

Cadent

Your Gas Network

CADENT FINANCE PLC

(incorporated with limited liability in England and Wales under registered number 5895068)

(Legal Entity Identifier: 5493005M8TJ0J6IMUF67)

£7,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

CADENT GAS LIMITED

(incorporated with limited liability in England and Wales under registered number 10080864)

(Legal Entity Identifier: 549300KCZ04E6ZUCZ288)

This supplement (the "**Supplement**") to the prospectus dated 6 December 2022 (the "**Prospectus**") (which comprises a base prospectus) constitutes a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**") and is prepared in connection with the £7,000,000,000 Euro Medium Term Note Programme for the issuance of guaranteed bonds (the "**Programme**") established by Cadent Finance plc (the "**Issuer**") and unconditionally and irrevocably guaranteed by Cadent Gas Limited ("**Cadent**"). This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus subsequently issued by the Issuer.

This Supplement also operates as a supplement to the listing particulars dated 6 December 2022 ("**Listing Particulars**") for the purposes of LR 4.4.1 of the Listing Rules of the Financial Conduct Authority ("**FCA**") and section 81 of the Financial Services and Markets Act 2000 (as amended) in relation to the PSM Instruments as defined in the Listing Particulars. For the purpose of any PSM instruments issued under the Programme, this document does not constitute a supplemental prospectus within the meaning of Article 23 of the UK Prospectus Regulation. This Supplement is supplemental to, and should be read in conjunction with, the Listing Particulars and any other supplements to the Listing Particulars subsequently issued by the Issuer.

The purpose of this Supplement is to make such necessary amendments as required to account for Cadent's Green Finance Framework (as defined and described in the "*Use of Proceeds*" section of the Prospectus), including:

- (I) updating the risk factors accordingly to refer to Cadent's Green Finance Framework rather than Cadent's transition bond framework;
- (II) updating the "*Use of Proceeds*" section of the Prospectus to allow for the issuance of Green Finance Instruments pursuant to such Green Finance Framework; and
- (III) amending
 - a. Item 4 and Item 9 in Part B of the Form of Final Terms; and
 - b. Item 4 and Item 9 in Part B of the Form of Pricing Supplement,for the purposes of the issuance of Instruments under Cadent's Green Finance framework,

each as described further below. Unless otherwise defined in this Supplement, terms defined in the Prospectus have the same meaning when used in this Supplement.

The Issuer and Cadent accept responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and Cadent the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. General

References in the Prospectus to "Transition Instruments" shall be deemed amended to refer to "Green Finance Instruments".

2. Risk Factors

The risk factor entitled "Transition Instruments may not be a suitable investment for all investors seeking exposure to sustainable assets" shall be deleted in its entirety and shall be deemed replaced by the following text:

"Green Finance Instruments may not be a suitable investment for all investors seeking exposure to green, sustainable, or any equivalently labelled assets or projects

Prospective investors who intend to invest in the Green Finance Instruments issued under the Programme must determine for themselves the relevance of the information in the relevant Final Terms (for example, regarding the use of proceeds) for the purpose of any investment in the Green Finance Instruments together with any other investigation such investors deem necessary. In particular, no assurance is or can be given to investors that the Green Finance Framework, the Eligible Categories or the Green Finance-Related Activities Portfolio (each as defined in "Use of Proceeds") will meet or continue to meet on an ongoing basis any or all investor expectations regarding investment in "green" or "sustainable" instruments or equivalently labelled projects.

The Issuer's Green Finance Framework may be amended at any time without the consent of Instrumentholders. Any revisions or updates to the Green Finance Framework will be made available on the Issuer's website www.cadentgas.com, but the Issuer will not have any obligation to notify Instrumentholders of any such amendments.

