POWERING NET ZERO

Interim Results
for the six months to 30 September 2024

Disclaimer

This financial report contains forward-looking statements about financial and operational matters. These statements are based on the current views, expectations, assumptions, and information of management, and are based on information available to the management as at the date of this financial report. Because they relate to future events and are subject to future circumstances, these forward-looking statements are subject to unknown risks, uncertainties and other factors which may not have been in contemplation as at the date of the financial report. As a result, actual financial results, operational performance, and other future developments could differ materially from those envisaged by the forward-looking statements. Neither SSE plc nor its affiliates assumes any obligations to update any forward-looking statements.

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Definitions

The financial information set out in this Interim Results Statement has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and UK adopted International Accounting Standard 34 Interim Financial Reporting. The interim financial information is unaudited but has been formally reviewed by the Group's statutory auditor and its report to the Company is set out after the Interim Financial Statements.

In order to present the financial results and performance of the Group in a consistent and meaningful way, SSE applies a number of adjusted accounting measures throughout this financial report. These adjusted measures are used for internal performance management and are believed to present the underlying performance of the Group in the most useful manner for ordinary shareholders and other stakeholders.

The definitions SSE uses for adjusted measures are explained in the Alternative Performance Measures ("APMs") section before the Interim Financial Statements. SSE continues to prioritise the monitoring of developing practice in the use of APMs, ensuring the financial information in its results statements is clear, consistent, and relevant to the users of those statements.

For the purpose of calculating the 'Net Debt to EBITDA' metric, 'Net Debt' represents the group's 'Adjusted Net Debt and Hybrid Capital" APM and 'EBITDA' represents the full year group "Adjusted EBITDA" APM and including a further adjustment to remove the proportion of "Adjusted EBITDA" from equity-accounted Joint Ventures which relates to project financed debt.

Online Information

News releases and announcements are made available on SSE's website at www.sse.com/investors and you can register for Regulatory News Service alerts using the following link: sse.com/investors/regulatory-news/regulatory-news-alerts/. You can also follow the latest news from SSE at www.twitter.com/sse.

Management presentation webcast and teleconference

SSE will present its interim results for the six months to 30 September 2024 on Wednesday 13 November at 08:30am GMT. The presentation will be available to replay.

You can join the webcast by visiting www.sse.com and following the links on either the homepage or investor pages; or directly using: edge.media-server.com/mmc/p/9bft4i7j

This will also be available as a teleconference, for which participants can register to receive a unique pin code and conference call number using: register.vevent.com/register/BI5f565c50b4df4864b930be33d0b01a36

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SSE PLC: INTERIM RESULTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2024

13 November 2024

DELIVERING MISSION CRITICAL INVESTMENT

- **Strong start to financial year, delivering adjusted earnings per share of 49.8p,** in line with expectations:
  - Value creating investment helping to drive increased contribution from electricity networks and renewables which delivered over 95% of half year adjusted operating profits.
  - Balanced business mix provided resilience, as return to favourable weather conditions meant increased SSE Renewables profitability offset lower SSE Thermal contribution.
  - Strong Balance Sheet, with 94% of debt fixed at average cost of 4.0%.
  - Interim dividend of 21.2p declared, reflecting an increase of 6% on prior year.
- **Reached mid-point of five-year clean power investment programme delivering world-class assets:**
  - £1.3bn invested in first half, with ~90% invested across electricity networks and renewables.
  - Completion of £1bn+ combined investment in 443MW Viking onshore wind farm in Shetland and associated subsea HVDC transmission cable, connecting the islands to the GB grid for the first time.
  - Continue to progress turbine installations on Dogger Bank offshore wind farm, completion expected in the second half of 2025 with equity returns remaining comfortably above hurdle rates.
  - Construction commenced on £4.3bn Eastern Green Link 2 Joint Venture, the UK's single largest electricity transmission project.
- **Expectations unchanged for full year** adjusted operating profits:
  - Increasing electricity networks contribution as inflation catch-up in Distribution more than offsets lower Transmission profits due to economically neutral capex tax relief, which is netted off revenue.
  - Increasing renewables contribution, as capacity additions and higher hedged prices come through.
  - Thermal and Gas Storage profitability of around £200m reflecting stable market conditions.
  - Adjusted Earnings Per Share guidance for 2024/25 to be provided later in the financial year.
- **Group remains on track to deliver 2026/27 adjusted earnings per share of between 175 – 200p.**

FINANCIAL SUMMARY	Adjusted			Reported		
	Sep 2024	Sep 2023	% mvmt	Sep 2024	Sep 2023[1]	% mvmt
Operating profit (£m)	860.2	693.2	24.1%	902.8	644.3	40.1%
Profit before tax (£m)	714.5	565.2	26.4%	845.9	615.3	37.5%
Earnings per share (p)	49.8	37.0	34.6%	47.7	30.7	55.4%
Investment, capital & acquisitions (£m)	1,292.1	1,054.3	22.6%	1,573.3	1,320.4	19.2%
Net Debt and Hybrid Capital (£bn)[2]	(9.8)	(8.9)	10.1%	(8.7)	(8.1)	7.4%

[1]Prior period reported figures have been restated, for further details see note 2(v) to the Interim Financial Statements
[2]Reported net debt excludes equity accounted hybrid capital, for full reconciliation to adjusted net debt see Alternative Performance Measures section of Interim Financial Statements

Alistair Phillips-Davies, Chief Executive, said:

"This is a strong set of interim results including delivery of higher-quality earnings and the mission-critical infrastructure that shows SSE is at the heart of the clean energy transition.

"We are encouraged by the increasing attractiveness of our main markets and our alignment with the new UK Government's mission to achieve Clean Power by 2030.

"SSE will be a key delivery partner with our ~£20bn investment programme and the scale and quality of our project pipeline that spans renewables, electricity networks and flexible power plants – which will all be required to make clean power a reality.

"Our unique position gives us exceptional growth opportunities and clear targets that will deliver long-term value to shareholders and society."

HIGHLIGHTS: DELIVERING ON OUR INVESTMENT

- **Financial performance in line with expectations, reflecting strong operational delivery**
  - Adjusted earnings per share of 49.8p, in line with expectations and reflecting lower level of seasonality given upweighted earnings contribution from regulated electricity networks businesses.
  - Reported earnings per share of 47.7p also reflects positive fair value movements on derivatives offset by an increase in Deferred Tax driven by capital allowances on an accelerating capital investment programme.
  - Electricity networks adjusted operating profits increased by 50% on prior period, as expected lower revenue in Transmission was more than offset by multi-year inflation catch-up through Distribution tariffs.
  - Renewables adjusted operating profit increased by 3.9 times on prior period, as combination of 1GW+ increase in operating capacity and return to favourable weather conditions drove ~45% increase in output with long-established hedging approach providing ~30% increase in hedged prices.
  - Thermal and Gas Storage adjusted operating losses impacted by more stable market environment, partly driven by return to Renewables-favourable weather conditions over the period.
  - SSEN Transmission successfully launched in August 2024 its debut issuance in the Euro bond market with a €850m 8-year Green Bond at an all-in fixed funding cost of 4.95%. In October 2024, both SSE and SSEN Transmission replaced existing revolving credit facilities with new sustainability linked facilities totalling £3.0bn gross.
  - Adjusted investment, capital and acquisition expenditure of £1.3bn, with ~90% focused on clean power infrastructure across electricity networks and renewables.
  - Adjusted net debt and hybrid capital at £9.8bn, in line with expectations, with strength of balance sheet maintained alongside the strong investment grade credit rating.

- **Mid-point in five-year ~£20bn clean power Net Zero Acceleration Programme Plus**
  - Full energisation of Shetland HVDC link – a 260km subsea transmission cable that connects the islands to the GB energy grid for the first time – and completion of associated 443MW Viking wind farm both delivered in August 2024, representing an investment of over £1bn.
  - Construction commenced on Eastern Green Link 2 (EGL2), a 2GW subsea HVDC project being delivered in partnership with National Grid, which is the UK's single largest electricity transmission project transporting enough electricity to power two million UK homes. EGL2 was the first project to receive "fast track" approval through Ofgem's Accelerated Strategic Transmission Investment (ASTI) framework.
  - SSEN Transmission is continuing progress on remaining Large Onshore Transmission Investments (LOTI) and ASTI projects, receiving final consents for Argyll and Kintyre 275kV upgrade and commencing construction on £900m+ Orkney-Caithness link.
  - Major projects under way within SSEN Distribution, with framework agreements worth £1.3bn+ having been agreed with delivery partners and over 750MW of distributed flexibility procured under the business plan.
  - Continuing to progress 3.6GW Dogger Bank offshore wind farm which, when complete, will be the world's largest offshore wind farm. With turbine installation ongoing on Dogger Bank A but the winter months fast approaching, completion is expected in the second half of 2025. Monopile and transition piece installation on Dogger Bank B continues to make good progress, with procurement of a second turbine installation vessel under way. Despite slower than expected progress on turbine installation, equity returns across all three phases remain comfortably above hurdle rates.
  - Completion of the Tummel Bridge hydro-electric power station refurbishment, investing £50m to increase capacity potential to 40MW whilst also extending the plant's working life by at least 40 years.
  - Success in the UK sixth Contract for Difference auction (AR6) with 130MW Cloiche onshore wind farm and in Ireland's fourth Renewable Electricity Support Scheme auction (RESS 4) with 60MW Drumnahough onshore wind farm Joint Venture.
  - Entered commercial operations on 55MW Slough Multifuel, a Joint Venture with CIP, ahead of schedule. The facility is expected to process around 480,000 tonnes of residual waste each year, backed by a 15 year capacity contract, with steam produced being re-used on the Slough Trading Estate.
  - Progress made in selected international markets with ~100MW onshore wind under construction across Spain, France and Italy and auction success in the Netherlands with 2GW Ijmuden Ver Alpha offshore wind farm Joint Venture.

KEY PERFORMANCE INDICATORS

Financial Performance	Adjusted Sep 2024	Adjusted Sep 2023	Reported Sep 2024	Reported Sep 2023[1]
Operating profit £m	**860.2**	**693.2**	**902.8**	**644.3**
EBITDA £m	**1,323.0**	**1,109.6**	**1,290.7**	**987.9**
Profit before tax £m	**714.5**	**565.2**	**845.9**	**615.3**
Earnings per share (EPS) pence	**49.8**	**37.0**	**47.7**	**30.7**
Interim dividend per share (DPS) pence	**21.2**	**20.0**	**21.2**	**20.0**
Investment, capital and acquisitions £m	**1,292.1**	**1,054.3**	**1,573.3**	**1,320.4**
Net debt and hybrid capital £m	**9,843.8**	**8,943.8**	**8,688.8**	**8,050.6**
SSEN Transmission RAV - £m (100% basis)			6,359	5,289
SSEN Distribution RAV - £m			5,528	5,138
SSE Total Electricity Networks RAV - £m (100% basis)			**11,887**	**10,427**

[1]Prior period reported figures have been restated, for further details see note 2(v) to the Interim Financial Statements

Performance against 2030 Goals	Sep 2024	Mar 2024	Sep 2023
Cut carbon intensity by 80%			
- Scope 1 GHG intensity (gCO2e/kWh)	207	205	232
Increase renewable energy output fivefold			
- Renewable generation output (TWh)[1]	5.4	11.2	3.8
Enable low-carbon generation and demand			
- Renewables connected in SSEN Transmission network area (GW)[2]	10.6	9.3	9.2
Champion a fair and just energy transition			
- Contribution to GDP UK and Ireland (£bn / €bn)[3]	-	5.96/1.06	-
- Jobs supported in UK and Ireland[2]	-	53,230/3,270	-

1 Includes SSE Renewables total output inc. pumped storage, battery, and constrained off wind in GB, as well as biomass asset in Enterprise
2 Transmission and distribution connected capacity within the SSEN Transmission Network area, includes pumped storage and battery storage
3 Direct, indirect and induced Gross Value Added and jobs supported, from PwC analysis

Safety Performance	Sep 2024	Mar 2024	Sep 2023
Total Recordable Injury Rate per 100k hours worked (SSE & contractors)	0.16	0.20	0.24

INVESTOR TIMETABLE

Interim ex-dividend date	2 January 2025
Record date	3 January 2025
Scrip reference pricing days	2-8 January 2025
Scrip reference price confirmed and released via RNS	9 January 2025
Q3 Trading Statement	Around 31 January 2025
Final date for receipt of scrip elections	31 January 2025
Interim dividend payment date	27 February 2025
Notification of Closed Period	Around 31 March 2025
Preliminary results for the year ended 31 March 2025	21 May 2025

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STRATEGIC OVERVIEW

SSE AT THE HEART OF THE ENERGY TRANSITION

SSE has made a strong start to the 2024/25 financial year, with capital delivery and quality earnings driving significant value for our shareholders and wider society. This performance demonstrates the resilience and value of our balanced business mix. The market volatility that benefited SSE Thermal in the prior period was not repeated, but it was more than offset by rising output in SSE Renewables and high-quality electricity networks earnings. We also saw margins recover in our customers businesses as they enjoyed more normal market conditions.

The underlying driver of this performance is our own clean energy plan, the five-year Net Zero Acceleration Programme (NZAP) Plus. As it reaches its halfway point, this fully-funded ~£20bn investment plan continues to create value in the form of new renewables capacity and increasing regulated asset value as it adds mission-critical infrastructure to the energy system. The delivery focus of the NZAP Plus, coupled with our enviable portfolio of renewables, flexible back-up generation and electricity networks, puts us at the very heart of the clean energy transition. SSE has the most attractive renewables opportunities in one of the world's most attractive markets. At the same time, we are building on the options we have to back up the intermittency of renewables with an extensive thermal generation fleet, flexible hydro and, increasingly, battery assets. And we have ramped up investment and projects in electricity networks, particularly in our transmission business as it unlocks the north of Scotland's renewables potential.

The new UK Government's urgency of intent on clean power by 2030 gives us greater confidence in both the value of our climate-focused strategy and the deliverability our ambitious development pipeline. This has been underpinned by the recent report on Clean Power 2030 by the National Electricity System Operator (NESO) that set out the critical roles of renewables, electricity networks and flexibility in delivery of the UK Government's target. We have also seen an acceleration of policy in specific areas like long-duration storage, funding for Carbon Capture and Storage, planning reforms and budgets for offshore wind auctions that all align with our strategic priorities and reinforce our position as a major delivery partner. Further afield, it is a similar story as the race to decarbonise gathers pace in selected markets like the EU and Japan. We are constructing renewables in three EU countries now and have recently won the Ijmuden Ver Alpha offshore tender in the Netherlands. The benefits of our significant investment in renewables and electricity networks can be seen in the delivery in the first half of both Viking onshore wind farm and the pioneering HVDC transmission link that now connects Shetland to the mainland for the first time.

But there is much more to come. As we work through recent issues with GE Vernova blades on Dogger Bank A, work is already well under way on Dogger Bank B and C. In electricity networks, construction has started on the Eastern Green Link 2, which is the biggest transmission project undertaken in the UK, and we have received final consent for an upgrade of the main electricity transmission network across Argyll and Kintyre. Meanwhile, we are preparing to submit our RIIO-T3 Business Plan in December for a price control that will be a critical enabler of clean power by 2030 and beyond. All this delivery is wholly dependent on employees and contract partners who share a common purpose that seeks to build a better world of energy. Keeping these people out of harm's way is our number one objective, so it is pleasing to be able to report a significant reduction in both the number of injuries and the Total Recordable Injury Rate in the first half of the year.

Our performance in the first half and the progress we are making on the NZAP Plus gives us confidence in our 175-200p adjusted EPS target by FY27, with clear visibility of growth within our renewables and electricity networks plans. The transition to net zero offers an enormous opportunity. At SSE we are seizing the moment thanks to our delivery focus, the resilience and optionality of our business mix and a combination of underlying balance sheet strength and capital discipline that allows us to pursue growth when and where the value is greatest.

Alistair Phillips-Davies
Chief Executive
SSE plc

GROUP FINANCIAL REVIEW

FINANCIAL PERFORMANCE FOR SIX MONTHS TO 30 SEPTEMBER 2024

In order to present the financial results and performance of the Group in a consistent and meaningful way, SSE applies a number of adjusted accounting measures throughout this financial report. These adjusted measures are used for internal management reporting purposes and are believed to present the underlying performance of the Group in the most useful manner for shareholders and other stakeholders.

The definitions SSE uses for adjusted measures are consistently applied and are explained – including a detailed reconciliation to reported measures – in the Alternative Performance Measures section of this document before the Interim Financial Statements.

Segmental EBITDA results are included in Note 5 to the Interim Financial Statements.

Key Financial Metrics (£m)	Adjusted		Reported	
	Sep 2024	Sep 2023	Sep 2024	Sep 2023[1]
Segmental operating profit / (loss)				
SSEN Transmission	*157.5*	*215.6*	*210.0*	*287.3*
SSEN Distribution	*346.3*	*120.1*	*346.3*	*120.1*
Electricity networks total	**503.8**	**335.7**	**556.3**	**407.4**
SSE Renewables	**335.6**	**86.8**	**270.5**	**18.3**
SSE Thermal	*(9.0)*	*312.9*	*(6.3)*	*234.6*
Gas Storage	*(34.8)*	*(86.7)*	*(34.8)*	*(91.3)*
Thermal Total	**(43.8)**	**226.2**	**(41.1)**	**143.3**
SSE Business Energy	*60.1*	*88.0*	*60.1*	*88.0*
SSE Airtricity (NI and Ire)	*70.6*	*5.8*	*70.6*	*5.3*
Energy Customer Solutions Total	**130.7**	**93.8**	**130.7**	**93.3**
SSE Energy Markets	**14.1**	**9.0**	**79.3**	**88.9**
SSE Enterprise	**(19.0)**	**(8.4)**	**(19.0)**	**(8.4)**
Neos Networks	**(10.7)**	**(14.7)**	**(12.3)**	**(16.3)**
Corporate unallocated	**(50.5)**	**(35.2)**	**(61.6)**	**(82.2)**
Total operating profit	**860.2**	**693.2**	**902.8**	**644.3**
Net finance (costs) / income	(145.7)	(128.0)	(56.9)	(29.0)
Profit before tax	**714.5**	**565.2**	**845.9**	**615.3**
Tax charge	(96.0)	(88.4)	(213.3)	(155.9)
Effective tax rate (%)	*13.4*	*15.6*	*25.2*	*25.3*
Profit after tax	**618.5**	**476.8**	**632.6**	**459.4**
Less: hybrid equity coupon payments	(73.7)	(73.1)	(73.7)	(73.1)
Less: profits attributable to non-controlling interests	-	-	(36.8)	(51.2)
Profit after tax attributable to ordinary shareholders	**544.8**	**403.7**	**522.1**	**335.1**
Earnings per share (pence)	**49.8**	**37.0**	**47.7**	**30.7**
Number of shares for basic/reported and adjusted EPS (million)	1,094.2	1,090.4	1,094.2	1,090.4
Shares in issue at 30 September (million)[2]	1,105.4	1,092.1	1,105.4	1,092.1

1 Prior period reported figures have been restated, for further details see note 2(v) to the Interim Financial Statements
2 Excludes Treasury shares of 3.0m in September 2024 and 3.6m in September 2023

OPERATING PROFIT

Adjusted and reported operating profits/losses in SSE's business segments for the year to 30 September 2024 are set out below; comparisons are with the same period to 30 September 2023 unless otherwise stated.

