

SSE'S INVESTMENT CASE

- UK-listed energy group focused on regulated electricity networks and renewables sources of electricity
- Strategy to create value in the transition to net zero through developing, operating and owning green infrastructure
- Commitment to remunerate shareholders' investment through dividends, with annual DPS targets set to 2023
- Strategy underpinned by strong environmental, social and governance focus

STRATEGIC FOCUS ON REGULATED NETWORKS AND RENEWABLES

£9.4bn
Networks RAV

c. 4GW
Renewable Capacity

FY21 Adj. EBIT

£1.5bn

- Regulated networks
- Renewables
- Other

EXECUTING OUR STRATEGY

- Creating value for shareholders and society in a sustainable way, by **developing, building, operating and investing in the electricity infrastructure** and businesses needed in the transition to net zero.
- Delivering this strategy through a **highly complementary business model**, SSE is fulfilling its core purpose of providing energy needed today while building a better world of energy for tomorrow.

OPPORTUNITIES THROUGH THE LOW CARBON TRANSITION

UK legislation for 'net zero' emissions by 2050

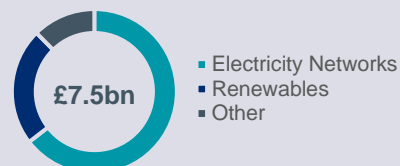
- UK is the first major economy to legislate for 'net zero' emissions
- New ambitious target of 78% reduction by 2035 announced by UK government in 6th carbon budget
 - Achieving UK's net zero ambitions will require extensive electrification of heat and transport
 - Maximising renewable energy sources key to achieving targets
 - Central enabling role for electricity networks in building smart, flexible local, energy grids



SIGNIFICANT NEAR TERM INVESTMENT OPPORTUNITIES

Investment Programme

£7.5bn capex plan across the five years to 2025, mostly contracted



*Equity investment net of project finance devex refunds

Electricity Networks Transmission

- £2.8bn Totex across the RIIO-T2 price control (FY21 – FY26)
- Expected to take RAV from £3.6bn to over £5bn by FY26
- Additional projects could increase Totex to £4bn and RAV to £6bn*

Distribution

- FY23 – FY28 Business plan due to be submitted July 2021
- *subject to generator commitment, planning and Ofgem approval

Renewables Offshore

- Construction well under way at Seagreen (1,075MW, SSE share 49%) and Dogger Bank A&B (2,400MW, SSE Share 40%)
- Final Investment Decision expected on Dogger Bank C by end of CY2021

Onshore

- Construction of 443MW Viking Wind Farm commenced on island of Shetland (SSE share 100%)

FINANCIAL STRENGTH

Sustainable financial framework

Net debt/EBITDA range

- Maintain net debt/EBITDA ratio at the lower end of a 4.5 to 5 times range from FY22 – FY25
- Metric for FY21 reported as 4.6x

Credit rating

- S&P BBB+ (stable)
- Moody's Baa1 (negative)

£2bn+ Disposals Programme

Sharpening focus on core business
Completed/Agreed £1.5bn headline consideration

- Walney Offshore Wind Farm
- MapleCo Meter Asset Provider
- Multifuel Energy
- Gas Production Assets

To be initiated mid-summer 2021

- Scotia Gas Networks

Prudent financial management

Largest issuer of green bonds in FTSE 100

- SSEN Transmission issued £500m green bond

At 31 March 2021

- £1.5bn undrawn committed facilities
- £1.6bn cash and cash equivalents

CREATING VALUE FOR SHAREHOLDERS AND SOCIETY

| SSE'S 2030 GOALS | | INDICES AND AFFILIATIONS | | RATING | | PERFORMANCE | |
|------------------|------------------------------------------|--------------------------|--|--------|--|-------------|--|
| | Cut our carbon intensity by 60% | | | | | | |
| | Treble renewable energy output | | | | | | |
| | Help accommodate 10m electric vehicles | | | | | | |
| | Champion Fair Tax and a real Living Wage | | | | | | |

DELIBERATE, EFFECTIVE, FOCUSED BUSINESS MIX

Renewables

Offshore Wind | Onshore Wind
Hydro




Key roles
decarbonising electricity

Skills in large capital projects and asset management

Understanding and managing market and regulatory risks

Transmission

North of Scotland



Key roles facilitating electrification and Net Zero

Regulated assets provide portfolio stability

Common skills (e.g. asset management, stakeholder engagement, regulation)