While it is the intention of the Issuer and/or the Guarantor to apply an amount equivalent to the net proceeds of the Instruments, in, or substantially in, the manner described in "Use of Proceeds", and while the Issuer and/or the Guarantor have agreed to certain reporting requirements as described under "Use of Proceeds" below, there is no contractual obligation to do any of the foregoing, and there can be no assurance by the Issuer, the Guarantor, the Arranger, any Dealer or any other person that the relevant project or use(s) the subject of, or related to, any project, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such amount equivalent to the net proceeds will be totally or partially disbursed for such project. Nor can there be any assurance by the Issuer, the Guarantor, the Arranger, any Dealer or any other person that such project will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer and/or the Guarantor. Pending allocation of an amount equal to the net proceeds for investment in the Green Finance-Related Activities Portfolio, the Issuer will hold an amount equal to the net proceeds in an operating account, at its discretion, in the form of cash or other investments. Any such event or failure by the Issuer and/or Guarantor will not (i) constitute an event of default under the Instruments or permit the Trustee or any Instrumentholder to accelerate the Instruments or take any other enforcement action against the Issuer and/or the Guarantor; (ii) give rise to any claim of an Instrumentholder against the Issuer, Guarantor, Arranger or any Dealer; or (iii) lead to an obligation of the Issuer to redeem the Instruments or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Instruments.

Further, payments of principal and interest (as the case may be) on the relevant Green Finance Instruments shall not depend on the performance of the relevant Green Finance-Related Activities Portfolio or the performance of the Issuer and/or Guarantor in respect of any environmental or similar targets. Holders of Green Finance Instruments do not have any preferred right against such Green Finance-Related Activities Portfolio.

In connection with the issue of Green Finance Instruments under the Programme, the Issuer and/or the Guarantor may request consultants and/or institutions with recognised expertise in environmental sustainability to issue an opinion, and the Issuer and Guarantor have commissioned ISS Corporate Solutions ("ICS") to provide a second party opinion in connection with the Green Finance Instruments (including assessing the Green Finance Framework against the International Capital Market Association's ("ICMA") Green Bond Principles and the Loan Market Association's ("LMA") Green Loan Principles) (any and each such opinion being an "External Review"). Any External Review is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. As at the date of this Supplement, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. An External Review may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Green Finance Instruments and none of the Issuer, the Guarantor, the Arranger or the Dealers give any representation or assurance as to the suitability or reliability of any External Review. Any External Review is not intended to address any credit, market or other aspects of any investment in any Green Finance Instrument, including, without limitation, market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Green Finance Instruments. An External Review would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. Prospective investors must determine for themselves the relevance of any External Review and/or the information contained therein and/or the provider of any External Review for the purpose of any investment in the Green Finance Instruments. In particular, no assurance or representation is or can be given to investors that the External Review will reflect any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The Instrumentholders have no recourse against the provider of any External Review. In addition, although the Issuer may agree at the time of issue of any Green Finance Instruments to certain reporting and use of proceeds obligations, it would not be an event of default under the Instruments if the Issuer fails to comply with such obligations. A withdrawal of an External Review may affect the value of such Green Finance Instruments and/or may have consequences for certain investors with portfolio mandates to invest in green and/or sustainable assets.

Furthermore, it should be noted that no member of the Guarantor Group, none of the Arranger nor the Dealers nor any other person makes any representation as to the suitability of Green Finance Instruments to fulfil environmental and sustainability criteria required by prospective investors. No member of the Guarantor Group is responsible for any third party assessment of the Green Finance Framework, the Eligible Categories, the Green Finance-Related Activities Portfolio or other information therein, nor is any Arranger or Dealer responsible for (i) any assessment of the Eligible Categories, (ii) any verification of whether the Eligible Projects meet the Eligible Categories, (iii) the monitoring of the use of proceeds or (iv) the allocation of the proceeds by the Issuer and/or Guarantor to particular Eligible Projects. Investors should refer to the Issuer's website and any External Review (if applicable) for further information.

It should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable", "transition", or "climate change" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green", "sustainable", "transition", "climate change" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**EU Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**"). The EU Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. A proposal for a Regulation to create a "European Green Bond Standard" was published by the European Commission on 6 July 2021 (the "**European Green Bond Standard Proposal**"). Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "sustainable", "transition", "climate change" or other equivalently-labelled performance objectives.

The Issuer expects that its Green Finance Framework will adhere to the Green Bond Principles as published by ICMA on 21 June 2021 (the "**ICMA Principles**"). While the ICMA Principles do provide a high level framework, still there is currently no market consensus on what precise attributes are required for a particular investment or project to be defined as "green", "social" or "sustainable", and therefore no assurance can be provided to potential investors that the green, social or sustainable investments or projects to be specified in the applicable Final Terms will meet all investors' expectations regarding sustainability performance or continue to meet the relevant eligibility criteria, including any future requirements or criteria laid down in the European Green Bond Standard Proposal (or any equivalent UK standard).