SSEN Transmission

Adjusted operating profit, which is presented net of the business' 25% non-controlling interest, decreased by 27% to £157.5m from £215.6m in the prior period. Despite growing expenditure and associated underlying allowances, a true-up for benefit received in the 2023/24 financial year in relation to "full expensing" accelerated capital allowances means that net allowed revenues were lower than the prior period. In addition, operating costs continue to grow as the business rapidly increases its workforce to deliver on the growth programme agreed with the regulator and depreciation increased in line with the asset base.

Reported operating profit decreased by 27% to £210.0m compared to £287.3m, as a result of all of the movements above but reflecting that non-controlling interests are fully consolidated for all profit metrics under IFRS.

SSEN Distribution

Adjusted and reported operating profit increased by 188% to £346.3m compared to £120.1m in the prior period. The large increase in price control allowed revenues in the period reflects that 2024/25 is the earliest financial year when unexpectedly-high cost inflation in 2022/23 and 2023/24 can be recovered, as tariffs are set 15 months before the start of financial year. The prior period was also impacted by a volume-driven under recovery, with a small over-recovery expected this financial year. This cost inflation true-up and volume improvement is partially offset by increasing operating costs associated with business transformation and improving network resilience, as well as higher depreciation on a growing asset base.

SSE Renewables

Adjusted operating profit increased by 287% to £335.6m from £86.8m in the prior period. The increase was largely driven by a combination of increased operating capacity and favourable weather conditions – with average wind speeds in Scotland around 14% higher than the comparative period – which drove a ~45% increase in output. Operational capacity increased following Viking Onshore Wind Farm achieving full commercial operations in August 2024, and Seagreen Offshore Wind Farm achieving commercial operations in October 2023. In addition, SSE Renewables' first battery energy storage system (BESS) was delivered at Salisbury in April 2024. The increase in output was delivered in a higher hedged price environment, with 2024/25 hedge prices around 30% higher than the prior period, reflecting value from the long-established Renewables hedging approach.

Reported operating profit increased to £270.5m from £18.3m in the prior period. This reflects the above and other movements including an increase in the Joint Venture / Associate share of interest and tax, and a positive impact from exceptional items comprising remeasurement on SSE's affiliate CfD arrangements which are classified as derivative contracts.

SSE Thermal

Adjusted operating profit decreased to a loss of £(9.0)m, compared to £312.9m of profit in the prior period. The majority of this decrease is due to the lower spark spread and lower volatility market environment, following the normalisation of energy prices from the start of 2024. Capacity market payments in GB and Ireland were also reduced compared to the prior period, reflecting lower auction prices achieved. However, strong operational performance was seen in the period with lower levels of unplanned outages in the period, with the business also benefiting from the capacity addition of the 55MW Slough Multifuel plant in August 2024.

Reported operating profit decreased to a loss of £(6.3)m, compared to £234.6m of profit in the prior period. In addition to the movements above, the prior period reported result was impacted by a £(76.7)m loss from a non-recurring impairment charge on Triton Power and losses on remeasurements of operating derivatives in that business..

Gas Storage

Adjusted operating loss decreased to a £(34.8)m loss, compared to a loss of £(86.7)m in the prior period. As a seasonal business, a typical year sees gas injected in the summer months when prices are low and then withdrawn and sold in winter months when prices are higher. Trading churn of the injected gas held in storage – driven by decreasing gas prices – has the effect of lowering the average cost of gas and therefore creating an adjusted operating loss. This loss is typically reversed in the winter months, as gas is withdrawn into a higher price environment. The lower level of half year loss reflects the lower levels of gas price volatility in the market this period.

Reported operating loss decreased to a £(34.8m) loss, compared to a loss of £(91.3)m in the prior period. In addition to the movements above, the prior period reflected a £(4.6)m mark-to-market loss on the fair value of physical gas inventory held which was not repeated this period.

SSE Business Energy

Adjusted and reported profitability decreased to £60.1m in the year compared to £88.0m in the prior year. The seasonal phasing of earnings continues to drive greater realised margins in the first half of the financial year, with profitability then expected to partially reverse for the full year. Following the implementation of a new customer management system – Evolve – the focus has been on servicing our existing customers, resulting in a tapering down of acquisition activity, which has contributed to an overall reduction in customer numbers and consumption volumes. Reduction in bad debt expense of £39.5m partially offset this fall, as improved customer data from the Evolve system, lower customer tariffs and a more stable market price environment reduced the overall level of provisioning required. During the period customer tariffs were reduced as markets stabilised.

SSE Airtricity

Adjusted profitability increased to £70.6m, from £5.8m in the prior period. The prior period saw lower margins realised as the business honoured its commitment to support customers throughout the cost-of-living crisis by largely absorbing the impact of higher commodity costs and indirect costs including bad debt expenses. The normalisation of energy prices in the first six months has meant the business has been able to deliver tariff reductions to customers whilst also returning supply margins to more sustainable levels. This improvement was further aided by an increase in income from legacy wind farms contracted to SSE Airtricity which rose to £15.9m in the current period.

Reported operating profit also increased to £70.6m compared to £5.3m in the prior period, with the prior period reflecting a £(0.5)m share of interest and tax from Joint Ventures, in addition to the movements above.

SSE Energy Markets

Adjusted operating profit has increased to £14.1m from a £9.0m profit in the prior period. With Energy Markets continuing to drive significant value for the energy exposed businesses through its trading services, the business itself continues to generate a relatively low level of baseline operating earnings from these services which is supplemented by optimisation activities and contracting for third party Power Purchase Agreement and route to market contracts. The increase in period-on-period profitability is mainly due to gains from optimisation trades which benefited from increased margins achieved on gas and power trades across both UK and EU markets.

Reported operating profit decreased by 11% to £79.3m from £88.9m in the prior period. In addition to the movements above, the reported operating result includes a lower level of net remeasurement gains on forward commodity derivatives in the year relative to a higher gain in the prior period. In line with previous periods, these IFRS 9 remeasurements exclude any remeasurement of ‘own use’ contracts and are unrelated to underlying operating performance.

SSE Enterprise

An adjusted and reported operating loss of £(19.0)m was recognised, compared to a loss of £(8.4)m in the prior period. The business continues to incur planned losses as it invests in a range of new pipeline opportunities across a range of localised and flexible smart energy infrastructure technologies, in addition to underlying inflationary increases in the operating cost base.

In September 2024, a restructuring of SSE Enterprise commenced which will see the existing activities of the business integrated into other Business Units for a simpler Group organisational structure and enhanced platforms for growth.

Neos Networks

SSE's remaining 50% share in the Telecoms business Neos Networks Limited recorded an adjusted operating loss of £(10.7)m compared to £(14.7)m in the prior period, continuing to reflect the planned losses incurred to support future business growth.

The reported result in both the current and previous year also includes a £(1.6)m charge being SSE's share of Joint Venture Interest and Tax expenditure.

Corporate Unallocated

Adjusted operating loss of £(50.5)m compares against a loss of £(35.2)m in the prior period. The current period result includes a one-off impairment charge of £11.3m relating to legacy IT systems which were replaced in the period as part of IT Infrastructure upgrades.

Reported operating losses decreased from £(82.2)m in the prior period to £(61.6)m, with the prior period including a £(50.5)m exceptional charge relating to the Group's exposure on certain financial guarantee liabilities following adoption of IFRS 17. In contrast, the current period reflected an exceptional charge of £(21.9)m relating to the disposal of the Infrastructure Solutions component of Enerveo Limited which is expected to complete in the second half of the year. The reported result also includes a £10.8m positive revaluation adjustment relating to the legacy Gas Production decommissioning provision compared to a £3.5m positive adjustment on the same provision in the prior period.

EARNINGS PER SHARE

In the six months ended 30 September 2024, SSE's adjusted earnings per share was 49.8p. This compares to 37.0p for the previous period and reflects the movements in adjusted operating profit outlined in the section above in addition to higher year-on-year interest charges from Seagreen offshore windfarm following that Joint Venture reaching full operations in October 2023, partially offset by a lower tax rate as a result of increased first-year capital allowances available on an accelerated capital investment programme.

Reported earnings per share has increased to 47.7p from 30.7p in the previous period and, in addition to the movements in adjusted earnings per share noted above, reflects the £81.9m favourable net remeasurement on derivatives and commodities held at fair value during the year, offset by £21.6m of exceptional items and an increase in Deferred Tax driven by capital allowances on an accelerating capital investment programme. Please see the Supplemental Financial Information section of this Statement for more details.

INTERIM DIVIDEND

Dividend per Share (pence)	Mar 2025	Mar 2024
Interim Dividend	21.2	20.0
Final Dividend	To be confirmed at preliminary results in May 2025	40.0
Full Year Dividend	**To be confirmed at preliminary results in May 2025**	**60.0**

SSE believes that dividends should be sustainable and based on earnings performance, whilst also enabling the longer-term growth prospects of its assets and operations. To that end, the existing dividend plan to 2026/27 is designed to balance income to shareholders with the appropriate funding for an accelerated growth plan that will ultimately create greater value and total return for shareholders over the long term.

In line with that dividend plan and reflecting the financial performance over the first six months of the year, SSE today announces an interim dividend of 21.2 pence for payment on 27 February 2025. This represents an increase of 6% on the 2023/24 Interim Dividend.

FINANCIAL OUTLOOK

FINANCIAL OUTLOOK FOR 2024/25

SSE's balanced portfolio of assets across electricity networks, renewables and flexible thermal generation mean that the Group is confident of delivering strong and sustainable operating profit over the coming years.

The first half of SSE's financial year has seen the Group deliver strong performance, in line with expectations, in an evolving market environment. The greater operating profit contribution from electricity networks' businesses has reduced the level of seasonality in the half year results, with the higher output delivered by renewables meaning that flexible thermal generation capacity was not required as often in a stable market environment.

The expectations set out in May 2024 by the Group for operating profits by business therefore remain broadly unchanged, with the key winter months still to come for renewables and flexible thermal generation:

- **SSEN Transmission** – continues to expect that operating profit will be lower than the prior year, with reduced tariffs reflecting the economically neutral "full expensing" taxation relief for qualifying capital expenditure, which is netted off revenue.
- **SSEN Distribution** – continues to expect that operating profit will be significantly higher than the prior year outturn, with the expected inflationary catch-up in tariffs expected to more than double operating profit.
- **SSE Renewables** – the increase in hedged prices combined with the additional capacity from Seagreen offshore windfarm and Viking onshore windfarm means that operating profits are expected to increase significantly year-on-year.
- **SSE Thermal and Gas Storage** – expects that the current loss-making position will reverse in the second half of the financial year, with full year adjusted operating profits from these assets of around £200m in current market conditions.
- **Energy Customer Solutions** – whilst the seasonal phasing of earnings in Business Energy is expected to partially reverse the first half result, Energy Customer Solutions continues to expect full year adjusted operating profit for this segment to be at a similar level as the prior year.

These expectations are subject to normal weather conditions, current market conditions and plant availability.

Consistent with the approach taken in prior years, we will look to give specific adjusted earnings per share guidance later in the financial year.

Under the existing dividend commitment to increase dividends by between 5 – 10% per annum, the recommendation for the final dividend will be made in May 2025, as part of the Full Year Results Statement.

With capital expenditure and investment continuing to ramp up during the first six months of the year, the full year capex is expected to significantly increase to around £3bn, with the net debt to EBITDA ratio expected to be towards the lower end of the 3.5 – 4.0x targeted range.

NET ZERO ACCELERATION PROGRAMME PLUS

Reaching the mid-point of the NZAP Plus – a ~£20bn Five Year Investment Programme

SSE set out its "Net Zero Acceleration Programme Plus" or "NZAP Plus" in November 2023, providing the market with a fully funded five-year investment plan to the end of the 2026/27 financial year, which reflected the strong progress made in delivering the original investment plan, whilst recognising the impact from a changing macroeconomic environment.

This investment programme targets capital expenditure of around £20bn over the five-year period, with a weighting towards regulated electricity networks as follows:

- **SSEN Transmission** (~37% or ~£7.5bn) in delivery of the RIIO-T2 baseline investment programme as well as part of the ~£20bn of additional gross nominal investment to deliver eleven LOTI and ASTI projects critical to removing constraints within the current electricity transmission network. This investment is expected to increase gross RAV to more than £10bn by the end of 2026/27, whilst delivering expected adjusted operating profits (net of 25% Non-Controlling Interest) of more than £500m on average across the five year plan.

- **SSEN Distribution** (~17% or ~£3.5bn) in delivery of its RIIO-ED2 investment programme which continues to progress at pace. This business continues to expect RAV to increase to between £6 - 7bn by the end of 2026/27 and deliver expected adjusted operating profits of at least £450m on average across the five year plan.
- **SSE Renewables** (~34% or ~£7bn) to deliver on its existing construction programme. Whilst the target to reach around 9GW of installed capacity by 2026/27 remains, the business continues to focus on financial discipline and selective renewables growth only where it is value accretive. With that focus, the business does not need to reach the 9GW target in order to achieve an expected ~19% adjusted operating profit CAGR over the five-year plan.
- **SSE Thermal and other businesses** (~12% or ~£2.5bn) comprise the majority of the remaining expected investment, with delivery of Keadby 2, Slough Multifuel and other projects helping Thermal to achieve ~£400m adjusted operating profits on average over the four years to FY27.

With around 90% of the investment plan still expected to be invested in electricity networks and renewables, the substantial majority is focused on climate solutions to achieve SSE's 2030 Goals which are linked to its most highly-material UN Sustainable Development Goals (SDGs) and aligned to the Technical Screening Criteria of the EU Taxonomy.

Continued strong balance sheet as the foundation of a fully-funded investment plan

SSE has continually demonstrated its ability to realise value from disposals, create sustainable earnings growth and raise capital at highly attractive terms. Over the plan to date, £3.7bn of long-term debt has been issued at attractive, fixed coupons.

The financial strength of the Group and continued earnings growth means that it expects to still be within or below the target range of 3.5 – 4.0x net debt / EBITDA over the course of the plan to 2026/27.

Reaffirming expected earnings growth and dividend plan

After considering the Group's latest view of project delivery out to 2026/27, in addition to the current and forecasted market conditions, SSE continues to have confidence in reaching its 175 – 200p adjusted earnings per share guidance range for 2026/27. This takes into account increased visibility over investment through regulatory approvals for network upgrades, the delivery of projects such as Seagreen and Viking and the extension of "full expensing" capital allowances[1].

Reflecting the SSE plc Boards' confidence in delivering this future earnings growth, the commitment to target dividend increases of between 5 to 10% per year across 2024/25, 2025/26 and 2026/27 remains unaffected. This plan retains the scrip dividend option for shareholders, with the cap on take-up still set at 25% and implemented (if necessary) by means of a share buy-back.

1 On 22 November 2023, as part of the 2023 Autumn Statement, the UK Government announced they would make permanent their first year "full expensing" capital allowances regime. This regime, which was previously set to expire on 1 April 2026, means that companies are able to claim a 100% allowance for short-life assets (less than 25 years) and a 50% allowance for long-life assets (more than 25 years). Within SSE's Electricity Transmission and Distribution businesses, the regulatory agreements mean that any reduction in tax payable from full expensing will be passed through to consumers through lower regulated revenues with no net earnings impact for SSE. However, SSE's unregulated businesses will benefit from this permanent change in tax relief, as capital allowances on new investment will be received quicker than under the previous regime.

SUPPLEMENTAL FINANCIAL INFORMATION

Adjusted Investment and Capex Summary	Sep 2024 Share %	Sep 2024 £m	Sep 2023 £m
SSEN Transmission (net of 25% non-controlling interest)	29%	376.6	242.6
SSEN Distribution	23%	296.2	245.5
Regulated networks total	**52%**	**672.8**	**488.1**
SSE Renewables	**38%**	**491.9**	**447.1**
SSE Thermal	4%	46.4	38.2
Gas Storage	-%	0.9	0.2
Thermal Energy Total	**4%**	**47.3**	**38.4**
Energy Customer Solutions	3%	36.2	36.8
SSE Energy Markets	-%	4.5	3.4
SSE Enterprise	2%	27.0	15.2
Corporate unallocated	1%	12.4	25.3
Adjusted investment and capital expenditure	**100%**	**1,292.1**	**1,054.3**
Adjusted investment, capital and acquisitions expenditure	**100%**	**1,292.1**	**1,054.3**

CAPITAL EXPENDITURE PROGRAMME

During the 6 months to 30 September 2024, SSE's adjusted investment, capital and acquisitions expenditure totalled £1,292.1m, compared to £1,054.3m in the same period last year.

Investment in the reporting period was driven mainly by SSE's renewables and electricity networks divisions, with limited deployment of capital in thermal and other businesses, and no acquisitions expenditure.

In **SSEN Transmission**, £376.6m net capex was delivered, including £49m on the EGL2 subsea HVDC being jointly delivered with National Grid, as onshore works get underway. Construction has also commenced on Orkney HCAV system where £24m net capex was delivered and £23m was invested in Argyll and Kintyre after final planning approvals for the 275kV upgrade were granted in the period.

In **SSEN Distribution** the £296.2m capex invested represents a more than 20% increase on the same period in 2023/24, as the business ramps up delivery of an ambitious RIIO-ED2 investment programme. £115m was delivered in the north, covering both ongoing subsea cable investment and regional whole-circuit work. Whilst in the south, expenditure of £181m included reinforcement work at Iver in West London and Bramley-Thatcham near Reading.