Distribution

North of Scotland
South of England



Thermal

Gas generation | Gas storage
Gas CCS* | Hydrogen*
*future options

Enterprise

Distributed Energy

Customer businesses

Airtricity
Business Energy

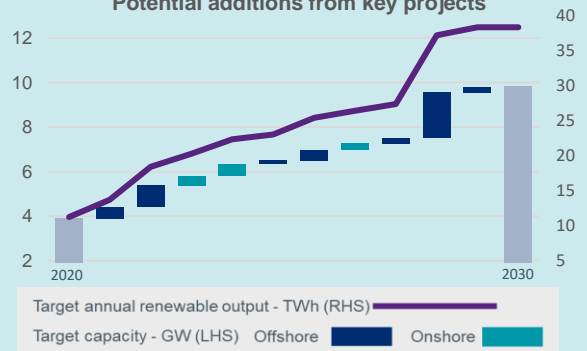


RENEWABLES GROWTH PIPELINE

| Wind tech | In operation | Due FID or in construction | Consented | Requiring consent | Future prospects |
|--------------|--------------|----------------------------|------------|-------------------|------------------|
| Hydro | 1.5 | - | - | - | 1.5* |
| Onshore | 1.9 | 0.5 | 0.2 | 0.6 | 0.5 |
| Offshore | 0.5 | 2.1 | 0.7 | 4.4 | >2.5 |
| Total | 3.9 | 2.6 | 0.9 | Up to 5 | >4.5 |

- *Pumped storage hydro**
- 1.5GW pumped storage
 - Coire Glas site
 - Nature's battery
 - Estimated capex £1.2 – 1.5bn
 - Revenue stabilisation mechanism required

Renewable capacity and output Potential additions from key projects

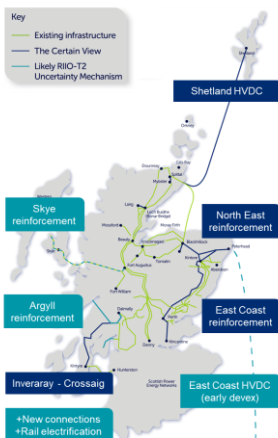


Target to **quadruple** wind output by 2030

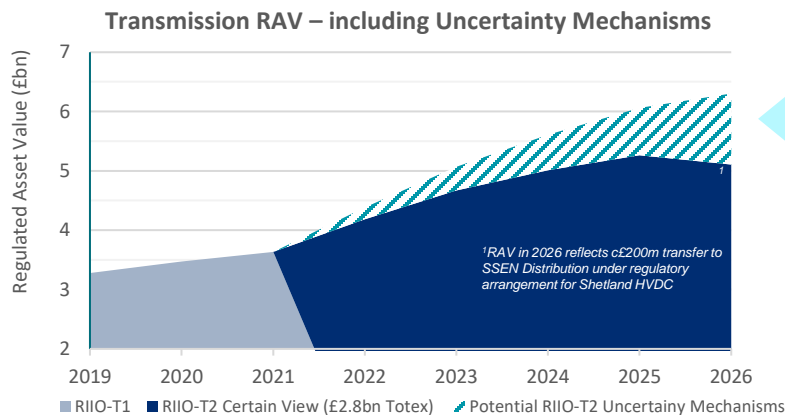
Key driver for target to **treble** renewable output by 2030

Clear aspiration to reach run rate of 1GW new assets per year in second half of the decade

Major SSEN Transmission projects



TRANSMISSION RAV GROWTH



Additional potential T2 totex of **£1bn+** taking total T2 totex to around **£4bn²**

RAV growth to **£6bn+** by FY26

²2018/19 prices. Additional totex subject to range of factors including generator commitment, planning and Ofgem approval

This financial report contains forward-looking statements about financial and operational matters. Because they relate to future events and are subject to future circumstances, these forward-looking statements are subject to risks, uncertainties and other factors. As a result, actual financial results, operational performance and other future developments could differ materially from those envisaged by the forward-looking statements. SSE plc gives no express or implied warranty as to the impartiality, accuracy, completeness or correctness of the information, opinions or statements expressed herein. Neither SSE plc nor its affiliates assume liability of any kind for any damage or loss arising from any use of this document or its contents. This document does not constitute an offer or invitation to underwrite, subscribe for, or otherwise acquire or dispose of any SSE shares or other securities and the information contained herein cannot be relied upon as a guide to future performance.

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