There can be no guarantee that adverse environmental, social, sustainability and/or other impacts will not occur during the design, construction, commissioning and/or operation of any such green, social or sustainable investments, projects or uses the subject of, or related to, any Eligible Projects. Where any negative impacts are insufficiently mitigated, green, transition, climate change or sustainable investments or projects may become controversial, and/or may be criticised by activist groups or other stakeholders, which may affect the value of any Green Finance Instruments.

In the event that any such Green Finance Instruments are listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Guarantor, the Arranger or any Dealer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply (including pursuant to the "European Green Bond Standard" or any equivalent UK standard), whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any investments, projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Guarantor, the Arranger, any Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Green Finance Instruments or, if obtained, that any such listing or admission to trading will be maintained during the life of such Green Finance Instruments.

(Please see for further information "*Use of Proceeds*" and Part B of the applicable Final Terms.)"

3. Use of Proceeds

The following text shall replace in its entirety the text in the section of the Prospectus entitled "Use of Proceeds":

"The net proceeds of the issue of each Tranche of Instruments will be used for general corporate purposes. In respect of an issue of Instruments, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

An example of such particular identified use of proceeds may be, if so designated in the relevant Final Terms, the allocation of an amount equal to the net proceeds from the issue of a Series of Instruments (the "**Green Finance Instruments**") to the financing and/or refinancing, in whole and in part, new and/or existing projects contributing

substantially to climate change mitigation within an Eligible Category (as defined below) (“**Eligible Projects**”). The Final Terms will specify whether or not the Instruments under an issuance will be Green Finance Instruments.

The Issuer’s Green Finance Framework may be amended at any time without the consent of Instrumentholders. Any revisions or updates to the Green Finance Framework will be made available on the Issuer’s website www.cadentgas.com, but the Issuer will not have any obligation to notify Instrumentholders of any such amendments. Please also refer to the risk factor ‘*Green Finance Instruments may not be a suitable investment for all investors seeking exposure to green, sustainable, or any equivalently labelled assets or projects*’.

For the purposes of this section:

“**Eligible Category**” means:

Category	Description
Transmission and distribution networks for renewable and low-carbon gases	<ul style="list-style-type: none"> • Conversion, repurposing or retrofit of gas networks for the transmission and distribution of renewable and low-carbon gases. • Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.

“**Green Finance Framework**” means Cadent’s Green Finance Framework dated 1 March 2023, as amended from time to time.

“**Green Finance-Related Activities Portfolio**” means the portfolio of Eligible Projects.

“**Green Finance Second Party Opinion**” means an opinion to be issued by ICS in connection with the Green Finance Instruments.

Process for project evaluation and selection

Eligible Projects financed and/or refinanced through the net proceeds of Green Finance Instruments are evaluated and selected based on compliance with the eligibility criteria set out in the Green Finance Framework by a working group of representatives at Cadent with the required level of expertise and seniority, constituted of representatives from the Treasury team, the Corporate Social Responsibility team and the project team.

Management of Proceeds

An amount equal to the net proceeds from any issue of Green Finance Instruments will be managed by the Issuer in a portfolio approach. The Issuer has established systems to monitor and account for the net proceeds for investment in the Green Finance-Related Activities Portfolio.

Pending allocation of an amount equal to the net proceeds for investment in the Green Finance-Related Activities Portfolio, the Issuer will hold an amount equal to the net proceeds in an operating account, at its discretion, in the form of cash or other investments. The balance of the Green Finance-Related Activities Portfolio, until such amount is used in full, will be periodically adjusted to match allocations to Eligible Projects.

The Issuer aims to achieve full allocation for all Green Finance Instruments within 24 months of their relevant issuance date. Any failure by the Issuer to fully allocate all Green Finance Instruments will not have any consequences as further set out in the risk factor ‘*Green Finance Instruments may not be a suitable investment for all investors seeking exposure to green, sustainable, or any equivalently labelled assets or projects*’.