SSE Renewables invested a total of £491.9m during the period, including £30m on Viking Onshore Wind Farm on Shetland, which entered full commercial operations during August 2024. £33m of capex was delivered in Southern Europe, with progress being made across projects in Jubera (Spain), Chaintrix (France) which achieved first power in October 2024, and Puglia (Italy). In Ireland, £27m was invested at Yellow River, where full commercial operations are expected during Spring 2025. In offshore, £116m of equity was drawn as installation and commissioning of turbines at Dogger Bank Offshore Wind Farm continues, with completion now expected in the second half of calendar year 2025. On battery and energy storage system (BESS) projects £71m was delivered on Ferrybridge (West Yorkshire) with completion expected during 2025.

HEDGING POSITION

The long-established approach to hedging followed by SSE looks to generally reduce its broad exposure to commodity price variation in advance of delivery. SSE continues to monitor market developments and conditions and periodically alters its hedging approach in response to changes in its exposure profile.

A summary of the hedging position for each of SSE's market-based businesses is set out below.

SSE Renewables – GB wind and hydro:

Energy output hedges are progressively established through the forward sale of either:

- Electricity – where market depth and liquidity allow;
- Gas and carbon equivalents – recognising that spark spread exposures remain; or
- Gas equivalents only – recognising that carbon and spark spread exposures remain.

This approach reflects that certain energy products have lower available forward market depth and liquidity. Whilst some basis risk or commodity exposure will remain, it facilitates the reduction of SSE Renewables' overall exposure to potentially volatile spot market outcomes.

The table below notes both the proportion of hedges and prices of those hedges for electricity and for gas alone (i.e. where the carbon leg has been unable to be hedged). Due to market liquidity, there are no gas and carbon equivalent hedges in place.

	As at 31 March 2024	As at 30 September 2024		
	2024/25	2025/26	2026/27	2027/28
Wind				
Total energy output volumes hedged - TWh	**6.4**	**8.2**	**4.4**	**0.7**
- Hedge in electricity & equivalents - TWh	4.1	4.3	2.6	0.5
- Electricity hedge price - £MWh	£91	£87	£75	£69
- Hedge in Gas – TWh	2.3	3.9	1.8	0.2
- Gas hedge price – £MWh	£122	£76	£57	£47
Hydro				
Total energy output volumes hedged – TWh	**2.9**	**2.7**	**1.4**	**0.1**
- Hedge in electricity & equivalents - TWh	1.8	1.2	0.8	0.1
- Electricity hedge price - £MWh	£96	£86	£74	£67
- Hedge in Gas – TWh	1.1	1.5	0.6	-
- Gas hedge price – £MWh	£120	£82	£57	-

Note: where gas and carbon trades have been used as a proxy for electricity, a constant 1 MWh:69.444 th and 1MWh:0.3815 te/MWh conversion ratio between commodities has been applied. These same ratios have been used to convert underlying commodity prices into electricity £MWh and therefore no assumptions have been made on either spark or carbon.

The table above reflects the hedge position against outright merchant power production. It therefore excludes any volumes and income under separate contracts such as CfDs, ROCs and Balancing Mechanism activity.

Limited hedging activity has now commenced for SSE's equity share of Dogger Bank A wind farm, with volumes hedged therefore included within the table above. Given the project is still under construction, hedging activity has been limited to a risk-adjusted forecast of expected pre-CfD volumes with hedges only commencing during the second half of calendar year 2025.

SSE's established approach seeks to minimise the volumetric downside risk for renewable energy output by targeting a hedge of less than 100% of its anticipated wind energy output for the coming 12 months.

The targeted hedge percentage is reviewed and adjusted as necessary to reflect any changes in market and wind capture insights. The last such revision occurred in September 2023, setting a baseline target hedge of around 80% of the anticipated energy output from wind and hydro for twelve months.

Energy output hedges for both wind and hydro are progressively established over the 36 months delivery (although the extent of hedging activity for future periods also depends on the available market depth and liquidity).

Target hedge levels are achieved through the forward sale of either electricity or a combination of gas or carbon equivalents as outlined above. When gas-and-carbon hedges are converted into electricity hedges a “spark spread” is realised which can lead to changes in the average hedge price expected. This can increase the previously published average hedge price or decrease it. Likewise, when gas hedges are subsequently converted into electricity hedges ahead of delivery, a carbon-and-spark spread value is realised which will also lead to changes in the average hedge price expected.

GB Thermal:

Hedging for the flexible thermal fleet is based upon a mathematical assessment of the optimal option delta based upon volatility, shape and time assumptions. At negative spark spreads this hedge volume is therefore likely to be very low; and at higher prices the hedge will be much fuller. The targeted hedge position for the flexible thermal fleet is therefore dynamic, changing as market values vary, with the constant process of reoptimisation (where liquidity permits) accruing value to the Thermal fleet in future periods.

At all times the Thermal portfolio offers the wider group protection from price spikes, renewables shortfall or asset availability issues and therefore has material risk management value to the Group. This is in addition to the value it provides to the wider market as a back-up reserve to an increasingly renewables led energy-system, principally remunerated through the Capacity Mechanism.

Gas Storage:

The assets are being commercially operated to optimise value arising from changes in the spread between summer and winter prices, market volatility and plant availability.

At 30 September 2024, 117mTh of gas inventory was physically held which represents 62% of SSE’s share of gross capacity (at 30 September 2023, 109mTh of gas inventory representing 58% of SSE’s share of gross capacity).

SSE Business Energy:

The business supplies electricity and gas to business and public sector customers. Sales to contract customers are hedged: at point of sale for fixed contract customers; upon instruction for flexi contract customers; and on a rolling hedge basis for tariff customers.

Given the pricing and macro-economic context, SSE Business Energy is dynamically monitoring nearer term consumption actuals for early signs of demand variability and adjusting future volumes hedged accordingly.

SSE Energy Markets:

This business provides the route to market and manages the execution for all of SSE’s commodity trading outlined above (spark spread, power, gas, oil and carbon). This includes monitoring market conditions and liquidity and reporting net Group exposures. The business operates under strict position limits and VAR controls.

There is some scope for position-taking to permit this business to manage around shape and liquidity and providing market insight whilst taking optimisation opportunities. This is contained within a total daily VAR limit of £9m.

Ireland:

Vertical integration of the generation and customer businesses in Ireland limits the Group’s commodity exposure in that market.

EXCEPTIONAL ITEMS AND CERTAIN REMEASUREMENTS

EXCEPTIONAL ITEMS

In the period ended 30 September 2024, SSE recognised a net exceptional charge within continuing operations of £(21.6)m before tax. The following table provides a summary of the key components included in the net charge:

Exceptional (charges) / credits within continuing operations	Total £m
Enerveo part-disposal (previously SSE Contracting)	(21.9)
Other	0.3
Total exceptional charge	**(21.6)**

Note: The definition of exceptional items can be found in Note 2(iii) of the Interim Financial Statements.

For a full description of exceptional items, see Note 6 of the Interim Financial Statements.

CERTAIN REMEASUREMENTS

In the period ended 30 September 2024, SSE recognised a favourable net remeasurement within continuing operations of £81.9m before tax. The following table provides a summary of the key components making up the favourable movement:

Certain remeasurements within continuing operations	Total £m
Operating derivatives (including share from jointly controlled entities)	86.5
Financing derivatives	(4.6)
Total net favourable remeasurement	**81.9**

Operating derivatives

SSE enters into forward purchase contracts (for power, gas and other commodities) to meet the future demands of its energy supply businesses and to optimise the value of its generation assets. Some of these contracts are determined to be derivative financial instruments under IFRS 9 and as such are required to be recorded at their fair value as at the date of the financial statements.

SSE shows the change in the fair value of these forward contracts separately as this mark-to-market movement does not reflect the realised operating performance of the businesses. The underlying value of these contracts is recognised as the relevant commodity is delivered, which for the large majority of the position at 30 September 2024 is expected to be within the next 6 – 18 months.

The change in the operating derivative mark-to-market valuation was a £86.5m positive movement from the start of the period, reflecting a £118.7m positive movement on fully consolidated operating derivatives combined with a £(32.2)m share of movement on derivatives in jointly controlled entities (or a £(24.2)m share net of tax) driven by commodity contract revaluations.

The positive movement of £118.7m on fully consolidated operating derivatives includes:

- Settlement during the year of £67.1m of previously net “out-of-the-money” contracts in line with the contracted delivery periods and
- A favourable net mark-to-market remeasurement of £51.6m on unsettled contracts including affiliate CfDs, entered into in line with the Group’s stated approach to hedging. This mark-to-market remeasurement reflects the reduced volatility seen in commodity markets during the period.

As in prior periods, the reported result does not include remeasurement of ‘own use’ hedging agreements which do not meet the definition of a derivative financial instrument under IFRS 9 “Financial Instruments”.

Commodity stocks held at fair value

Gas inventory purchased by the Gas Storage business for secondary trading opportunities is held at fair value with reference to the forward month market price. With the trading churn in the period having adjusted the average cost of gas in the period though creating an adjusted operating loss for the business, the relative stability in gas prices mean that the book value is aligned with the fair value at the period end.

However, whilst this assessment considers the net change in fair value of physical gas inventory held at the period end, it does not take into account any positive or negative mark-to-market movement on forward contracted sales. Therefore, similar to derivative contracts held at fair value, SSE does not expect that any valuation movement will reflect the final result realised by the business.

Financing derivatives

In addition to the movements above, an adverse movement of £(4.6)m was recognised on financing derivatives in the period, including mark-to-market movements on cross-currency swaps and floating rate swaps that are classed as hedges under IAS 39. These hedges ensure that any fair value movement in net debt is predominately offset by a movement in the derivative position. The adverse movement was primarily driven by a declining interest rate environment, driving an increase in the “out of the money” position on SSE’s fixed rate swaps.

These remeasurements are presented separately as they do not represent underlying business performance in the year. The result on financing derivatives will be recognised in adjusted profit before tax when the derivatives are settled.

FINANCIAL MANAGEMENT AND BALANCE SHEET

Debt metrics	Sep 2024 £m	Mar 2024 £m	Sep 2023 £m
Net Debt / EBITDA[1]	**N/A**	**3.0x**	**N/A**
Adjusted net debt and hybrid capital (£m)	**(9,843.8)**	**(9,435.7)**	**(8,943.8)**
Average debt maturity (years)	6.3	6.4	5.9
Adjusted interest cover	N/A	8.9x	N/A
Average cost of debt at period end (including all hybrid coupon payments)	4.04%	3.90%	4.02%

1 Net debt represents the group adjusted net debt and hybrid capital. EBITDA represents the full year group adjusted EBITDA, less £179.6m at March 2024 for the proportion of adjusted EBITDA from equity-accounted Joint Ventures relating to project financed debt.

Net finance costs reconciliation	Sep 2024 £m	Sep 2023 £m
Adjusted net finance costs	**145.7**	**128.0**
Add/(less):		
Lease interest charges	(11.0)	(11.7)
Notional interest arising on discounted provisions	(13.2)	(11.0)
Hybrid equity coupon payment	73.7	73.1
Adjusted finance costs for interest cover calculation	195.2	178.4

Principal Sources of debt funding	Sep 2024	Mar 2024	Sep 2023
Bonds	62%	58%	54%
Hybrid debt and equity securities	17%	18%	18%
European investment bank loans	4%	5%	5%
US private placement	7%	8%	8%
Short-term funding	7%	8%	11%
Index –linked debt	3%	3%	4%
% of which has been secured at a fixed rate	**94%**	**93%**	**91%**

Rating Agency	Rating	Criteria	Date of Issue
Moody's	Baa1 'stable outlook'	'Low teens' Retained Cash Flow/Net Debt	19 December 2023
Standard and Poor's	BBB+ 'outlook positive'	About 18% Funds From Operations/Net Debt	5 September 2023

MAINTAINING A STRONG BALANCE SHEET

A key objective of SSE's long-term approach to balancing capital investment, debt issuance and securing value and proceeds from disposals is by maintaining a strong net debt/EBITDA ratio. SSE calculates this ratio based on a methodology that it believes best reflects its activities and commercial structure, in particular its strategy to secure value from partnering by using Joint Ventures and non-recourse project financing.

SSE considers it has the capacity to reach a ratio of up to around 4.5x, comparable with private sector utilities across Europe, whilst remaining above the equivalent ratios required for an investment grade credit rating.

Given the strength of the Group's Balance Sheet, the net debt/EBITDA ratio at 31 March 2024 was well below this threshold at 3.0x. It is expected that this ratio will trend upwards to around 4.0x, as the Group delivers on its ~£20bn investment plan to 31 March 2027.

SSE's Standard and Poor's credit rating was re-affirmed in September 2023 at BBB+ with 'outlook positive' and its Moody's rating was reaffirmed in December 2023 at Baa1 with 'stable outlook'.

ADJUSTED NET DEBT AND HYBRID CAPITAL

SSE's adjusted net debt and hybrid capital was £9.8bn at 30 September 2024, an increase of £0.4bn from 31 March 2024. With no significant acquisitions or divestments in the period, the debt movement predominantly relates to capital investment expenditure, with revaluation of currency debt as well as various working capital movements being offset by operating cash flows less dividend payments.

DEBT SUMMARY AS AT 30 SEPTEMBER 2024

The Group, through the Scottish Hydro Electric Transmission plc entity, issued £0.9bn of new long-term debt in the financial period whilst also continuing to roll Commercial Paper at similar levels to March 2024:

- In June 2024 Scottish Hydro Electric Transmission plc issued an 1.5bn NOK (£111m) 10-year private placement maturing June 2034 with a coupon of 4.731% and an all-in GBP cost of 5.3315% once swapped back to Sterling.
- In July 2024 Scottish Hydro Electric Transmission plc issued a £30m 15-year private placement maturing July 2039 with a coupon of 5.591%.
- In August 2024 Scottish Hydro Electric Transmission plc issued a €850m (£715m) 8-year green bond maturing September 2032 with a coupon of 3.375% and an all-in GBP cost of 4.9127% once swapped back to Sterling.
- Over the course of the year, SSE plc rolled maturing short-term Commercial Paper at similar levels to March 2024. On 30 September 2024 €955m (£810m. Commercial Paper has been issued in Euros and swapped back to Sterling at an average cost of debt of 5.50% and matures between October 2024 and January 2025.

In the six months to 30 September 2024 £0.2bn of medium-to-long-term debt has matured comprising $320m (£204m) of US Private Placements which matured in April 2024.

Over the next twelve months there is a further £1.0bn of medium-to-long-term debt maturing being the €600m (£531m) Eurobond maturing 16 April 2025 and €600m (£499m) Eurobond maturing 8 September 2025. As noted above, €955m (£810m) of short-term debt in the form of Commercial Paper is also due to mature in the second half of 2024/25, however the current intention is to roll this maturing short-term debt forward throughout the 2024/25 and 2025/26 financial years.

HYBRID BONDS SUMMARY AS AT 30 SEPTEMBER 2024

Hybrid bonds are a valuable part of SSE's capital structure, helping to diversify SSE's investor base and supporting credit ratings, as their 50% equity treatment by the rating agencies is positive for credit metrics.

A summary of SSE's hybrid bonds as at 30 September 2024 can be found below:

Issued	Hybrid Bond Value[1]	All in rate[2]	First Call Date	Accounting Treatment
July 2020	£600m	3.74%	Apr 2026	Equity accounted
July 2020	€500m (£453m)	3.68%	July 2027	Equity accounted
April 2022	€1bn (£831m)	4.00%	Apr 2028	Equity accounted

1 Sterling equivalents shown reflect the fixed exchange rate on date of receipt of proceeds and is not subsequently revalued.
2 All in rate reflects coupon on bonds plus any cost of swap into sterling which currently only applies to July 2020 Hybrid.

Further details on each hybrid bond can be found in Note 14 to the Interim Financial Statements and a table noting the amounts, timing and accounting treatment of coupon payments is shown below:

Hybrid coupon payments	2025/26 HYe	2025/26 FYe	2024/25 HYa	2024/25 FYa
Total equity (cash) accounted hybrid coupon[1]	**£74m**	**£74m**	**£74m**	**£74m**

1 Coupon payments on €1.5bn of hybrid bonds remain denominated in Euros, and are therefore subject to foreign exchange adjustments.

SSE's hybrid bonds are perpetual instruments and are therefore accounted for as part of equity within the Interim Financial Statements but, consistent with previous periods, have been included within SSE's 'Adjusted net debt and hybrid capital' to aid comparability.

The coupon payments relating to the equity accounted hybrid bonds are presented as distributions to other equity holders and are reflected within adjusted earnings per share when paid.

MANAGING NET FINANCE COSTS

SSE's adjusted net finance costs – which exclude equity accounted hybrid coupons – were £(145.7)m in the six months to 30 September 2024, compared to £(128.0)m in the previous period. The higher level of finance costs in the period is driven by a higher share of Joint Venture interest costs, predominantly due to interest charges from Seagreen offshore wind farm project finance. This is partially offset by higher capitalised interest costs reflecting continued increasing construction activity.

Reported net finance costs were £(56.9)m compared to £(29.0)m in the previous period. Higher interest charges incurred in Joint Ventures combined with a £(45.6)m decrease in beneficial movement on financing derivatives as previously referenced more than offset the reduction seen in adjusted net finance costs

SUMMARISING CASH AND CASH EQUIVALENTS

At 30 September 2024, SSE's adjusted net debt included cash and cash equivalents of £0.9bn, which is broadly unchanged from September 2023.

Cash collateral is only required for forward commodity contracts traded through commodity exchanges, with the level of cash collateral either provided or received depending on the volume of trading through the exchanges, the periods being traded and the associated price volatility.

At 30 September 2024, £(260.2)m of net cash collateral was held (2023: £140.6m net posted) consisting of £(264.6)m received offset by £4.4m deposited on the commodity trading exchanges. The decrease in cash collateral posted reflects an increase in the "in the money" trading positions held by the Group.

REVOLVING CREDIT FACILITY / SHORT-TERM FUNDING

SSE had £3.5bn gross of committed bank facilities in place at 30 September 2024 to ensure the Group has sufficient liquidity to allow day-to -day operations and investment programmes to continue in the event of disruption to Capital Markets preventing SSE from issuing new debt for a period of time. These facilities are set out in the table below.

Date	Issuer	Debt type	Term	Value
Mar 19	SSE plc	Syndicated Revolving Credit Facility with 10 Relationship Banks	2026	£1.3bn
Oct 19	SSE plc	Revolving Credit Facility with Bank of China	2026	£200m
Nov 22	SHET plc	Syndicated Revolving Credit Facility with 11 Relationship Banks	2026	£750m
Nov 22	SHEPD plc and SEPD plc	Syndicated Revolving Credit Facility with 11 Relationship Banks	2026	£250m
Feb 23	SSE plc	Syndicated Revolving Credit Facility with 10 Relationship Banks	2025	£1.0bn

The facilities can also be utilised to cover short-term funding requirements – however they were undrawn for most of the period and remained undrawn as at 30 September 2024.

