

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 27 November 2025 (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.

The purpose of this Supplement is to provide updates in relation to the latest price controls applicable to Cadent, being the RIIO-GD3 Final Determination.

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. RIIO-GD3 Final Determination

The current section entitled “**RIIO-GD2 Final Determination**” on page 118 of the Prospectus shall be deleted in its entirety and replaced with the following:

“On 4 December 2025, Ofgem published its Final Determinations (“**FD**”)¹ for the RIIO-3 price control period (covering 1 April 2026 to 31 March 2031).

The FD contain a number of changes from the draft determination published on 1 July 2025. The key elements of the FD are summarised below:

- (i) The allowed totex is approximately £7.3 billion (with approximately £150m of costs previously in Cadent’s business plan submitted for RIIO-GD3 (“**Business Plan**”) now covered by uncertainty mechanisms).
- (ii) Ofgem has applied an ongoing efficiency assumption of 1% per annum (compared to 0.5% in the Business Plan).
- (iii) Ofgem made some additional allowance in their assessment of London regional factors, which were not considered in RIIO-GD2.
- (iv) From April 2025, the National Insurance contributions (“**NICs**”) for employers increased from 13.8% to 15% and the secondary threshold for NICs dropped from £9,100 to £5,000 per year, meaning employers now need to pay 15% on employee earnings above £5,000 per year. No allowance has been made for this increase, with Ofgem expecting it to be covered by indexation.
- (v) Ofgem’s cost of capital proposal is an all-in weighted average cost of capital (“**WACC**”) estimated at 4.33% (on a CPIH stripped basis), which will be indexed over RIIO-3. This estimate has been amended following Ofgem’s updated modelling on the WACC, published on 3 February 2026.
 - a. The cost of equity is estimated at 6.12%.

¹ Ofgem final determinations available at <https://www.ofgem.gov.uk/decision/riio-3-final-determinations-electricity-transmission-gas-distribution-and-gas-transmission-sectors>

- b. The cost of debt is estimated at 3.13%.
- c. The cost of debt methodology has moved to a semi-nominal basis with a 70/30 split between fixed rate and index-linked debt at the notional company, which will increase revenues in the short term.
- (vi) Ofgem has amended a number of the incentives and framework proposals including (i) tightening targets on all incentives; (ii) the introduction of a new penalty-only incentive on repair; and (iii) providing the opportunity to expand collaborative streetworks to all networks.
- (vii) RIIO-GD3 revenues have been reprofiled to reduce the customer bill impact of accelerated cashflows. This is expected to reduce revenues in the first two years of RIIO-GD3 by approximately £160 million, which are recovered on a net present value neutral basis in later years.
- (viii) Ofgem has implemented accelerated depreciation of new assets to 2050.
- (ix) All major projects and key safety and asset health investment have been supported. Full funding has been confirmed for the rollout of Advanced Leakage Detection. £82 million of the £84 million requested for vulnerability funding has been allowed.

Cadent has the right until 3 March 2026 to appeal certain aspects of the FD in accordance with the applicable regulatory framework.”

2. Other Relevant Deletions, Amendments and Reinterpretations

- a. The following sections of the Prospectus shall be deleted in their entirety:
 - i. the risk factor entitled “**Changes to price controls**” on pages 25 and 26 under the section “**Risk Factors**”; and
 - ii. the section entitled “**RIIO-GD3 Regulatory Framework Consultation**” on page 117 under the section “**Description of the Guarantor**”.
- b. The words “Ofgem stated their intention to adopt the accelerated depreciation of new assets to 2050” will be replaced by “Ofgem has adopted the accelerated depreciation of new assets to 2050” in the second paragraph under the risk factor entitled “**Net zero impact on the gas network**” on page 20 under the section “**Risk Factors**”.
- c. Any references to the current RIIO-GD2 regulatory period running from April 2021 until March 2026 will be reinterpreted to be the RIIO-GD3 regulatory period running from 1 April 2026 to 31 March 2031 (unless the context requires otherwise).
- d. The risk factor entitled “**Price Control RIIO-GD2**” will be amended by referring to “**Price Control RIIO-GD3**” instead, and, except for the last paragraph only, all text shall be deleted in its entirety and replaced with the following:

“RIIO-GD3 will take effect from April 2026, lasting for five years to March 2031. Cadent has until 3 March 2026 to either accept the RIIO-GD3 Final Determination or submit an appeal of notice to the Competition and Markets Authority (“**CMA**”) where Cadent can demonstrate that Ofgem have made an error in specific areas of the Final Determination. There is a risk that the regulatory settlement for RIIO-GD3 will not be positive for Cadent over the term of the price control and, as a result, the Cadent may fail to deliver requirements set by the RIIO-GD3 price control, which could result in loss of the relevant licence, prosecution, financial penalties and reputational damage, and Cadent may not be able to generate sufficient revenues to enable it to meet its obligations under the Instruments or comply with the terms and conditions of the Instruments.

However, Cadent has performed strongly throughout the RIIO-GD2 period and is projecting to deliver all of its five-year output commitments under RIIO-GD3.”
- e. The section entitled “**Inflation and Deflations and Currency risks**” on page 114 under the section “**Description of the Guarantor**” shall be amended by including this sentence at the end of the first paragraph:

“The position remains the same for the RIIO-GD3 period.”

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, 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 has arisen or been noted, as the case may be, since the publication of the Prospectus.

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 Financial Conduct Authority, 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.

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.