Reporting

The Issuer and/or the Guarantor is expected to issue a report on (i) the Green Finance-Related Activities Portfolio to which an amount equal to the net proceeds of the Green Finance Instruments have been allocated and (ii) where possible, the associated impact metrics of the Green Finance Instruments, as further described in the Green Finance Framework. This report is intended to be issued within one year of the issuance of a Green Finance Instrument and annually thereafter until the net proceeds of issuances pursuant to the Green Finance Framework have been fully allocated. In case of several issuances pursuant to the Green Finance Framework, such annual report will be updated to reflect all Green Finance Instruments. The Issuer intends for the report to be reviewed by a third party consultant or with limited assurance by an independent auditor. In addition, the Issuer may choose to provide information regarding material developments as necessary. All such publications, including any annual reports, will be published through the Issuer and Guarantor’s website on www.cadentgas.com.

Notice to prospective investors of Green Finance Instruments

Neither the Issuer nor the Dealers make any assurances as to: (i) whether any Green Finance Instruments will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors; (ii) whether the net proceeds from any Green Finance Instruments will be used for Eligible Projects; or (iii) the characteristics of the Eligible Projects, including their environmental and sustainability criteria. None of the Dealers will verify or monitor the proposed use of proceeds of Green Finance Instruments.

The Green Finance Framework and the Green Finance Second Party Opinion are not incorporated by reference into this Prospectus and therefore do not form part of this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference in this Prospectus, information contained on the websites referred to above do not form part of this Prospectus."

4. Form of Final Terms and Form of Pricing Supplement

- a. *The text in Item 4 of Part B of the section entitled "Form of Final Terms" shall be deleted in its entirety and shall be deemed replaced by the following text:*

"4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES.

[(i)] Reasons for the offer:

[•]

[If Item 9 (*Green Finance Instruments*) is applicable in the applicable Final Terms, the following language shall be included].

[An amount equal to the net proceeds from the issue of the Instruments (the "**Green Finance Instruments**") will be allocated to financing and/or refinancing, in whole and in part, new and/or existing projects contributing substantially to climate change mitigation within an Eligible Category (as defined below) ("**Eligible Projects**").

"**Eligible Category**" means:

Category	Description
Transmission and distribution networks for renewable and low-carbon gases	<ul style="list-style-type: none">• Conversion, repurposing or retrofit of gas networks for the transmission and distribution of renewable and low-carbon gases.• Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.

"**Green Finance Framework**" means Cadent's Green Finance Framework dated 1 March 2023, as amended from time to time.

"**Green Finance-Related Activities Portfolio**" means a portfolio of Eligible Projects.

"**Green Finance Second Party Opinion**" means an opinion to be issued by ICS in connection with the Green Finance Instruments.

An amount equal to the net proceeds from any issue of Green Finance Instruments will be managed by the Issuer in a portfolio approach. The Issuer has established systems to monitor and account for the net proceeds for investment in the Green Finance-Related Activities Portfolio.

Pending allocation of an amount equal to the net proceeds for investment in the Green Finance-Related Activities Portfolio, the

Issuer will hold an amount equal to the net proceeds in an operating account, at its discretion, in the form of cash or other investments. The balance of the Green Finance-Related Activities Portfolio, until such amount is used in full, will be periodically adjusted to match allocations to Eligible Projects.

The Issuer aims to achieve full allocation for all Green Finance Instruments within 24 months of their respective issuance date.

The Issuer is expected to issue a report on (i) the Green Finance-Related Activities Portfolio to which an amount equal to the net proceeds of the Green Finance Instruments have been allocated and (ii) where possible, the associated impact metrics of the Green Finance Instruments, as further described in the Green Finance Framework. This report is intended to be issued once a year until all Green Finance Instruments are repaid in full or until the maturity date of those Green Finance Instruments. The Issuer intends for the report to be reviewed by a third party consultant or with limited assurance by an independent auditor. In addition, the Issuer is expected to provide regular information through its website www.cadentgas.com on the environmental outcomes of the Green Finance-Related Activities Portfolio.

The Green Finance Framework and the Green Finance Second Party Opinion are not incorporated by reference into the Final Terms and therefore do not form part of the Final Terms and, for the avoidance of doubt, unless specifically incorporated by reference in the Final Terms, information contained on the websites referred to above do not form part of the Final Terms.

For further information, see “Use of Proceeds” in the Prospectus.

- [(ii)] Estimated net proceeds: [●]
- [(iii)] Estimated total expenses: [●].

b. *The text in Item 4 of Part B of the section entitled “Form of Pricing Supplement” in the Prospectus shall be deleted in its entirety and shall be deemed replaced by the following text:*

“4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES.