Since 30 September 2024, the above facilities have been cancelled and replaced, leaving the SSE Group with the following committed facilities with a syndication of 15 Relationship Banks

- £1.5bn revolving credit facility at SSE plc maturing October 2029 with two one-year extension options.
- £1.5bn revolving credit facility at Scottish Hydro Electric Transmission plc maturing October 2029 with two one-year extension options.

Both these new facilities are classified as sustainability linked with interest rate and fees paid dependant on various ESG-related metrics being achieved.

In addition to the above, a $300m private placement shelf facility exists with NY Life which can be drawn in approximately two equal tranches 12 months apart over before February 2026. At 30 September 2024, no drawings have been made on this facility. The Group also has access to a £15m overdraft facility.

MAINTAINING A PRUDENT TREASURY POLICY

SSE's treasury policy is designed to be prudent and flexible. In line with that, cash from operations is first used to finance regulatory and maintenance capital expenditure and then dividend payments, with investment and capital expenditure for growth generally financed by a combination of cash from operations, bank borrowings and bond issuance.

As a matter of policy, a minimum of 50% of SSE's debt is subject to fixed rates of interest. Within this policy framework, SSE borrows as required on different interest bases, with financial instruments being used to achieve the desired out-turn interest rate profile. At 30 September 2024, 94% of SSE's borrowings were at fixed rates (31 March 2024: 93%).

Borrowings are mainly in Sterling and Euros to reflect the underlying currency denomination of assets and cash flows within SSE. All other foreign currency borrowings are swapped back into either Sterling or Euros.

Transactional foreign exchange risk arises in respect of procurement contracts, fuel and carbon purchasing, commodity hedging and energy portfolio management operations, and long-term service agreements for plant.

SSE's policy is to hedge any material transactional foreign exchange risks using forward currency purchases and/or financial instruments. Translational foreign exchange risk arises in respect of overseas investments; hedging in respect of such exposures is determined as appropriate on a case-by-case basis.

STRENGTH AND STABILITY THROUGH MEDIUM- AND LONG-TERM BORROWINGS

The ability to raise funds at competitive rates is fundamental to investment. SSE's fundraising over the past five years, including senior bonds, hybrid capital and term loans, now totals £6.6bn and SSE's objective is to maintain a reasonable range of debt maturities.

A key objective of the Group's NZAP Plus five-year investment plan is to strike the right balance between capital investment, long-term debt issuance and securing value through disposals, all whilst maintaining a strong net debt / EBITDA ratio. Whilst this investment will naturally require a level of incremental debt issuance – in addition to refinancing of existing debt – the Group considers the plan to be fully-funded given expected continued access to debt markets and with SSE retaining a strong investment grade credit rating.

At 30 September 2024, the average debt maturity, excluding hybrid securities was 7.0 years, consistent with the position at 31 March 2024.

SSE's average cost of debt is now 4.04%, compared to 3.90% at 31 March 2024. The slight increase relates to issuing debt at higher rates than the average cost of debt in March 2024.

GOING CONCERN

The Directors consider that the Group has adequate resources to continue in operational existence for the period to 31 December 2025. The condensed Interim Financial Statements are therefore prepared on a going concern basis.

In reaching their conclusion, the Directors regularly review the Group's funding structure (see note 13 of the Interim Financial Statements) against the current economic climate to ensure that the Group has the short and long term funding required. The Group has performed detailed going concern testing, including the consideration of cash flow forecasts under stressed scenarios for the period to December 2025.

The Group has an established €1.5bn Euro commercial paper programme (paper can be issued in a range of currencies and swapped into Sterling) and as at 30 September 2024 there was £799m commercial paper outstanding (31 March 2024: £840m). In the six months ended 30 September 2024, the Group has issued new debt instruments totalling £0.9bn, and has redeemed £0.2bn of maturing long term debt, while rolling £0.8bn of short term commercial paper.

The Group also continues to have access to its revolving credit facilities. As at 30 September 2024 there were five committed facilities totalling £3.5bn which were undrawn, as described in note 13. On 23 October 2024 these facilities have been re-financed with the £0.75m facility relating to Scottish Hydro Electric Transmission plc being increased to £1.5bn, and the £2.75bn of facilities relating to SSE plc and Distribution being reduced to £1.5bn. This reduction relates to the cancellation of the £1.0bn collateral facility due to mature in February 2025, and the £0.25bn Distribution facility that is no longer required.

This results in the Group having the following committed facilities:

- a £1.5bn revolving credit facility for SSE plc maturing October 2029 with two 1 year extension options; and
- a £1.5bn revolving credit facility for Scottish Hydro Electric Transmission plc maturing October 2029 with two 1 year extension options.

The re-financing of the committed facilities was undertaken to ensure the Group is set up to meet its funding obligations over the next five years, with available committed facilities on the entities that require them. The opportunity was also taken to increase the number of relationship banks from 11 to 15, which supports the Group's growth plans and funding requirements over the next five years. The £1.5bn revolving credit facility for SSE plc is in place to provide back-up to the commercial paper programme and support the Group's capital expenditure plans. The Scottish Hydro Electric Transmission plc facility, was entered into to help cover the capital expenditure and working capital of that business.

OPERATING A SCRIP DIVIDEND SCHEME

SSE's Scrip Dividend Scheme was renewed for a three-year period at the 2024 AGM. As part of the Group's dividend plan to 2026/27, take-up from the Scrip Dividend Scheme is capped at 25%. This cap is implemented by means of a share repurchase programme, or 'buyback', following payment of the final dividend. The scale of any share repurchase program would be determined by shareholder subscription to Scrip Dividend Scheme across the full year, taking into account the interim and final dividend elections.

Overall Scrip Dividend Scheme take-up for the 2023/24 financial year was 35.7% therefore the Group initiated a share buy-back programme to limit the dilutive effect of the Scrip Dividend Scheme in line with dividend plan's 25% uptake cap. This share buy-back programme commenced on 30 September 2024 and completed on 16 October 2024, following the repurchase of 3.8m ordinary shares.

PRINCIPAL JOINT VENTURES AND ASSOCIATES

SSE's financial results include contributions from equity interests in joint ventures ("JVs") and associates, all of which are equity accounted. The details of the most significant of these are included in the table below. This table also highlights SSE's share of off-balance sheet debt associated with its equity interests in JVs which totals around £3.7bn as at 30 September 2024.

SSE principal JVs and associates[1]	Asset type	SSE holding	SSE share of external debt	SSE Shareholder loans
Marchwood Power	920MW CCGT	50%	No external debt	£8m
Seabank Power	1,234MW CCGT	50%	No external debt	No loans outstanding
Slough Multifuel	55MW energy-from-waste facility	50%	No external debt	£179m
Triton Power Holdings	1,200MW CCGT & 140MW OCGT	50%	No external debt	No loans outstanding
Beatrice Offshore Windfarm	588MW offshore wind farm	40%	£590m	Project financed
Dogger Bank A Wind Farm	1,200MW offshore wind farm	40%	£928m	£159m
Dogger Bank B Wind Farm	1,200MW offshore wind farm	40%	£864m	Project financed
Dogger Bank C Wind Farm	1,200MW offshore wind farm	40%	£722m	Project financed
Ossian Offshore Windfarm	ScotWind seabed	40%	No external debt	No loans outstanding
Seagreen Wind Energy	1,075MW offshore wind farm	49%	£654m	£1,000m[2]
Seagreen 1A	Offshore wind farm extension	49%	No external debt	£27m
Lenalea Wind Energy	30MW onshore wind farm	50%	No external debt	£14m
Clyde Wind Farm	522MW onshore wind farm	50.1%	No external debt	£127m
Dunmaglass Wind Farm	94MW onshore wind farm	50.1%	No external debt	£47m
Stronelairg Wind Farm	228MW onshore wind farm	50.1%	No external debt	£89m
Cloosh Valley Wind Farm	105MW onshore wind farm	25%	No external debt	£24m
Neos Networks	Private telecoms network	50%	No external debt	£72m

1 Greater Gabbard, a 504MW offshore windfarm, is proportionally consolidated and reported as a Joint Operation with no loans outstanding.
2 For accounting purposes, £309m of the £1,000m of SSE shareholder loans advanced to Seagreen Wind Energy Limited have been classified as equity.

TAXATION

SSE considers being a responsible taxpayer a core element of being a responsible member of society. SSE seeks to pay the right amount of tax on its profits, in the right place, at the right time, and was the first FTSE 100 company to have been awarded the Fair Tax Mark. October 2024 marked the tenth consecutive year that SSE has achieved Fair Tax Mark accreditation.

While SSE has an obligation to its customers and shareholders to manage its total tax liability efficiently, it does not seek to use the tax system in a way it does not consider it was meant to operate, or use "tax havens" to reduce its tax liabilities.

SSE understands it also has an obligation to the society in which it operates, and from which it benefits - for example, tax receipts are vital for the public services SSE relies upon. Therefore, SSE's tax policy is always to operate within both the letter and spirit of the law.

For reasons outlined in the Alternative Performance Measures section of this document, SSE's focus is on adjusted profit before tax, and in line with that, SSE believes that the adjusted current tax charge on that profit is the tax measure that best reflects underlying performance. SSE's adjusted current tax rate for the period to 30 September 2024, based on adjusted profit before tax, is 13.4%, as compared with 15.6% for the same period last year on the same basis, and after discrete items. The decrease in rate is largely driven by increased capital allowances on capital expenditure in the period.

The UK Spring Budget in March 2023 introduced “full expensing” for qualifying capital expenditure incurred during the period from 1 April 2023 to 31 March 2026, that measure then being made permanent in the November 2023 Autumn Statement. First-year capital allowance rates of 100% and 50% replaced the existing rates of 18% and 6% respectively for qualifying capital expenditure, significantly increasing the amount of first-year capital allowances available on SSE’s capital investment programme.

The UK has now introduced legislation in respect of Multinational Top-up Tax in line with OECD BEPS pillar 2 principles. The Group has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required by the amendments to IAS 12 – International Tax Reform—Pillar Two Model Rules, which were issued in May 2023. The legislation will come into force for the year ended 31 March 2025 including this interim period. Similar draft legislation has been introduced in the Republic of Ireland and other EU jurisdictions. The Group has undertaken modelling and does not expect a material impact to arise as tax rates, including deferred tax, in the countries in which the Group operates are expected to exceed 15%.

PENSIONS

Contributing to employees' pension schemes – IAS 19	September 24 £m	March 24 £m	September 23 £m
Net pension scheme asset recognised in the balance sheet before deferred tax £m	**470.8**	**421.6**	**411.0**
Employer cash contributions Scottish Hydro Electric scheme £m	0.5	1.0	0.5
Employer cash contributions SSE Southern scheme £m	12.5	27.1	15.2
Deficit repair contribution included above £m	7.7	16.3	9.1

In the six months to 30 September 2024, the surplus across SSE's two pension schemes increased by £49.2m, from £421.6m to £470.8m, primarily due to actuarial gains of £33.5m and contributions to the schemes.

The valuation of the SSE Southern scheme increased by £28.2m in the six-month period primarily due to actuarial gains of £17.9m, driven by the impact of higher discount rates which offset the losses on plan assets, and contributions of £12.5m.

The Scottish Hydro Electric Pension scheme has partially insured against volatility in its deferred and pensioner members through the purchase of 'buy-in' contracts meaning that the Group only retains exposure to volatility in active employees. During the period the scheme's surplus increased by £21.0m. This increase was also mainly driven by the impact of higher discount rates which offset the losses on plan assets.

Additional information on employee pension schemes can be found in Note 17 to the Interim Financial Statements.

SUSTAINABILITY SUMMARY

Performance against 2030 Goals	Sep 2024	Mar 2024	Sep 2023
Cut carbon intensity by 80%			
- Scope 1 GHG intensity (gCO2e/kWh)	207	205	232
Increase renewable energy output fivefold			
- Renewable generation output (TWh)	5.4	11.2	3.8
Enable low-carbon generation and demand			
- Renewables connected in SSEN Transmission network area (GW)[1]	10.6	9.3	9.2
Champion a fair and just energy transition			
- Contribution to GDP UK and Ireland (£bn / €bn)[2]	-	5.96/1.06	-
- Jobs supported in UK and Ireland[2]	-	53,230/3,270	-

1 Includes SSE Renewables total output inc. pumped storage, battery, and constrained off wind in GB, as well as biomass asset in Enterprise
2 Direct, indirect and induced Gross Value Added and jobs supported, from PwC analysis

Safety Performance	Sep 2024	Mar 2024	Sep 2023
Total Recordable Injury Rate per 100k hours worked (SSE and contractors)	0.16	0.20	0.24

PROVIDING PROFITABLE SOLUTIONS FOR PEOPLE AND PLANET

Due to the essential nature of SSE's activities, sustainability has naturally been a long-standing feature of its business model, embedded at the heart of its strategy. It provides a framework that guides decisions as it transitions to net zero, ensuring it is done in a way that creates and shares value with stakeholders.

Sustainability is articulated at the highest level, with SSE's business strategy aligned to the UN's Sustainable Development Goals (SDGs). To embed this approach throughout the organisation, SSE has identified four SDGs which are highly material to the business, and to which it has linked its four core business goals for 2030. These 2030 Goals are focused on addressing the challenge of climate change in a way that is fair to working people, consumers and communities.

MEASURING PERFORMANCE

The **scope 1 GHG intensity of electricity generated** in the six months to 30 September 2024 fell to 207gCO2e/kWh from 232gCO2e/kWh in the same period in 2023. Increased generation output from renewables as a result of more favourable weather conditions and additional capacity, combined with stable emissions arising from thermal generation drove the improvement in scope 1 GHG intensity performance.

Renewable output was 45% higher period-on-period, driven by incremental operating capacity and more favourable weather conditions. Operational capacity increased following the delivery of the Viking Wind Farm on Shetland in August 2024 and SSE Renewables' first battery energy storage system (BESS) in April 2024. Additionally, the period benefited from a full contribution from Seagreen Offshore Windfarm.

As of 30 September 2024, **the total installed renewable capacity connected to SSE's north of Scotland Transmission network** is 10.6GW, exceeding the business' RIIO-T2 goal to deliver a network in the north of Scotland with the capacity and flexibility to accommodate 10GW of renewable generation by 2026, following the connection of several large renewable schemes in 2024/25.

SSE's combined SSE employee and contractor **Total Recordable Injury Rate** fell to 0.16 from 0.24 in the prior period, benefiting from a >30% improvement in contractor injury rates. SSE's new immersive training facility represents a major investment in safety with over 6,000 employees and partners trained since April 2024, contributing to better safety behaviours.

Further information on SSE's progress towards its SDG-aligned 2030 Business Goals can be found in the Half Year Sustainability Statement published here: www.sse.com/sustainability/reporting/

BUSINESS OPERATING REVIEW

SSEN TRANSMISSION

SSEN Transmission owns, operates and develops the high voltage electricity transmission system in the north of Scotland and its islands. Following a minority stake sale completed in November 2022, the business is owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board. All references to performance indicators relate to 100% of the business unless otherwise stated.

Key Performance Indicators	September 24	September 23
Transmission adjusted operating profit[1] - £m	157.5	215.6
Transmission reported operating profit - £m	210.0	287.3
Transmission adjusted investment and capital expenditure[1] - £m	376.6	242.6
Gross Regulated Asset Value (RAV) - £m[2]	6,359	5,289
SSE Share Regulated Asset Value (RAV)[1,2] - £m	4,769	3,967
Renewable Capacity connected within SSEN Transmission area – MW[3]	10,610	9,217

1 Excludes 25% minority interest
2 Estimated and subject to outturn of annual regulatory process
3 Transmission and distribution connected capacity within the SSEN Transmission Network area, includes pumped storage and battery storage.

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY – RIIO-T2

SSEN Transmission continued to deliver a strong operational performance in the first half of 2024/25 and is on track to achieve the maximum annual RIIO-T2 reward available through the 'Energy Not Supplied Incentive', which would equate to £0.8m in 2018/19 prices. This performance is underpinned by a robust and ongoing programme of inspection, maintenance, refurbishment and replacement of assets, supporting GB security of supply.

Capital investment programme

The RIIO-T2 capital investment programme continues, with progress being made across major projects. As of 30 September 2024, the total installed capacity of the north of Scotland network was almost 11.9GW, of which just over 10.6GW is from renewable and other low carbon sources – including 0.6GW of pumped storage and batteries.

This connected capacity is enough to power 12.3m homes, meaning the business has achieved its RIIO-T2 goal to transport the renewable electricity that powers 10m homes, two years early.

A key part of this was delivered in the period with the completion of the Shetland High Voltage Direct Current (HVDC) link, which was fully energised in August, capable of transporting enough clean energy to power 500,000 homes. Delivered on time and on budget, this landmark project connects Shetland to the GB transmission grid for the first time, via the first multi-terminal HVDC switching station of its kind installed anywhere in Europe.

Work has also progressed to connect Shetland's existing electricity distribution network to the Shetland HVDC link, connecting Shetland's homes and business to the GB electricity network for the first time via the new Grid Supply Point being constructed at Gremista. The Kergord-Gremista 132kV circuits will then connect the HVDC link to the new Gremista Grid Supply Point. The project remains on track to be complete by the end of 2025.

Work to incrementally increase the voltage in the north-east Scotland transmission network to 400kV continues with the next phase due to be completed towards the end of 2026. Further 400kV infrastructure is expected to enter construction as part SSEN Transmission's Accelerated Strategic Transmission Investment (ASTI) projects, from 2026 onwards.

OTHER REGULATORY INVESTMENTS

The business has secured regulatory approvals required to take forward several major investments over and above its baseline RIIO-T2 investment plan.

Through Ofgem's Large Onshore Transmission Investment (LOTI) Uncertainty Mechanism, SSEN Transmission is currently progressing three projects with an estimated gross nominal investment of around £3bn. To accelerate the regulatory process and facilitate delivery of the offshore and onshore network reinvestments required for the energy transition, Ofgem introduced the ASTI regulatory framework in December 2022 with SSEN Transmission currently progressing eight projects through that framework with an estimated gross nominal investment of around £17bn.

LOTI projects

In September, construction began on the Orkney-Caithness transmission link. The link will transport around 220MW of renewable electricity generation and full energisation is anticipated in 2028.

