ZDP Repayment Date. Events or changes that will have a material adverse effect on the business of UIL or on the Group's ability to realise its investments for their present value may have a material

adverse effect on UIL's ability to meet its obligations to UIL Finance under the Subscription Agreement and thereby on UIL Finance's ability to pay the Final Capital Entitlement on the 2028 ZDP Shares in full on the 2028 ZDP Repayment Date.

Should UIL be wound up prior to any ZDP Repayment Date, holders of the relevant ZDP Shares would only receive their Accrued Capital Entitlement to the date of the winding-up. This would be less than the Final Capital Entitlement and would be subject to UIL having sufficient net assets to meet its obligations under the Subscription Agreement.”

and

“Past performance

The past performance of UIL and other investment companies managed or advised by the Joint Portfolio Managers or their affiliates is not indicative of the future performance of UIL. There can be no guarantee that UIL's investment objective will be achieved. UIL's ability to achieve returns may be adversely affected in the event of significant or sustained changes in market returns or volatility.

As with any investment in companies, UIL's investments may fall in value with the maximum loss on such investments being the value of the initial investment and, where relevant, any gains or subsequent investments made. If the total assets of the Group were to fall, based on the Assumptions, by more than 52.8 per cent. from 23 April 2021 until 31 October 2028, the holders of the 2028 ZDP Shares will receive less than their Final Capital Entitlement.”

3 Right of withdrawal under Article 23(2) of the UK Prospectus Regulation

- 3.1 Under Article 23(2) of the UK Prospectus Regulation, investors who have already agreed to purchase or subscribe for 2028 ZDP Shares pursuant to the Offer for Subscription or the Intermediaries Offer prior to the publication of this Supplementary Prospectus shall have the right, exercisable within two working days after the publication of this Supplementary Prospectus to withdraw their acceptances under the Offer for Subscription and the Intermediaries Offer.
- 3.2 Applicants under the Offer for Subscription or Intermediaries Offer who have already agreed to purchase or subscribe for 2028 ZDP Shares pursuant to the Offer for Subscription or the Intermediaries Offer who wish to exercise their statutory right of withdrawal pursuant to Article 23(2) of the UK Prospectus Regulation following the publication of this Supplementary Prospectus must do so by lodging a written notice of withdrawal (which shall include a notice sent by any form of electronic communication) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST Member by post to Computershare Investor Services PLC, Corporate Actions, Bristol BS99 6AH, or by e-mail to OFSPaymentQueries@Computershare.co.uk so as to be received not later than two Business Days after the date this Supplementary Prospectus is published (being by not later than 29 March 2021). Notice of withdrawal given by any other means or which is deposited with or received by Computershare Investor Services PLC after expiry of such period will not constitute a valid withdrawal.

4 Additional information

- 4.1 A copy of this Supplementary Prospectus is available for inspection at www.uil.limited/investor-relations and also at: <http://data.fca.org.uk/#/nsm/nationalstoragemechanism>. Copies of this Supplementary Prospectus will also be available for inspection at the registered office of UIL Finance at Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda and at the offices of Norton Rose

Fulbright LLP, 3 More London Riverside, London SE1 2AQ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Supplementary Prospectus up to and including the date of expiry or termination of the Placing Programme.

- 4.2 Save as disclosed in this Supplementary Prospectus, no other significant new factor, material mistake or material inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.
- 4.3 In the event of any inconsistency between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus shall prevail.

25 March 2021