

SSE PLC
Q1 2021/22 TRADING STATEMENT
22 JULY 2021

This Trading Statement provides an update on operational performance ahead of today's AGM and captures key developments since the publication of SSE's Preliminary Full-year Results Statement on 26 May 2021. SSE remains committed to the five-year dividend plan to March 2023, and will provide guidance on full-year adjusted earnings per share later in the year.

KEY DEVELOPMENTS

- **Setting out a strong, stakeholder-led business plan in Distribution**
On 1 July, SSEN Distribution published its ambitious stakeholder-led draft business plan for 2023 to 2028, setting out how it will deliver improvements for customers and accelerate investment in its networks to 'power communities to net zero' over the course of the RIIO-ED2 price control period. The plan includes £4.1bn of investment, representing an increase of around 35% compared to an equivalent period in ED1, and would see SSEN Distribution's regulated asset value increase to over £6bn from around £4bn at the end of the current price control.
- **Creating value from non-core disposals**
Good progress continues to be made on SSE's disposals programme which is on course to realise more than £2bn from the sale of non-core assets and businesses that are not a good fit with SSE's net zero strategy. The sale of SSE's Contracting business to Aurelius, first announced on 1 April, was successfully completed on 30 June 2021. As reported in May, SSE has initiated a sale process for its stake in SGN, targeting an agreed sale by the end of the calendar year.*
- **Projects under construction and future pipeline**
Construction continues to progress on SSE's major projects in Transmission and in Renewables, in line with the update provided in May. These include building the world's largest offshore wind farm at Dogger Bank, Scotland's largest offshore wind farm at Seagreen and one of Europe's most productive onshore wind farms at Viking on Shetland, as well as the associated link connecting the island to the mainland.

SSE continues to expect that capital expenditure and investment will total around £2bn in 2021/22 (net of project finance development expenditure refunds).

Looking further ahead, SSE is seeking to add to its considerable pipeline in Renewables and has submitted bids, with its partners Marubeni and CIP, for a number of sites through the ScotWind seabed leasing process.

- **Pursuing growth options in Transmission**
SSEN Transmission remains on track to submit Initial Needs Cases to Ofgem for the Skye Reinforcement this summer and the Argyll 275kV upgrade this autumn. A Final

Needs Case for the first of two planned East Coast HVDC links from Peterhead to England is also expected to be submitted by the end of 2021. These are over and above SSEN Transmission's RIIO-T2 Certain View which, alongside additional Uncertainty Mechanism expenditure needed to deliver a pathway towards net zero, could bring total RIIO-T2 expenditure to over £4bn, with the associated Transmission RAV potentially increasing to over £6bn over the same period.

- **Appointing new members of the SSE Board**

In June, SSE announced the appointment of two new non-Executive Directors, The Rt Hon Elish Angiolini QC and Debbie Crosbie, both of whom will join the Board and Nomination Committee on 1 September 2021.

Gregor Alexander, Finance Director, said:

“We have delivered on our purpose through the coronavirus pandemic and are continuing to progress growth opportunities and options arising from our net zero strategy.

“We have an enviable offshore wind pipeline which we are seeking to expand and diversify, options to develop new thermal and pumped storage hydro technologies that will be vitally important in the transition to net zero, and we see significant RAV growth potential in our regulated electricity businesses.

“This represents an exciting future for SSE, and we look forward to updating the market on our capital expenditure and investment plans at our interim results in November. In the meantime, our focus remains on strategic delivery across the group, in doing so creating sustainable value for shareholders and society.”

*Given a sales process has been initiated, SSE expects its share of SGN will be treated as held for sale for the 2021/22 financial year.

OPERATIONAL PERFORMANCE

SSE Renewables

Output of electricity from renewable sources in which SSE has an ownership interest across the UK and Ireland was 403GWh, or around 19%, below plan in the quarter to 30 June 2021, mainly due to weather conditions. This shortfall represents less than 4% of the annual forecast total output.

	Actual output for 3 months to 30 June 2021	Planned output for 3 months to 30 June 2021	Actual output for 3 months to 30 June 2020
Onshore wind generation output – GWh inc. constrained off output	791	988	878
Offshore wind generation output – GWh inc. constrained off output	290	393	410
Conventional hydro generation output – GWh	593	696	674

Total renewables output (excl. pumped storage) - GWh	1,674	2,077	1,962
Pumped storage generation output – GWh	48	-	26
Total renewables output - GWh	1,722	-	1,988

Wind output based on SSE's contractual share.

Output in the three months to 30 June 2021 includes 28GWh of onshore and 0.5GWh of offshore compensated constrained off generation, the same period in 2020 includes 132GWh of onshore, and nil offshore, compensated constrained off generation.

Pumped storage volumes excluded from planned comparison as financial performance of site less affected by volumes generated.

SSEN Distribution

	3 months to 30 June 2021	3 months to 30 June 2020
Customer minutes lost (SHEPD) – average per customer	10	10
Customer minutes lost (SEPD) – average per customer	11	10
Customer interruptions (SHEPD) – per 100 customers	13	14
Customer interruptions (SEPD) – per 100 customers	10	12
Electricity transported through SSEN Distribution - TWh	8.7	7.7

SSE Thermal

Output of electricity from SSE's gas-fired generation plant for the three months to 30 June was around 9% lower than in the same period in 2020, reflecting plant availability and market conditions. Flexible thermal generation continues to play a key part in the GB and Irish energy markets as we transition to net zero, creating value by providing vital balancing services to the system.

	3 months to 30 June 2021	3 months to 30 June 2020
Gas-fired generation output (GB)– GWh	2,840	3,467
Gas-fired generation output (ROI)– GWh	911	654
Total gas-fired generation output - GWh	3,751	4,121

Output includes 177GWh of oil-fired generation in the three months to 30 June 2021 and 64GWh of oil-fired generation in the same period in 2020, primarily older Irish plant.

SSE announced the sale of its stake in Ferrybridge and Skelton Grange multifuel assets on 13 October 2020.

AGM AND NOTIFICATION OF CLOSE PERIOD

This Trading Statement is published in advance of SSE's Annual General Meeting 2021, which takes place today, 22 July, at 12.30pm in Perth. SSE will issue a further business update with its Notification of Close Period statement on 29 September 2021.

ENQUIRIES

Investors and analysts ir@sse.com +44(0)345 0760 530

Media media@sse.com +44(0)345 0760 530

ENDS