For the Skye reinforcement project, which will see the replacement and upgrade of the existing Fort Augustus to Skye transmission line, a decision on the Section 37 overhead line planning application is expected during the remainder of 2024, following both substation applications being granted consent by the Highland Council at the start of 2024. Construction work is ready to begin, and full energisation is targeted towards the end of 2028.

In September 2024, Scottish Ministers granted consent for the final major elements of the Argyll and Kintyre 275kV upgrade. Substation construction work is under way, and overhead line preparatory work has started too, with full energisation expected during 2029.

ASTI projects

SSEN Transmission's eight ASTI projects include overhead line and substation installations as well as subsea cables to support the connection of offshore wind and onshore electricity generation, namely:

- Onshore (all wholly owned): Beauly-Spittal, Beauly-Peterhead, Beauly-Denny upgrade and Kintore-Tealing
- Offshore wholly owned: Western Isles Link and Spittal-Peterhead
- Offshore jointly-developed with National Grid: Eastern Green Link 2 (EGL2) and Eastern Green Link 3 (EGL3)

The EGL2 project – which will see the installation of a 2GW electricity transmission subsea superhighway between the north east of Scotland and Yorkshire – has made progress during the year with all approvals in place, supply chain secured and final cost approval confirmed by Ofgem in August 2024. Onshore works are now under way at either end of the HVDC link and the project is on track for completion in 2029.

Work to progress EGL3 – which will see the installation of a 2GW subsea HVDC between the north east of Scotland and south Lincolnshire/West Norfolk – continues to progress with the supply chain engaged in the tender process.

In what is one of the biggest consultations that Scotland has ever seen, SSEN Transmission has carried out over 230 public events across its ASTI projects, gathering community feedback to shape its plans. Consultation will continue throughout the rest of 2024 and into 2025 in advance of submitting consent applications.

To support the timely delivery of ASTI and all future projects, SSEN Transmission is actively advocating for a maximum 12-month determination of all Section 37 overhead line planning applications. This is in line with the recommendations of the UK Government's Electricity Networks Commissioner, and others. In October 2024, the UK Government, in collaboration with the Scottish Government, published a consultation reviewing the consenting process for Electricity Infrastructure in Scotland. The consultation, which seeks to modernise and streamline consenting in Scotland, builds on the Scottish Government's Green Industrial Strategy, which includes the ambition for 12-month consent determinations.

RIIO-T3 PRICE CONTROL

In July, Ofgem published its Sector Specific Methodology Decision (SSMD), an important step in the RIIO-T3 regulatory price control process covering the period between 2026 and 2031.

While the signals from Ofgem to support investment in the SSMD were positive, the unprecedented level of investment required to deliver SSEN Transmission's ~£20bn of LOTI and ASTI projects, as well as baseline RIIO-T3 spend, means the final RIIO-T3 framework must be attractive to both equity and debt providers. SSEN Transmission will work constructively with Ofgem and wider stakeholders to ensure the future regulatory framework provides the flexibility and agility required to deliver the unprecedented level of required investment. Work progresses to develop the SSEN Transmission Business plan, which is scheduled for submission to Ofgem by 11 December 2024.

FUTURE GROWTH OPPORTUNITIES

In August, Ofgem published a consultation on the NESO's Beyond 2030 report, the second transitional Centralised Strategic Plan. For the north of Scotland, the NESO's plan confirms the need for a number of projects to proceed now for delivery by 2035, which combined represent a potential estimated gross investment of over £5bn for SSEN Transmission.

Ofgem's consultation has provisionally approved the need for four major investments in upgraded and new infrastructure in the north of Scotland, including a second HVDC link to Shetland. Ofgem has also provisionally identified SSEN Transmission as the delivery body for three of the four projects, exempting them from competition, with a decision on the fourth expected around the end of the year.

Further investment beyond the Pathway to 2030 is required to unlock the north of Scotland's full renewable potential and to deliver energy security and net zero targets.

SSEN DISTRIBUTION

SSEN Distribution, operating under licence as Southern Electric Power Distribution plc (SEPD) and Scottish Hydro Electric Power Distribution plc (SHEPD), is responsible for safely and reliably maintaining the electricity distribution networks supplying over 3.9m homes and businesses across central southern England and the north of Scotland. SSEN Distribution's networks cover the greatest land mass of any of the UK's Distribution Network Operators spanning over 75,000km² of extremely diverse terrain. The business has significant growth opportunities as a key enabler of the local and national transition to a net zero future.

Key Performance Indicators	September 24	September 23
Distribution adjusted and reported operating profit - £m	346.3	120.1
Regulated Asset Value (RAV) - £m	5,528	5,138
Distribution adjusted investment and capital expenditure - £m	296.2	245.5
Electricity Distributed – TWh	12.0	16.7
Customer minutes lost (SHEPD) average per customer	31	28
Customer minutes lost (SEPD) average per customer	27	27
Customer interruptions (SHEPD) per 100 customers	28	25
Customer interruptions (SEPD) per 100 customers	22	26

RAV, Customer minutes lost and Customer interruptions figures estimated and subject to outturn of annual regulatory process

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY – RIIO-ED2

SSEN Distribution is mid-way through the second year of the RIIO-ED2 price control, which runs until March 2028. This secured £3.6bn of baseline expenditure, an increase of 22% on the previous price control, and there is further opportunity to trigger up to £0.7bn in additional funding under Uncertainty Mechanisms to meet new demand and generation growth, and to improve subsea cable connections to Scotland's islands.

SSEN is continuing to deliver this plan at pace, engaging with Government and the Regulator to ensure that the agility within the price control is fully maximised to deliver on the recently accelerated timescales for clean power delivery. This approach balances network optimisation through expanding capabilities in local flexibility with growing the asset base to underpin the net zero transition, thus increasing long-term Regulatory Asset Value (RAV). Targeted improvements in performance and efficiency are also being made while retaining a core focus on delivery of business plan outputs.

Improving customer performance

Targets for improving service levels for customers are set through the regulatory framework. In RIIO-ED2, the performance required to secure higher incentive rewards has been tightened. Within the Interruptions Incentive Scheme (IIS), SSEN is offered an incentive on its performance against the loss of supply, through the recording of the number of Customer Interruptions (CI) and Customer Minutes Lost (CML). These include both planned and unplanned interruptions.

SEPD has seen an 18% improvement in its Customer Interruption (CI) performance with Customer Minutes Lost (CML) performance remaining stable. SHEPD's CI performance declined by 12% compared with the same point last year with its CML performance declining by 11%. The improvements in SEPD reflect progress in defect removal, the installation of more automation, and more recruitment and training of new colleagues to carry out routine maintenance and tree cutting. In SHEPD, poor weather throughout the summer – which did not qualify as exceptional under IIS provisions – contributed to network performance.

SHEPD's Customer Satisfaction Score increased by 1% in the first half of this financial year; in SEPD it decreased by 2.5%. Delivering improvements to customer satisfaction is a key focus for the business, and the 'Perform' programme is reorganising the Operations division in central southern England. This is beginning to deliver performance improvements, including a 24% increase in the number of network jobs completed per day.

Capital investment programme

Following £505.1m of investment and capital expenditure in 2023/24, SSEN Distribution's capital investment programme continues to accelerate, with £296.2m being invested in the year to date – a £50.7m increase on the same period last year. At one of the Grid Supply Points (GSPs) in Iver in West London, delivery is currently underway on a £175m upgrade, which will remove fault level constraints, accommodate connections for new customers, and improve operational flexibility. In the SEPD licence area, frameworks worth >£1bn have been agreed with delivery partners which will bring benefits to customers and create capacity for new connections. A similar programme for the SHEPD licence area will result in tenders being awarded in the coming months.

OTHER REGULATORY INVESTMENTS

In total, more than £130m of Uncertainty Mechanism spend has so far been approved or minded-to approved by Ofgem in the RIIO-ED2 price control period, with the majority of potential additional funding becoming eligible for triggering later in the price control.

Ofgem is assessing SSEN's plans for the Shetland Standby Project under the Shetland Enduring Solution reopener. A draft determination published in September 2024 proposed that the reopener would be funded in line with SSEN's request of £27m for the rest of the current price control period. This follows proactive work with stakeholders and the regulator to prepare a robust, evidence-based submission. The final decision is expected in winter 2024.

Looking further ahead to load-related Uncertainty Mechanisms which will open for submissions in January 2025, SSEN Distribution is taking an approach which seeks to invest proactively and strategically to meet generation and demand needs to 2050.

Leading on the future system

SSEN Distribution has become the first Distribution Network Operator to publish Strategic Development Plans, setting out a regional view of expected generation and demand growth and related network investment need in stages to 2050. These are now being produced for each Grid Supply Point (GSP) and the area it serves. They will act as blueprints for optimal investment and provide evidence to Ofgem on the feasibility of plans and the cost to consumers.

SSEN's strong support for net zero planning at a local level is borne out by proactive relationships with local authorities. This is epitomised by SSEN's sector-leading Local Energy Net Zero Accelerator (LENZA) application. LENZA is a geospatial planning tool, which empowers local authorities to make effective net zero plans and provides robust evidence for the regulatory funding of future investment.

SSEN Distribution remains at the forefront of the development of new flexible electricity systems. In this year's Ofgem Distribution System Operator (DSO) Performance Panel, SSEN scored well and secured an upper-tier incentive return of £2.2m.

SSEN Distribution also continues to increase the tendering of Flexibility Services in areas where localised high demand can be offset to extend overall network capacity. SSEN recently launched a new Flexibility Market Platform and has signed 19 new Overarching Agreements with 12 different companies. A total of 20 different companies are now on a Flexibility Service Contract and the business has already sought the procurement of a further 367MW this year, adding to the 703MW of flexibility services contracted during 2023/24.

SSE RENEWABLES

SSE Renewables is a leading developer and operator of renewable energy generation, focusing on onshore and offshore wind, hydro, solar and battery storage. The business' core focus is on the UK and Ireland, with a growing presence in carefully selected international markets, and comprises c2,100 renewable energy professionals predominately based across the UK and Ireland with a growing presence in Continental Europe and Japan.

Key Performance Indicators	September 24	September 23
Renewables adjusted operating profit - £m	335.6	86.8
Renewables reported operating profit - £m	270.5	18.3
Renewables adjusted investment & capital expenditure before acquisitions – £m	491.9	447.1
Generation capacity – MW		
Onshore wind capacity (GB) – MW	1,728	1,285
Onshore wind capacity (NI) – MW	117	117
Onshore wind capacity (ROI) – MW	581	567
Total onshore wind capacity – MW	**2,426**	**1,969**
Offshore wind capacity (GB) – MW	1,014	1,014
Conventional hydro capacity (GB) – MW	1,160	1,159
Pumped storage capacity (GB) – MW	300	300
Battery capacity (GB) - MW	50	-
Total renewable generation capacity (inc. pumped storage) – MW	**4,950**	**4,442**
Contracted capacity	3,458	3,015
Generation output – GWh (including compensated constraints)		
Onshore wind output (GB) – GWh	1,720	1,060
Onshore wind output (NI) – GWh	84	97
Onshore wind output (ROI) – GWh	516	532
Total onshore wind output – GWh	**2,320**	**1,689**
Offshore wind output (GB) – GWh	1,715	1,006
Conventional hydro output (GB) – GWh	1,194	884
Pumped storage output (GB) – GWh	151	144
Battery output (GB)-GWh	21	-
Total renewable generation (inc. pumped storage & battery) – GWh	**5,401**	**3,723**

1. Capacity and output based on 100% of wholly owned sites and share of joint ventures
2. Total renewable generation capacity increased by 508MW from September 2023. This principally reflects 443MW from Viking wind farm fully operational August 2024 and 50MW from Salisbury BESS completed in April 2024.
3. Contracted capacity includes sites with a CfD, eligible for ROCs, or contracted under REFIT (CfD contracts may be still to commence)
4. Onshore GB wind output includes 420GWh of compensated constrained off generation in HY2024/25 and 272GWh in HY2023/24; Offshore GB wind output includes 731GWh of compensated constrained off generation in HY2024/25 and 62GWh in HY2023/24
5. Biomass capacity of 15MW and output of 28GWh in HY2024/25 and 37GWh HY2023/24 is excluded, with the associated operating profit or loss reported within SSE Enterprise

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY

In onshore, operational performance was strong across the portfolio with higher-than-average wind speeds, especially in late summer. Total volumes to September were 2,320GWh, significantly higher than prior year volume of 1,689GWh. This was a result of wind resource for the period combined with Viking entering into operations. Asset availability remained high with planned maintenance campaigns delivered on time.

In offshore, Beatrice (588MW, SSE share 40%), Greater Gabbard (504MW, SSE share 50%) and Seagreen (1,075MW, SSE share 49%) all performed in line with, or better than, expectations. Beatrice was impacted by transmission outages for tie-in works, but this was offset by a combination of high availability and better than forecast wind resource. Greater Gabbard also enjoyed increased turbine availability, although export capability has recently been impacted due to a switchgear failure for which a resolution is in progress. Seagreen performed well in its first full year of operation with higher than anticipated wind resource and good availability delivering above expectation.

In hydro, operational performance was strong in the first six months of the financial year with production of 1,194GWh, higher than prior period volume of 884GWh. At Foyers, plant availability was good at 85%.

DELIVERING WORLD-CLASS ASSETS

Onshore, a landmark milestone was achieved with the completion of Viking wind farm (443MW) in Shetland in August 2024 achieved on time and on budget, with the project supporting around 35 full time jobs in addition to a community fund that is expected to contribute more than £70m to the local Shetland economy over its lifetime. Construction is substantially complete at Yellow River (101MW) in Ireland with first power expected before the end of 2024, supporting commercial operations in spring 2025. Export will be via a temporary connection prior to transfer to a permanent connection, expected in late 2025.

Offshore, installation and commissioning work resumed on the turbines at Dogger Bank A in late August, following recent blade failures on the Haliade-X turbine. It is expected Dogger Bank A will reach completion within the second half of calendar year 2025. This expected completion date reflects the delay resulting from additional quality assurance procedures and remedial works put in place by GE Vernova.

On Dogger Bank B, the interarray cable lay has commenced, and all monopiles and transition pieces have been produced with around 85% installed. At Dogger Bank C, offshore substation platform completion work is ongoing and onshore converter station construction continues to progress. It is anticipated that there will be a knock-on effect for turbine installations at both Dogger Bank B and C as a consequence of the delays on Dogger Bank A. The delays are not expected to materially impact Dogger Bank's equity returns across all three phases, which remain comfortably above SSE's offshore wind hurdle rate.

In hydro, SSE Renewables completed the refurbishment of its Tummel Bridge power station in August 2024, increasing the station's potential output to 34-40MW and extending its life by 30 years. The business is also carrying out other improvement works on hydro assets to maximise run-off, storage and optimisation benefits.

SSE Renewables reached FID on its first onshore wind projects in Italy, Castel Favorito and Masseria la Cattiva (together 17MW), in the Puglia region. Construction is due to begin in by the end of 2024 and COD is expected in 2026. Construction continues on SSE Renewables' first French onshore wind farm, Chaintrix (c.28MW), with all turbines now installed, first power achieved and commercial operations expected in early 2025.

GROWTH OPPORTUNITIES – GB & IRELAND

In September 2024, SSE Renewables' Cloiche wind farm (130.5MW), located in the Scottish Highlands, was successful in the UK's sixth Contract for Difference (CfD) Allocation Round. It will receive a guaranteed strike price of £50.90/MWh, based on 2012 prices but annually indexed since then for CPI inflation, for a 15-year period from the 2027/28 delivery year. A final investment decision is expected in 2025.

In Ireland, SSE Renewables was successful in securing a 16.5-year contract for Drumnahough wind farm (60MW, SSE share 50%) in the fourth round of the Renewable Electricity Support Scheme auction, where the average weighted bid price was €90.47/MWh for onshore wind.

In June, SSE Renewables submitted an offshore planning consent application for the offshore infrastructure required for its proposed Arklow Bank Wind Park 2 project (800MW) in the Irish Sea. With consent secured for the operations and maintenance base and for the onshore cabling and substation, this marks the third and final planning consent required to move to the construction stage of the project.

SSE Renewables added to its grid-scale battery storage projects with the acquisition of a consented battery energy storage system (BESS) – Thornberry BESS (120MW/240Mwh in Co Offaly). Subject to reaching FID, Thornberry could be operational by the end of the decade.

In October 2024, the UK Government confirmed it will introduce a cap and floor scheme for long-duration electricity storage, a mechanism which SSE has long called for to support pumped hydro storage. The scheme will open to applications in 2025. SSE Renewables hopes to make a final investment decision on Coire Glas (c.1,300MW) subject to a timely process and being successful in the administrative allocation of an investable mechanism.

GROWTH OPPORTUNITIES – INTERNATIONAL

Continental Europe

In the Netherlands, SSE Renewables was successful in securing the Alpha site (2GW, SSE share 50%) in the Dutch Government's Ijmuiden Ver zone tender, with its joint venture partner APG (acting on behalf of Dutch pension fund ABP). The award is for a pre-developed and fully consented offshore wind site in the North Sea, with a 40-year lease period (€1m annual payment). Subject to reaching FID, expected by late 2025, the wind farm would be commissioned by the end of the decade.

Japan

In June, a consortium including SSE's joint ownership company, SSE Pacifico (80% stake), was awarded funding from the Japanese Government for a c.30MW floating offshore wind demonstration project in Japan. If it proceeds to construction, the project would be one of the deepest offshore development sites in the world at depths of up to 400m.

SSE THERMAL

SSE Thermal owns and operates conventional flexible thermal generation in GB and Ireland, whilst actively exploring opportunities for growth in technologies such as carbon capture and storage (CCS) and hydrogen power generation. SSE Thermal's flexible and efficient fleet of gas-fired generation will continue to play a critical role in the transition to net zero, providing reliable back-up power and complementing renewable energy.

Key Performance Indicators	September 24	September 23
Thermal adjusted operating (loss)/profit - £m	(9.0)	312.9
Thermal reported operating (loss)/profit - £m	(6.3)	234.6
Thermal adjusted investment and capital expenditure, before acquisitions – £m	46.4	38.2
Generation capacity – MW		
Gas- and oil-fired generation capacity (GB) – MW	5,538	5,538
Gas- and oil-fired generation capacity (ROI) – MW	672	672
Energy from waste capacity (GB) – MW	28	0
Total thermal generation capacity – MW	**6,237**	**6,210**
Generation output – GWh		
Gas- and oil-fired output (GB) – GWh	6,295	6,099
Gas- and oil-fired output (ROI) – GWh	640	921
Energy from waste output (GB) – GWh	22	0
Total thermal generation – GWh	**6,957**	**7,020**

1 Capacity is wholly owned and share of joint ventures, and reflects Transmission Entry Capacity
2 Output is based on SSE 100% share of wholly owned sites and 100% share of Marchwood PPAs due to the contractual arrangement.
3 Output in GB in six months to September 2024 excludes 20GWh of pre-commissioning output from Slough Multifuel which commissioned August 2024.