- [(i)] Reasons for the offer: [●]
 [If Item 9 (*Green Finance Instruments*) is applicable in the applicable Pricing Supplement, the following language shall be included].
 [An amount equal to the net proceeds from the issue of the Instruments (the “**Green Finance Instruments**”) will be allocated to financing and/or refinancing, in whole and in part, new and/or existing projects contributing substantially to climate change mitigation within an Eligible Category (as defined below) (“**Eligible Projects**”).

“**Eligible Category**” means:

Category	Description
Transmission and distribution networks for renewable and low-carbon gases	<ul style="list-style-type: none"> • Conversion, repurposing or retrofit of gas networks for the transmission and distribution of renewable and low-carbon gases.

	<ul style="list-style-type: none"> • Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.
--	--

"Green Finance Framework" means Cadent's Green Finance Framework dated 1 March 2023, as amended from time to time.

"Green Finance-Related Activities Portfolio" means a portfolio of Eligible Projects.

"Green Finance Second Party Opinion" means an opinion to be issued by ICS in connection with the Green Finance Instruments.

An amount equal to the net proceeds from any issue of Green Finance Instruments will be managed by the Issuer in a portfolio approach. The Issuer has established systems to monitor and account for the net proceeds for investment in the Green Finance-Related Activities Portfolio.

Pending allocation of an amount equal to the net proceeds for investment in the Green Finance-Related Activities Portfolio, the Issuer will hold an amount equal to the net proceeds in an operating account, at its discretion, in the form of cash or other investments. The balance of the Green Finance-Related Activities Portfolio, until such amount is used in full, will be periodically adjusted to match allocations to Eligible Projects.

The Issuer aims to achieve full allocation for all Green Finance Instruments within 24 months of their respective issuance date.

The Issuer is expected to issue a report on (i) the Green Finance-Related Activities Portfolio to which an amount equal to the net proceeds of the Green Finance Instruments have been allocated and (ii) where possible, the associated impact metrics of the Green Finance Instruments, as further described in the Green Finance Framework. This report is intended to be issued once a year until all Green Finance Instruments are repaid in full or until the maturity date of those Green Finance Instruments. The Issuer intends for the report to be reviewed by a third party consultant or with limited assurance by an independent auditor. In addition, the Issuer is expected to provide regular information through its website www.cadentgas.com on the environmental outcomes of the Green Finance-Related Activities Portfolio.

The Green Finance Framework and the Green Finance Second Party Opinion are not incorporated by reference into the Pricing Supplement and therefore do not form part of the Pricing Supplement and, for the avoidance of doubt, unless specifically incorporated by reference in the Pricing Supplement, information contained on the websites referred to above do not form part of the Pricing Supplement.

For further information see "Use of Proceeds" in the Listing Particulars.

- [(ii)] Estimated net proceeds: [●]
- [(iii)] Estimated total expenses: [●]".

c. *The text in Item 9 of Part B of the section entitled "Form of Final Terms" and the text in Item 9 of Part B of the section entitled "Form of Pricing Supplement" in the Prospectus shall each be deleted in their entirety and shall be deemed replaced by:*

"9. GREEN FINANCE INSTRUMENTS

Green Finance Instruments: [Applicable]/[Not Applicable]".

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus and/or Listing Particulars by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus and/or Listing Particulars, the statements in (a) above will prevail. Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus and/or Listing Particulars has arisen or been noted, as the case may be, since the publication of the Prospectus and/or Listing Particulars.

An investor should be aware of its rights arising pursuant to Article 23 of the UK Prospectus Regulation.

This Supplement has been approved by the FCA, which is the United Kingdom competent authority for the purposes the UK Prospectus Regulation and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the UK Prospectus Regulation and relevant implementing measures in the United Kingdom.

This Supplement has been approved by the FCA, which is the United Kingdom competent authority for the purposes of LR 4.1.3 of the Listing Rules for listing particulars for the professional securities market and certain other securities, as supplementary listing particulars issued in compliance with the Listing Rules.

If documents which are incorporated by reference to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the UK Prospectus Regulation except where such information or other documents are specifically incorporated by reference or where this Supplement is specifically defined as including such information.