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY

The role of thermal plant has changed materially over the last two years. Its value to the market is increasingly to provide back-up reserve to the renewables led system (remunerated through the Capacity Mechanism) and then to provide flexible response as overall UK balances change. Increasingly this means that the value of the intrinsic baseload spark spread is less relevant to Thermal revenues, and value is accrued through the Capacity Mechanism, offering the National Energy System Operator services though the Balancing Mechanism and other ancillary contracts and then through trading the option value of the assets.

At all times the Thermal portfolio offers the wider group protection from price spikes, renewables shortfall or asset availability issues and therefore has material risk management value to the Group.

In the first six months of 2024/25, the SSE Thermal fleet delivered strong commercial availability – availability when the market requires flexible power generation – despite planned outages at Keadby 2, Great Island and Seabank extending beyond the original schedule.

Slough Multifuel completed its first full month of commercial operation, delivering incremental value to the business, although also affected by low GB power prices. Slough Multifuel's 15-year Capacity Market agreement commenced on 1 October 2024.

Lower spark spreads have also been seen in Ireland, as continued strong demand in a tight Irish system has been offset by increased CCGT capacity available to the market. Whilst period-on-period output from Great Island has been lower than expected due to an extended outage, since full return to service in August it has run predominantly baseload.

Managing availability responsibly, both within year and taking a view of future system needs, continues to be a priority for SSE Thermal. This is being considered when setting out the approach to maintenance programmes – planning across multiple years and portfolio-wide to build in additional resilience, with the older existing assets (Keadby 1, Medway and Peterhead) now expected to play an important role on the system for longer than originally anticipated, and at least to 2030.

CONSTRUCTION PROGRAMME

In August, the construction and commissioning of Slough Multifuel was completed, with the site handed to commercial operations. The build of the 55MW energy-from-waste plant began in May 2021 with the project – a 50/50 JV with Copenhagen Infrastructure Partners – being delivered ahead of schedule and on budget.

In Ireland, construction of a Temporary Emergency Generation unit at Tarbert is nearing completion. The 150MW emergency capacity, being delivered at the request of Irish authorities, is now scheduled to be available by the end of 2024. Under legislation from the Irish Government, it will cease operations when the temporary electricity emergency has been addressed and no later than March 2028. Until then, it would only be utilised when it is clear that market-sourced generation will not be sufficient to meet system needs and with a maximum running time of 500 hours per year.

GROWTH OPPORTUNITIES

Strong progress is being made on SSE Thermal's proposed new power stations in Ireland which would run on 100% sustainable biofuels. In October 2024, SSE Thermal received planning consent from An Bord Pleanála for the 300MW Tarbert Next Generation Power Station in County Kerry. A planning decision is expected soon from An Bord Pleanála on the 170MW Platin Power Station in County Meath. A final investment decision is targeted by the end of 2024 for the projects, both of which hold 10-year capacity agreements due to commence in the 2026/2027 delivery year.

In GB, SSE Thermal is actively developing two new flexible power stations at its Keadby and Ferrybridge sites. The up to 910MW (SSE share 50%) Keadby Next Generation Power Station and up to 1.2GW Ferrybridge Next Generation Power Station would be 'dual fuel' in nature, allowing them to run on natural gas before converting to hydrogen once the necessary transport and storage infrastructure has been deployed. SSE Thermal is taking this approach to minimise the risk of carbon lock-in, while recognising that progress to decarbonise flexible generation in the GB power system has been slower than anticipated and there is a need for additional flexible capacity on the system over the coming decade.

As part of its strategy to unlock hydrogen, SSE Thermal is also continuing development on multiple hydrogen production projects. It has partnered with EET Hydrogen on Gowy Green Hydrogen, a proposed 40MWe green hydrogen production facility in Cheshire. Planning activity is expected to commence for Gowy Green Hydrogen and the H2NorthEast blue hydrogen production project, a joint venture with Kellas Midstream located in Teesside, in 2025.

A planning application has been submitted for Aldbrough Hydrogen Pathfinder, a first-of-a-kind project which would unite hydrogen production, storage and power generation in one location by 2028. The project has also been entered into the Government's HAR2 allocation round, with progress expected in spring 2025.

The UK Government is expected to unveil next steps for deployment of carbon capture technology in Scotland and the Humber in the Spring of 2025, following its £22bn commitment to CCS in October 2024. It is anticipated this will open opportunities for SSE Thermal's Peterhead Carbon Capture and Keadby Carbon Capture to receive Dispatchable Power Agreements and help to deliver the UK Government's clean energy ambitions.

GAS STORAGE

SSE holds around 40% of the UK's conventional underground gas storage capacity at two sites on the east Yorkshire coast. The Atwick facility, near Hornsea, is wholly-owned by SSE, while the Aldbrough facility is operated as a joint venture with Equinor. These two sites offer flexibility and hedging services to the UK and interconnected gas markets. As part of the transition to net zero, opportunities to convert gas storage facilities to store low-carbon hydrogen, which can be used to decarbonise power generation, industry, heat, transport and other key sectors are being explored.

Key Performance Indicators	September 24	September 23
Gas Storage adjusted operating loss- £m	(34.8)	(86.7)
Gas Storage reported operating (loss) / profit - £m	(34.8)	(91.3)
Gas storage adjusted investment and capital expenditure - £m	0.9	0.2
Gas storage level at period end – mTh	117	109
Gas storage level at period end – %	62	58

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY

SSE's Gas Storage business continues to respond to market needs, optimising assets to help ensure security of gas supply for the UK whilst providing important liquidity to the market. These assets are an important risk management tool for the Group's generation portfolio. They offer short-notice flexibility as a result of their technical ability to cycle quickly and mitigate exposures from wind speeds and demand variability.

The patterns of operation give rise to seasonal variations in financial performance depending on the market dynamics. The gas markets have demonstrated limited volatility in the first half of the year, with minimal spread between summer and winter prices.

Third party contracts have been secured with three customers for injection and withdrawal, locking in value for the assets while maintaining the ability to trade the remaining capacity.

Availability at Atwick was limited from August to October for planned maintenance intervention on Cavern Three and work to maintain operability of the compressors. The site reached full injection capacity in October. At Aldbrough, all caverns provided strong injection and withdrawal availability across the period.

GROWTH OPPORTUNITIES

Good progress was made by the UK Government on the development of the Hydrogen Storage Business Model in the early part of the year. Despite slower progress since the new Government took office, DESNZ still recognises the strategic importance of hydrogen storage to cost-effective deployment of a hydrogen economy. SSE Thermal expects that the allocation processes for hydrogen transport and storage support will progress in 2025.

Aldbrough Hydrogen Storage, which SSE is developing in partnership with Equinor, remains well placed to enter this process and be part of a broader Humber Hydrogen Hub that could link Aldbrough, Saltend and Easington into a regional hydrogen network. Preparation to submit a planning application for Aldbrough Hydrogen Storage continues, with statutory consultation completed.

ENERGY CUSTOMER SOLUTIONS

SSE Business Energy in Great Britain (non-domestic) and SSE Airtricity on the island of Ireland (domestic and non-domestic) provide a shopfront and route to market for SSE's generation, renewable green products and low-carbon energy solutions. Across Great Britain and the island of Ireland, the primary focus has been on supporting customers, modernising systems and expanding the green energy and low carbon product offerings to enable customers to reduce their energy consumption and carbon emissions.

SSE BUSINESS ENERGY

Key Performance Indicators	September 24	September 23
SSE Business Energy adjusted & reported operating profit - £m	60.1	88.0
Electricity Sold – GWh	4,895	5,203
Gas Sold – mtherms	46.1	60.8
Aged Debt (60 days past due) - £m	356.8	230.3
Bad debt expense - £m	17.1	56.6
Energy customers' accounts – m	0.34	0.41

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY

Connecting customers with SSE's renewable assets continues to be a core focus for the business, with additional corporate customers successfully securing CPPA products during the period. Delivery of the Smart programme continues, with the business expected to exceed its target by year-end.

Under the SSE Energy Solutions brand, the business continues to deliver transformative decarbonisation projects through a range of public and private sector partnerships. SSE Energy Solutions' partnership with Ortus Energy includes the acquisition of 13MW of existing rooftop solar assets and the option to finance up to 130MW of future solar projects over the next three years, providing future growth opportunities and optionality around developing new customer propositions.

Following the implementation of a new customer management system, focus has been on fully integrating the new system to deliver an improved customer experience and increased capability for a broader offering.

SSE AIRTRICITY

Key Performance Indicators	September 24	September 23
Airtricity adjusted operating profit - £m	70.6	5.8
Airtricity reported operating profit - £m	70.6	5.3
Aged Debt (60 days past due) - £m	19.7	19.8
Bad debt expense - £m	2.1	5.4
Airtricity Electricity Sold – GWh	3,152	3,110
Airtricity Gas Sold – mtherms	85.3	67.0
All Ireland energy market customers (Ire) – m	0.79	0.74

For financial performance commentary please refer to the Group Financial Review.

OPERATIONAL DELIVERY

During the first half of this year, Airtricity continued to support domestic customers through tariff reductions on three consecutive occasions and ongoing discretionary supports. Higher customer numbers and higher volumes contributed to a return to profitability. SSE Airtricity also launched its £5m Generation Green Community Fund in May which will deliver funding for sustainable initiatives in communities across the island of Ireland.

SSE Airtricity remains focused on providing a route to market for green generation and developing low carbon solutions for all customer segments, with households and businesses across the island of Ireland benefiting from its home energy efficiency upgrades. The business sees further opportunity for developing energy efficiency upgrades in Northern Ireland and developing its B2B proposition across the island. Part of the low carbon solutions offering comes via SSE Airtricity's 50% joint venture partnership with Activ8 Solar Energies.

The business is dedicated to customer proposition innovation with a particular focus on demand side flexibility, resulting in the launch of its Energihub offering. Customer service is central to its innovation efforts, with increased utilisation of digital tools to meet customers' needs.

SSE ENTERPRISE

SSE Enterprise has long been the incubator of new propositions and now, to build an enhanced platform for growth, structural changes are being made to incorporate the constituent parts of the business into other areas of the SSE Group. This strategic realignment will optimise the growth potential of offerings like smart digital and distributed energy solutions such as district heat networks, EV charging infrastructure, private wires, behind the meter solar and battery, and Independent Distribution Network Operator (IDNO) capability by leveraging the strength of the Group.

Key Performance Indicators	September 24	September 23
SSE Enterprise adjusted and reported operating (loss) - £m	(19.0)	(8.4)
SSE Heat Network Customer Accounts	12,823	11,493
Biomass, heat network and other capacity – MW	26	26
Biomass, heat network and other output - GWh	43	49

For financial performance commentary please refer to the Group Financial Review.

Operational delivery

In July 2024, SSE Enterprise's EV business agreed a joint venture with TotalEnergies, creating Source . Source targets the deployment of up to 3,000 high power charge points, grouped in 300 "EV hubs". The joint venture has made a strong start to its growth plans with 34 EV charging hubs to be completed by the financial year end. This includes the launch of Scotland's most powerful EV charging hub in Myrekirk, Dundee (2.5MVA) and SSE's first EV hub in the Republic of Ireland in Lough Sheever (0.8 MVA).

In IDNO, the business has developed a 150MVA private network connection trial at Imperial Park in South Wales, bringing the site's total capacity to around 400MVA. Meanwhile, the smart digital energy solutions business continues to work with SSE Energy Markets to optimise front-of-meter battery trading for the Group.

Operational availability across the portfolio of 18 heat networks in Scotland and England remains strong, with Slough Heat and Power benefiting from additional connections to deliver electric, water and steam services across Slough Trading Estate.

The business continues to develop its whole system approach to local networks and has entered a joint development agreement with Northumberland Estates Renewables to develop large-scale solar farms, battery energy storage systems and district heat networks in the north of England.

The business is pioneering innovation in heat distribution and has an ambitious project pipeline under development in advance of the UK Government's proposals for a new regulation and zoning regime to support investment in heat networks in England. This includes capturing heat from data centres, deep geothermal, electricity network transformers and energy-from-waste plants.

SSE ENERGY MARKETS

SSE Energy Markets – previously Energy Portfolio Management (EPM) – commercially optimises all of SSE's market-based Business Unit assets in the wholesale energy markets, securing value on behalf of these businesses by trading in wholesale energy markets and managing volatility through active risk management.

This involves trading the principal commodities to which SSE's asset portfolios are exposed, as well as the spreads between two or more commodity prices (e.g. spark spreads): power (baseload and other products); gas; and carbon (emissions allowances). Each commodity has different risk and liquidity characteristics, which impacts the quantum of hedging possible.

Key Performance Indicators	September 24	September 23
SSE Energy Markets adjusted operating profit - £m	14.1	9.0
SSE Energy Markets reported operating profit - £m	79.3	88.9

For financial performance commentary please refer to the Group Financial Review.

Operational delivery

SSE Energy Markets plays a pivotal role in navigating energy market volatility, managing risk and ensuring the Group's market-based Business Units can capture and maximise value. This covers all trading periods, with decisions being made from one Centre of Excellence. The value Energy Markets secures for SSE's asset portfolio continues to be reported against individual Business Units.

The business has continued to build a strong portfolio of third-party assets as part of its strategy of independently adding value to the Group. In the first half of the year, it signed a 15-year route-to-market PPA with Inch Cape to optimise its Inch Cape Offshore Wind Farm. As part of the agreement, SSE Energy Markets will offtake 50% of the wind farm's electricity output and associated environmental benefits.

It also signed a two-year route-to-market PPA with CWP Energy for its Aikengall I onshore wind farm in East Lothian, Scotland. This builds on 10-year optimisation contracts previously secured on Copenhagen Infrastructure Partners' 500MW BESS project in Coalburn, Scotland and with Sheaf Energy Limited for their 249MW BESS project in Kent, England.

SSE Energy Markets has also increased the volumes it is trading in European power and gas markets, which will be critical as the Group seeks opportunities in carefully selected international markets. It has also continued to adapt to the shifting energy landscape by further strengthening its data and advanced analytics capabilities.

ALTERNATIVE PERFORMANCE MEASURES

When assessing, discussing and measuring the Group's financial performance, management refer to measures used for internal performance management. These measures are not defined or specified under International Financial Reporting Standards ("IFRS") and as such are considered to be Alternative Performance Measures ("APMs").

By their nature, APMs are not uniformly applied by all preparers including other participants in the Group's industry. Accordingly, APMs used by the Group may not be comparable to other companies within the Group's industry.

Purpose

APMs are used by management to aid comparison and assess historical performance against internal performance benchmarks and across reporting periods. These measures provide an ongoing and consistent basis to assess performance by excluding items that are materially non-recurring, uncontrollable or exceptional. These measures can be classified in terms of their key financial characteristics:

- **Profit measures** allow management to assess and benchmark underlying business performance during the period. They are primarily used by operational management to measure operating profit contribution and are also used by the Board to assess performance against business plan. The Group has six profit measures, of which adjusted operating profit and adjusted profit before tax are the main focus of management through the financial period and adjusted earnings per share is the main focus of management on an annual basis. In order to derive adjusted earnings per share, the Group has defined adjusted operating profit, adjusted net finance costs, and adjusted current tax charge as components of the adjusted earnings per share calculation. Adjusted EBITDA is used by management as a proxy for cash derived from ordinary operations of the Group.
- **Capital measures** allow management to track and assess the progress of the Group's significant ongoing investment in capital assets and projects against their investment cases, including the expected timing of their operational deployment and also to provide a measure of progress against the Group's strategic Net Zero Acceleration Programme Plus objectives ("NZAP Plus").
- **Debt measures** allow management to record and monitor both operating cash generation and the Group's ongoing financing and liquidity position.

There have been no changes to the way the Group calculates its APMs in the current period.

The following section explains the key APMs applied by the Group and referred to in these statements:

PROFIT MEASURES

Group APM	Purpose	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements
Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation)	**Profit measure**	**Operating profit**	• Movement on operating and joint venture operating derivatives ('certain re-measurements') • Exceptional items • Adjustments to retained Gas Production decommissioning provision • Share of joint ventures and associates' interest and tax • Depreciation and amortisation before exceptional charges (including depreciation and amortisation expense on fair value uplifts) • Share of joint venture and associates' depreciation and amortisation • Non-controlling share of operating profit • Non-controlling share of depreciation and amortisation • Release of deferred income
Adjusted Operating Profit	**Profit measure**	**Operating profit**	• Movement on operating and joint venture operating derivatives ('certain re-measurements') • Exceptional items • Adjustments to retained Gas Production decommissioning provision • Depreciation and amortisation expense on fair value uplifts • Share of joint ventures and associates' interest and tax • Non-controlling share of operating profit
Adjusted Profit Before Tax	**Profit measure**	**Profit before tax**	• Movement on operating and financing derivatives ('certain re-measurements') • Exceptional items • Adjustments to retained Gas Production decommissioning provision • Non-controlling share of profit before tax • Depreciation and amortisation expense on fair value uplifts • Interest on net pension assets/liabilities (IAS 19) • Share of joint ventures and associates' tax
Adjusted Net Finance Costs	**Profit measure**	**Net finance costs**	• Exceptional items • Movement on financing derivatives • Share of joint ventures and associates' interest • Non-controlling share of financing costs • Interest on net pension assets/liabilities (IAS 19)
Adjusted Current Tax Charge	**Profit measure**	**Tax charge**	• Share of joint ventures and associates' tax • Non-controlling share of current tax • Deferred tax including share of joint ventures, associates and non-controlling interests • Tax on exceptional items and certain re-measurements

Group APM	Purpose	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements
Adjusted Earnings Per Share	**Profit measure**	**Earnings per share**	• Exceptional items • Adjustments to retained Gas Production decommissioning provision • Movements on operating and financing derivatives ('certain re-measurements') • Depreciation and amortisation expense on fair value uplifts • Interest on net pension assets/liabilities (IAS 19) • Deferred tax including share of joint ventures, associates and non-controlling interests

RATIONALE FOR ADJUSTMENTS TO PROFIT MEASURES

1 Movement on operating and financing derivatives ('certain re-measurements')

This adjustment can be designated between operating and financing derivatives.

Operating derivatives are contracts where the Group's SSE Energy Markets function enters into forward commitments or options to buy or sell electricity, gas and other commodities to meet the future demand requirements of the Group's SSE Business Energy and SSE Airtricity operating units, or to optimise the value of the production from SSE Renewables and Thermal generation assets or to conduct other trading subject to the value at risk limits set out by the Energy Markets Risk Committee. Certain of these contracts (predominately purchase contracts) are determined to be derivative financial instruments under IFRS 9 and as such are required to be recorded at their fair value. Changes in the fair value of those commodity contracts designated as IFRS 9 financial instruments are reflected in the income statement (as part of 'certain re-measurements'). The Group shows the change in the fair value of these forward contracts separately as this mark-to-market movement is not relevant to the underlying performance of its operating segments due to the volatility that can arise on revaluation. The Group will recognise the underlying value of these contracts as the relevant commodity is delivered, which will predominantly be within the subsequent 12 to 24 months. Conversely, commodity contracts that are not financial instruments under IFRS 9 (predominately sales contracts) are accounted for as 'own use' contracts and are consequently not recorded until the commodity is delivered and the contract is settled. Gas inventory purchased by the Group's Gas Storage business for secondary trading opportunities is also held at fair value with gains and losses on re-measurement recognised as part of 'certain re-measurements' in the income statement. Finally, the mark-to-market valuation movements on the Group's contracts for difference contracts entered into by SSE Renewables that are not designated as government grants and which are measured as Level 3 fair value financial instruments are also included within 'certain re-measurements'.

Financing derivatives include all fair value and cash flow interest rate hedges, non-hedge accounted (mark-to-market) interest rate derivatives, cash flow foreign exchange hedges and non-hedge accounted foreign exchange contracts entered into by the Group to manage its banking and liquidity requirements as well as risk management relating to interest rate and foreign exchange exposures. Changes in the fair value of those financing derivatives are reflected in the income statement (as part of 'certain re-measurements'). The Group shows the change in the fair value of these forward contracts separately as this mark-to-market movement is not relevant to the underlying performance of its operating segments.

The re-measurements arising from operating and financing derivatives, and the tax effects thereof, are disclosed separately to aid understanding of the underlying performance of the Group.

2 Exceptional Items

Exceptional charges or credits, and the tax effects thereof, are considered unusual by nature or scale and of such significance that separate disclosure is required for the underlying performance of the Group to be properly understood. Further explanation for the classification of an item as exceptional is included in note 2 (iii).

3 Adjustments to retained Gas Production decommissioning provision

The Group retains an obligation for 60% of the decommissioning liabilities of its former Gas Production business which was disposed in October 2021. The revaluation adjustments relating to these decommissioning liabilities are accounted for through the Group's consolidated income statement and are removed from the Group's adjusted profit measures as the revaluation of the provision is not considered to be part of the Group's core continuing operations.

4 Share of joint ventures and associates' interest and tax

This adjustment can be split between the Group's share of interest and the Group's share of tax arising from its investments in equity accounted joint ventures and associates. The Group is required to report profit before interest and tax ('operating profit') including its share of the profit after tax of its equity accounted joint ventures and associates. However, for internal performance management purposes and for consistency of treatment, SSE reports its adjusted operating profit measure before its share of the interest and/or tax on joint ventures and associates.

5 Share of joint ventures and associates' depreciation and amortisation

For management purposes, the Group considers EBITDA (earnings before interest, tax, depreciation and amortisation) based on a sum-of-the-parts derived metric which includes a share of the EBITDA from equity accounted investments. While this is not equal to adjusted cash generated from operating activities, it is considered useful by management in assessing a proxy for such a measure, given the complexity of the Group structure and the range of investment structures utilised.

For the purpose of calculating the 'Net Debt to EBITDA' metric, 'adjusted EBITDA' is further refined to remove the proportion of adjusted EBITDA from equity-accounted joint ventures relating to off-balance sheet debt. This metric is not calculated for 30 September period ends.

6 Depreciation and amortisation expense on fair value uplifts

The Group's strategy includes the realisation of value (developer gains) from divestments of stakes in SSE Renewables' offshore and international developments. In addition, for strategic purposes, the Group may also decide to bring in equity partners to other businesses and assets. Where SSE's interest in such vehicles changes from full to joint control, and the subsequent arrangement is classified as an equity accounted joint venture, SSE may recognise a fair value uplift on the remeasurement of its retained equity investment. Those non-cash accounting uplifts will be treated as exceptional gains in the period of the relevant transactions completing. Furthermore, SSE may acquire businesses or joint venture interests which are determined to generate an exceptional opening gain on acquisition and accordingly an exceptional accounting fair value uplift to the opening assets acquired will be recorded. These uplifts create assets or adjustments to assets, which are depreciated or amortised over the remaining life of the underlying assets or contracts in those businesses with the charge being included in the Group's depreciation and amortisation expense. The Group's adjusted operating profit, adjusted profit before tax and adjusted earnings per share are therefore adjusted to exclude any additional depreciation, amortisation and impairment expense arising from fair value uplifts given these charges derived from significant one-off gains which are treated as exceptional when initially recognised.

7 Release of deferred income

The Group deducts the release of deferred income in the period from its adjusted EBITDA metric as it principally relates to customer contributions against depreciating assets. As the metric adds back depreciation, the income release is also deducted.

8 Interest on net pension assets/liabilities (IAS 19 "Employee Benefits")

The Group's net interest income relating to defined benefit pension schemes is derived from the net assets of the schemes as valued under IAS 19. This will mean that the credit or charge recognised in any given period will be dependent on the impact of actuarial assumptions such as inflation and discount rates. The Group excludes these from its adjusted profit measures due to the non-cash nature of these charges or credits.

9 Deferred tax

The Group adjusts for deferred tax when arriving at adjusted profit after tax, adjusted earnings per share and its adjusted effective rate of tax. Deferred tax arises as a result of differences in accounting and tax bases that give rise to potential future accounting credits or charges. As the Group remains committed to its ongoing capital programme, the liabilities associated are not expected to reverse and accordingly the Group excludes these from its adjusted profit measures.

10 Results attributable to non-controlling interest holders

The Group's structure includes non-wholly owned but controlled subsidiaries which are consolidated within the financial statements of the Group. The most significant of those is SSEN Transmission, a 25% stake in which was divested on 30 November 2022. In the current period ended 30 September 2024 and in the year ended 31 March 2024 the Group has removed the share of profit attributable to holders of non-controlling equity stakes in all such businesses from the point when the ownership structure changed from all of its profit measures, to report all metrics based on the residual share of profit items attributable to the ordinary equity holders of the Group. The adjustment has been applied consistently to all of the Group's adjusted profit measures, including removing proportionate non-controlling share of operating profit and depreciation and amortisation from the Group's adjusted EBITDA metric; removing the non-controlling share of operating profit from the Group's adjusted operating profit metric; removing the non-controlling share of net finance costs from the Group's adjusted net finance costs metric; and removing the non-controlling interest share of current tax from the Group's adjusted current tax metric.

30 September 2024

Continuing operations (£m)	Reported	Movement on derivatives	Exceptional items	Adjustments to Gas Production decommissioning provision	Depreciation expense on FV uplifts	Joint venture interest and tax	Interest on net pension asset	Deferred tax	Share of profits attributable to non-controlling interests	Adjusted
Operating profit	**902.8**	**(86.5)**	**21.9**	**(10.8)**	**9.9**	**75.3**	**-**	**-**	**(52.4)**	**860.2**
Net finance (costs)/income	**(56.9)**	**4.6**	**(0.3)**	**-**	**-**	**(86.2)**	**(10.2)**	**-**	**3.3**	**(145.7)**
Profit before taxation	**845.9**	**(81.9)**	**21.6**	**(10.8)**	**9.9**	**(10.9)**	**(10.2)**	**-**	**(49.1)**	**714.5**
Taxation	**(213.3)**	**19.7**	**(3.1)**	**-**	**-**	**10.9**	**-**	**95.3**	**(5.5)**	**(96.0)**
Profit after taxation	**632.6**	**(62.2)**	**18.5**	**(10.8)**	**9.9**	**-**	**(10.2)**	**95.3**	**(54.6)**	**618.5**
Attributable to other equity holders	**(110.5)**	**-**	**-**	**-**	**-**	**-**	**-**	**(17.8)**	**54.6**	**(73.7)**
Profit attributable to ordinary shareholders	**522.1**	**(62.2)**	**18.5**	**(10.8)**	**9.9**	**-**	**(10.2)**	**77.5**	**-**	**544.8**
Number of shares for EPS	**1,094.2**									**1,094.2**
Earnings per share (pence)	**47.7**									**49.8**

ADJUSTED EBITDA

30 September 2024

Adjusted operating profit from continuing operations £m	Share of joint venture and associates' depreciation and amortisation £m	Release of deferred income £m	Depreciation expense on FV uplifts £m	Depreciation, impairment and amortisation before exceptional charges £m	Share of depreciation, impairment and amortisation before exceptional items attributable to non-controlling interests £m	Adjusted EBITDA £m
860.2	**110.2**	**(7.4)**	**(9.9)**	**387.9**	**(18.0)**	**1,323.0**

30 September 2023 (restated*)

Continuing operations (£m)	Reported	Movement on derivatives	Exceptional items	Adjustments to Gas Production decommissioning provision	Depreciation expense on FV uplifts	Joint venture interest and tax	Interest on net pension asset	Deferred tax	Share of profits attributable to non-controlling interests	Adjusted
Operating profit	644.3	(49.7)	113.7	(3.5)	9.4	50.2	-	-	(71.2)	693.2
Net finance (costs)/income	(29.0)	(41.0)	(0.2)	-	-	(47.8)	(12.8)	-	2.8	(128.0)
Profit before taxation	615.3	(90.7)	113.5	(3.5)	9.4	2.4	(12.8)	-	(68.4)	565.2
Taxation	(155.9)	21.3	(3.2)	-	-	(2.4)	-	47.4	4.4	(88.4)
Profit after taxation	459.4	(69.4)	110.3	(3.5)	9.4	-	(12.8)	47.4	(64.0)	476.8
Attributable to other equity holders	(124.3)	-	-	-	-	-	-	(12.8)	64.0	(73.1)
Profit attributable to ordinary shareholders	335.1	(69.4)	110.3	(3.5)	9.4	-	(12.8)	34.6	-	403.7
Number of shares for EPS	1,090.4									1,090.4
Earnings per share (pence)	30.7									37.0

*The comparative has been restated. See note 2(v).

ADJUSTED EBITDA

30 September 2023

Adjusted operating profit from continuing operations £m	Share of joint venture and associates' depreciation and amortisation £m	Release of deferred income £m	Depreciation expense on FV uplifts £m	Depreciation, impairment and amortisation before exceptional charges £m	Share of depreciation, impairment and amortisation before exceptional items attributable to non-controlling interests £m	Adjusted EBITDA £m
693.2	104.3	(6.4)	(9.4)	343.6	(15.7)	1,109.6

31 March 2024

Continuing operations (£m)	Reported	Movement on derivatives	Exceptional items	Adjustments to Gas Production decommissioning provision	Depreciation expense on FV uplifts	Joint venture interest and tax	Interest on net pension asset	Deferred tax	Share of profits attributable to non-controlling interests	Adjusted
Operating profit	2,608.2	(522.7)	266.3	9.9	19.0	184.8	-	-	(139.1)	2,426.4
Net finance costs	(113.1)	(6.1)	(0.3)	-	-	(110.7)	(26.2)	-	4.7	(251.7)
Profit before taxation	2,495.1	(528.8)	266.0	9.9	19.0	74.1	(26.2)	-	(134.4)	2,174.7
Taxation	(610.7)	130.3	(23.3)	-	-	(74.1)	-	198.8	8.0	(371.0)
Profit after taxation	1,884.4	(398.5)	242.7	9.9	19.0	-	(26.2)	198.8	(126.4)	1,803.7
Attributable to other equity holders	(173.9)	-	-	-	-	-	-	(25.6)	126.4	(73.1)
Profit attributable to ordinary shareholders	1,710.5	(398.5)	242.7	9.9	19.0	-	(26.2)	173.2	-	1,730.6
Number of shares for EPS	1,091.8									1,091.8
Earnings per share (pence)	156.7									158.5

ADJUSTED EBITDA

31 March 2024

Adjusted operating profit from continuing operations £m	Share of joint venture and associates' depreciation and amortisation £m	Release of deferred income £m	Depreciation expense on FV uplifts £m	Depreciation, impairment and amortisation before exceptional charges £m	Share of depreciation, impairment and amortisation before exceptional items attributable to non-controlling interests £m	Adjusted EBITDA £m
2,426.4	208.8	(13.0)	(19.0)	724.9	(32.5)	3,295.6

DEBT MEASURE

Group APM	Purpose	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements
Adjusted Net Debt and Hybrid Capital	**Debt measure**	**Unadjusted net debt**	• Hybrid equity • Cash held and posted as collateral • Lease obligations • Non-controlling share of borrowings and cash

RATIONALE FOR ADJUSTMENTS TO DEBT MEASURE

11 Hybrid equity

The characteristics of certain hybrid capital securities mean they qualify for recognition as equity rather than debt under applicable accounting standards. Consequently, their coupon payments are presented within equity rather than within finance costs. As a result, the coupon payments are not included in SSE's adjusted profit before tax measure. In order to present total funding provided from sources other than ordinary shareholders, SSE presents its adjusted net debt measure inclusive of hybrid capital to better reflect the Group's funding position.

12 Cash held and posted as collateral

Cash held and posted as collateral refers to cash balances received from and deposited with counterparties including trading exchanges. Collateral balances mostly represent initial and variation margin, required as part of the management of the Group's exposures on commodity contracts, that will be received on maturity of the related trades. Loans with a maturity of less than three months are also included in this adjustment. The Group includes this adjustment in order to better reflect the immediate cash resources to which it has access, which in turn better reflects the Group's funding position.

13 Lease obligations

SSE's reported loans and borrowings include lease liabilities on contracts within the scope of IFRS 16 "Leases", which are not directly related to the external financing of the Group. The Group excludes these liabilities from its adjusted net debt and hybrid capital measure to better reflect the Group's underlying funding position with its primary sources of capital.

14 Debt and cash attributable to non-controlling interest holders

The Group's structure includes non-wholly owned but controlled subsidiaries which are consolidated within the financial statements of the Group under IFRS. The most significant of those is SSEN Transmission, a 25% stake in which was divested on 30 November 2022. Following completion of the transaction, the Group has removed the share of external debt and cash in these subsidiaries proportionately attributable to the non-controlling interest holders from its adjusted net debt and hybrid capital metric. While legal entitlement to these items has not changed, the Group makes this adjustment to present net debt attributable to ordinary equity holders of the Group.

March 2024 £m		**September 2024 £m**	September 2023 £m
(8,097.8)	Unadjusted net debt	**(8,688.8)**	(8,050.6)
(353.2)	Cash (held)/posted as collateral	**(260.2)**	140.6
407.5	Lease obligations	**401.4**	394.4
490.2	External net debt attributable to non-controlling interests	**586.2**	454.2
(7,553.3)	**Adjusted Net Debt**	**(7,961.4)**	(7,061.4)
(1,882.4)	Hybrid equity	**(1,882.4)**	(1,882.4)
(9,435.7)	**Adjusted Net Debt and Hybrid Capital**	**(9,843.8)**	(8,943.8)

CAPITAL MEASURES

Group APM	**Purpose**	**Closest equivalent IFRS measure**	**Adjustments to reconcile to primary financial statements**
Adjusted Investment and Capital Expenditure	**Capex measure**	**Capital additions to intangible assets and property, plant and equipment**	• Customer funded additions • Allowances and certificates • Additions acquired through business combinations • Joint ventures and associates' additions funding • Non-controlling share of capital expenditure • Lease asset additions
Adjusted Investment, Capital and Acquisition Expenditure	**Capital measure**	**Capital additions to intangible assets and property, plant and equipment**	• Customer funded additions • Allowances and certificates • Additions acquired through business combinations • Joint ventures and associates' additions funding • Non-controlling share of capital expenditure • Lease asset additions • Acquisition cash consideration

RATIONALE FOR ADJUSTMENTS TO CAPEX MEASURES

15 Customer funded additions

Customer funded additions represent additions to electricity and other networks funded by customer contributions. Given these are directly funded by customers, these additions have been excluded to better reflect the Group's underlying investment position.

16 Allowances and certificates

Allowances and certificates consist of purchased carbon emissions allowances and generated or purchased renewable obligations certificates ("ROCs") and additions in the period are not included in the Group's 'capital expenditure and investment' APM to better reflect the Group's investment in enduring operational assets.

17 Additions acquired through business combinations

Where the Group acquires an early stage development company, which is classified as the acquisition of an asset, or group of assets and not the acquisition of a business, the acquisition is treated as an addition to intangible assets or property, plant and equipment and is included within 'adjusted investment and capital expenditure'. Where the Group acquires an established business or interest in an equity-accounted joint venture requiring a fair value assessment in line with the principles of IFRS 3 'Business Combinations', the fair value of acquired consolidated tangible or intangible assets are excluded from the Group's 'adjusted investment and capital expenditure', as they are not direct capital expenditure by the Group. However, the fair valuation of consideration paid for the business or investment is included in the Group's 'adjusted investment, capital and acquisition expenditure' metric, see 21 below. During the period there were no significant business acquisitions.

18 Joint ventures and associates' additions funding

Joint ventures and associates' additions included in the Group's capital measures represent the direct loan or equity funding provided by the Group to joint venture and associate arrangements in relation to capital expenditure projects. This has been included to better reflect the Group's use of directly funded equity accounted vehicles to grow the Group's asset base. Asset additions funded by project finance raised within the Group's joint ventures and associates are not included in this adjustment.

19 Non-controlling interest share of capital expenditure

The Group's structure includes non-wholly owned but controlled subsidiaries which are consolidated within the financial statements of the Group under IFRS. The most significant of those is SSEN Transmission, a 25% stake in which was divested on 30 November 2022. In the current period and prior year, the Group has removed the share of capital additions attributable proportionately to these equity holders from the point when the ownership structure changed from its "adjusted investment and capital expenditure" and "adjusted investment, capital and acquisition expenditure" metrics. This is consistent with the adjustments noted elsewhere related to these non-controlling interests.

20 Lease additions

Additions of right of use assets under the Group's IFRS 16 compliant policies for lease contracts are excluded from the Group's adjusted capital measures as they do not represent directly funded capital investment. This is consistent with the treatment of lease obligations explained at 13, above.

21 Acquisition cash consideration in relation to business combinations

The Group has outlined a significant investment programme which will partly be achieved through the acquisition of businesses with development opportunities for the Group. The cash consideration paid for these entities is included within the Group's adjusted investment, capital and acquisition expenditure metric as it provides stakeholders an accurate basis of cash investment into the Group's total development pipeline and is consistent with the reporting of the Group's Net Zero Acceleration Programme Plus. During the period there were no significant business acquisitions.

March 2024 £m		September 2024 £m	September 2023 £m
1,314.2	Capital additions to intangible assets	**392.5**	381.0
1,971.4	Capital additions to property, plant and equipment	**1,180.8**	939.4
3,285.6	**Capital additions to intangible assets and property, plant and equipment**	**1,573.3**	1,320.4
(152.0)	Customer funded additions	**(92.6)**	(91.4)
(774.5)	Allowances and certificates	**(192.4)**	(163.3)
390.0	Joint ventures and associates' additions	**173.6**	94.3
(199.4)	Non-controlled interests share of capital expenditure	**(126.8)**	(80.8)
(73.0)	Lease asset additions	**(43.0)**	(24.9)
2,476.7	**Adjusted Investment and Capital Expenditure**	**1,292.1**	1,054.3
2,476.7	**Adjusted Investment, Capital and Acquisition Expenditure**	**1,292.1**	1,054.3

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the period 1 April 2024 to 30 September 2024

	Note	**2024** Before exceptional items and certain re-measurements £m	**2024** Exceptional items and certain re-measurements (note 6) £m	**2024** Total £m	2023 Before exceptional items and certain re-measurements £m	2023 Exceptional items and certain re-measurements (note 6) (restated*) £m	2023 Total (restated*) £m
Continuing operations							
Revenue	5	**4,459.3**	**-**	**4,459.3**	4,790.5	-	4,790.5
Cost of sales		**(2,778.4)**	**118.7**	**(2,659.7)**	(3,295.3)	60.3	(3,235.0)
Gross profit		**1,680.9**	**118.7**	**1,799.6**	1,495.2	60.3	1,555.5
Operating costs		**(836.4)**	**(21.9)**	**(858.3)**	(734.2)	(113.7)	(847.9)
Debt impairment charges		**(21.2)**	**-**	**(21.2)**	(64.7)	-	(64.7)
Other operating income		**7.7**	**-**	**7.7**	16.3	-	16.3
Operating profit/(loss) before joint ventures and associates		**831.0**	**96.8**	**927.8**	712.6	(53.4)	659.2
Joint ventures and associates:							
Share of operating profit		**82.5**	**-**	**82.5**	45.9	-	45.9
Share of interest		**(86.2)**	**-**	**(86.2)**	(47.8)	-	(47.8)
Share of movement in derivatives		**-**	**(32.2)**	**(32.2)**	-	(10.6)	(10.6)
Share of tax		**2.9**	**8.0**	**10.9**	(5.0)	2.6	(2.4)
Share of loss on joint ventures and associates		**(0.8)**	**(24.2)**	**(25.0)**	(6.9)	(8.0)	(14.9)
Operating profit/(loss)	5	**830.2**	**72.6**	**902.8**	705.7	(61.4)	644.3
Finance income	7	**97.5**	**0.3**	**97.8**	103.6	41.2	144.8
Finance costs	7	**(150.1)**	**(4.6)**	**(154.7)**	(173.8)	-	(173.8)
Profit/(loss) before taxation		**777.6**	**68.3**	**845.9**	635.5	(20.2)	615.3
Taxation	8	**(188.7)**	**(24.6)**	**(213.3)**	(135.2)	(20.7)	(155.9)
Profit/(loss) for the period		**588.9**	**43.7**	**632.6**	500.3	(40.9)	459.4
Attributable to:							
Ordinary shareholders of the parent		**478.4**	**43.7**	**522.1**	376.0	(40.9)	335.1
Non-controlling interests		**36.8**	**-**	**36.8**	51.2	-	51.2
Other equity holders		**73.7**	**-**	**73.7**	73.1	-	73.1
Earnings per share							
Basic (pence)	10			**47.7**			30.7
Diluted (pence)	10			**47.6**			30.7

The accompanying notes are an integral part of this interim statement.

*The comparative Consolidated Income Statement has been restated. See note 2(v).

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2024

	Note	Before exceptional items and certain re-measure-ments £m	Exceptional items and certain re-measure-ments (note 6) £m	Total £m
Continuing operations				
Revenue	5	10,457.2	-	10,457.2
Cost of sales		(6,568.3)	461.3	(6,107.0)
Gross profit		3,888.9	461.3	4,350.2
Operating costs		(1,577.7)	(270.9)	(1,848.6)
Debt impairment charges		(128.8)	-	(128.8)
Other operating income		116.7	4.6	121.3
Operating profit before joint ventures and associates		2,299.1	195.0	2,494.1
Joint ventures and associates:				
Share of operating profit		237.5	-	237.5
Share of interest		(110.7)	-	(110.7)
Share of movement in derivatives		-	61.4	61.4
Share of tax		(58.8)	(15.3)	(74.1)
Share of profit on joint ventures and associates		68.0	46.1	114.1
Operating profit	5	2,367.1	241.1	2,608.2
Finance income	7	198.8	6.4	205.2
Finance costs	7	(318.3)	-	(318.3)
Profit before taxation		2,247.6	247.5	2,495.1
Taxation	8	(519.0)	(91.7)	(610.7)
Profit for the year		1,728.6	155.8	1,884.4
Attributable to:				
Ordinary shareholders of the parent		1,554.7	155.8	1,710.5
Non-controlling interests		100.8	-	100.8
Other equity holders		73.1	-	73.1
Earnings per share				
Basic (pence)	10			156.7
Diluted (pence)	10			156.5

The accompanying notes are an integral part of this interim statement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period 1 April 2024 to 30 September 2024

Year ended 31 March 2024 £m		**Six months ended 30 September 2024 £m**	Six months ended 30 September 2023 (restated*) £m
1,884.4	**Profit for the period – continuing operations**	**632.6**	459.4
	Other comprehensive income:		
	Items that will be reclassified subsequently to profit or loss:		
6.5	Net gains/(losses) on cash flow hedges	**(8.3)**	41.3
2.1	Transferred to assets and liabilities on cash flow hedges	**0.3**	1.9
(0.3)	Taxation on cash flow hedges	**2.4**	(10.2)
8.3		**(5.6)**	33.0
(40.9)	Share of other comprehensive (loss)/income of joint ventures and associates, net of taxation	**(27.4)**	84.4
(66.6)	Exchange difference on translation of foreign operations	**(56.1)**	(27.1)
30.9	Gain on net investment hedge	**46.1**	7.4
(68.3)		**(43.0)**	97.7
	Items that will not be reclassified to profit or loss:		
(116.4)	Actuarial (loss)/gain on retirement benefit schemes, net of taxation	**25.1**	(112.3)
3.5	Gains on revaluation of investments in equity instruments, net of taxation	**-**	-
(112.9)		**25.1**	(112.3)
(181.2)	**Other comprehensive loss, net of taxation**	**(17.9)**	(14.6)
1,703.2	**Total comprehensive income for the period - continuing operations**	**614.7**	444.8
	Attributable to:		
1,529.3	Ordinary shareholders of the parent	**509.6**	317.4
100.8	Non-controlling interest	**31.4**	54.3
73.1	Other equity holders	**73.7**	73.1
1,703.2		**614.7**	444.8

The accompanying notes are an integral part of this interim statement.

*The comparative Consolidated Statement of Other Comprehensive Income has been restated. See note 2(v).

CONSOLIDATED BALANCE SHEET

as at 30 September 2024

At 31 March 2024 £m		Note	**At 30 September 2024 £m**	At 30 September 2023 (restated*) £m
	Assets			
16,611.5	Property, plant and equipment		**17,461.1**	15,986.8
2,324.6	Goodwill and other intangible assets		**2,362.1**	2,122.1
1,963.2	Equity investments in joint ventures and associates		**1,889.8**	1,982.4
1,352.9	Loans to joint ventures and associates		**1,484.4**	1,196.8
3.2	Other investments		**7.6**	2.9
170.1	Other receivables		**181.6**	159.5
64.2	Derivative financial assets	16	**63.2**	139.9
421.6	Retirement benefit assets	17	**470.8**	411.0
22,911.3	**Non-current assets**		**23,920.6**	22,001.4
754.7	Intangible assets		**305.5**	263.9
343.0	Inventories		**331.3**	246.0
2,654.1	Trade and other receivables		**2,634.6**	2,343.5
35.1	Current tax asset		**58.4**	59.2
1,035.9	Cash and cash equivalents		**890.8**	902.4
536.1	Derivative financial assets	16	**420.8**	262.6
-	Assets held for sale		**19.3**	-
5,358.9	**Current assets**		**4,660.7**	4,077.6
28,270.2	**Total assets**		**28,581.3**	26,079.0
	Liabilities			
1,128.0	Loans and other borrowings	13	**1,903.9**	1,394.9
3,322.5	Trade and other payables		**2,831.0**	2,545.5
9.3	Current tax liabilities		**4.0**	-
3.1	Financial guarantee liabilities		**2.9**	47.0
52.7	Provisions		**63.8**	21.8
345.2	Derivative financial liabilities	16	**250.9**	505.2
-	Liabilities held for sale		**19.3**	-
4,860.8	**Current liabilities**		**5,075.8**	4,514.4
8,005.7	Loans and other borrowings	13	**7,675.7**	7,558.1
1,536.8	Deferred tax liabilities		**1,639.7**	1,352.9
1,092.8	Trade and other payables		**1,184.8**	1,037.4
36.4	Financial guarantee liabilities		**35.0**	34.5
712.4	Provisions		**690.9**	701.9
222.2	Derivative financial liabilities	16	**208.8**	141.7
11,606.3	**Non-current liabilities**		**11,434.9**	10,826.5
16,467.1	**Total liabilities**		**16,510.7**	15,340.9
11,803.1	**Net assets**		**12,070.6**	10,738.1
	Equity:			
548.1	Share capital	15	**554.2**	547.9
820.1	Share premium		**814.0**	820.3
52.6	Capital redemption reserve		**52.6**	52.6
407.6	Hedge reserve		**377.7**	556.0
(2.6)	Translation reserve		**(10.3)**	11.9
7,345.0	Retained earnings		**7,618.7**	6,163.6
9,170.8	**Equity attributable to ordinary shareholders of the parent**		**9,406.9**	8,152.3
1,882.4	Hybrid equity	14	**1,882.4**	1,882.4
749.9	Attributable to non-controlling interests		**781.3**	703.4
11,803.1	**Total equity**		**12,070.6**	10,738.1

*The comparative Consolidated Balance Sheet has been restated. See note 2(v).

The accompanying notes are an integral part of this interim statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 April 2024 to 30 September 2024

	Share capital £m	Share premium £m	Capital redemption reserve £m	Hedge reserve £m	Translation reserve £m	Retained earnings £m	Total attributable to ordinary shareholders £m	Hybrid equity £m	Total equity before non-controlling interest £m	Non-controlling interest £m	Total equity £m
At 1 April 2024	**548.1**	**820.1**	**52.6**	**407.6**	**(2.6)**	**7,345.0**	**9,170.8**	**1,882.4**	**11,053.2**	**749.9**	**11,803.1**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**522.1**	**522.1**	**73.7**	**595.8**	**36.8**	**632.6**
Other comprehensive income/(loss)	**-**	**-**	**-**	**(29.9)**	**(7.7)**	**25.1**	**(12.5)**	**-**	**(12.5)**	**(5.4)**	**(17.9)**
Total comprehensive income for the period	**-**	**-**	**-**	**(29.9)**	**(7.7)**	**547.2**	**509.6**	**73.7**	**583.3**	**31.4**	**614.7**
Dividends to shareholders	**-**	**-**	**-**	**-**	**-**	**(437.3)**	**(437.3)**	**-**	**(437.3)**	**-**	**(437.3)**
Scrip dividend related share issue	**6.1**	**(6.1)**	**-**	**-**	**-**	**225.5**	**225.5**	**-**	**225.5**	**-**	**225.5**
Issue of treasury shares	**-**	**-**	**-**	**-**	**-**	**0.7**	**0.7**	**-**	**0.7**	**-**	**0.7**
Distributions to Hybrid equity holders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(73.7)**	**(73.7)**	**-**	**(73.7)**
Share buyback	**-**	**-**	**-**	**-**	**-**	**(75.0)**	**(75.0)**	**-**	**(75.0)**	**-**	**(75.0)**
Credit in respect of employee share awards	**-**	**-**	**-**	**-**	**-**	**14.8**	**14.8**	**-**	**14.8**	**-**	**14.8**
Investment in own shares	**-**	**-**	**-**	**-**	**-**	**(2.2)**	**(2.2)**	**-**	**(2.2)**	**-**	**(2.2)**
At 30 September 2024	**554.2**	**814.0**	**52.6**	**377.7**	**(10.3)**	**7,618.7**	**9,406.9**	**1,882.4**	**11,289.3**	**781.3**	**12,070.6**

On 29 August 2024, SSE entered into an irrevocable share buyback programme up to a maximum of £75.0m. The buyback scheme was initiated in order to honour SSE's existing commitment to cap scrip dividend take-up at 25%. As the irrevocable agreement was entered into prior to the balance sheet date, the full value of the programme has been recognised as a liability at 30 September 2024. The share repurchase scheme commenced on 30 September 2024, with 227k of shares repurchased in the period for a total consideration of £4.3m (including stamp duty and commission). SSE completed the share buyback process on 16 October 2024.

	Share capital £m	Share premium £m	Capital redemption reserve £m	Hedge reserve £m	Translation reserve £m	Retained earnings £m	Total attributable to ordinary shareholders £m	Hybrid equity £m	Total equity before non-controlling interest £m	Non-controlling interest £m	Total equity £m
At 1 April 2023	547.0	821.2	52.6	441.2	32.1	6,657.6	8,551.7	1,882.4	10,434.1	649.1	11,083.2
Profit for the period (restated*)	-	-	-	-	-	335.1	335.1	73.1	408.2	51.2	459.4
Other comprehensive income/(loss)	-	-	-	114.8	(20.2)	(112.3)	(17.7)	-	(17.7)	3.1	(14.6)
Total comprehensive income for the period (restated*)	-	-	-	114.8	(20.2)	222.8	317.4	73.1	390.5	54.3	444.8
Dividends to shareholders	-	-	-	-	-	(738.1)	(738.1)	-	(738.1)	-	(738.1)
Scrip dividend related share issue	0.9	(0.9)	-	-	-	29.8	29.8	-	29.8	-	29.8
Issue of treasury shares	-	-	-	-	-	0.4	0.4	-	0.4	-	0.4
Distributions to Hybrid equity holders	-	-	-	-	-	-	-	(73.1)	(73.1)	-	(73.1)
Credit in respect of employee share awards	-	-	-	-	-	10.8	10.8	-	10.8	-	10.8
Investment in own shares	-	-	-	-	-	(19.7)	(19.7)	-	(19.7)	-	(19.7)
At 30 September 2023 (restated*)	547.9	820.3	52.6	556.0	11.9	6,163.6	8,152.3	1,882.4	10,034.7	703.4	10,738.1

*The comparative Consolidated Statement of Changes in Equity has been restated. See note 2(v).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Share capital	Share premium	Capital redemption reserve	Hedge reserve	Translation reserve	Retained earnings	Total attributable to ordinary shareholders	Hybrid equity	Total equity before non-controlling interest	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2023	547.0	821.2	52.6	441.2	32.1	6,657.6	8,551.7	1,882.4	10,434.1	649.1	11,083.2
Profit for the year	-	-	-	-	-	1,710.5	1,710.5	73.1	1,783.6	100.8	1,884.4
Other comprehensive loss	-	-	-	(33.6)	(34.7)	(112.9)	(181.2)	-	(181.2)	-	(181.2)
Total comprehensive income for the year	-	-	-	(33.6)	(34.7)	1,597.6	1,529.3	73.1	1,602.4	100.8	1,703.2
Dividends to shareholders	-	-	-	-	-	(956.4)	(956.4)	-	(956.4)	-	(956.4)
Scrip dividend related share issue	1.1	(1.1)	-	-	-	38.6	38.6	-	38.6	-	38.6
Issue of treasury shares	-	-	-	-	-	9.2	9.2	-	9.2	-	9.2
Distributions to Hybrid equity holders	-	-	-	-	-	-	-	(73.1)	(73.1)	-	(73.1)
Credit in respect of employee share awards	-	-	-	-	-	20.2	20.2	-	20.2	-	20.2
Investment in own shares	-	-	-	-	-	(21.8)	(21.8)	-	(21.8)	-	(21.8)
At 31 March 2024	548.1	820.1	52.6	407.6	(2.6)	7,345.0	9,170.8	1,882.4	11,053.2	749.9	11,803.1

CONSOLIDATED CASH FLOW STATEMENT

for the period 1 April 2024 to 30 September 2024

Year ended 31 March 2024 £m		Note	**Six months ended 30 September 2024 £m**	Six months ended 30 September 2023 (restated*) £m
2,608.2	**Operating profit - continuing operations**	5	**902.8**	644.3
(114.1)	Less/add share of (profit)/loss of joint ventures and associates		**25.0**	14.9
2,494.1	**Operating profit before jointly controlled entities and associates**		**927.8**	659.2
(9.5)	Pension service charges, less contributions paid		**(5.5)**	(6.9)
(443.4)	Movement on operating derivatives		**(115.1)**	(51.2)
859.0	Depreciation, amortisation, write downs and impairments		**387.9**	343.6
136.8	Impairment of joint venture investment including shareholder loans		**-**	63.2
20.2	Charge in respect of employee share awards (before tax)		**14.8**	10.8
(9.0)	Profit on disposal of assets and businesses		**-**	-
14.6	Charge/(release) of provisions		**(11.2)**	(8.5)
(12.5)	Credit in respect of financial guarantees		**(0.9)**	-
(13.0)	Release of deferred income	5	**(7.4)**	(6.4)
3,037.3	**Cash generated from operations before working capital movements**		**1,190.4**	1,003.8
39.6	Decrease in inventories		**11.3**	141.2
763.1	Decrease in receivables		**162.2**	932.9
243.0	Increase/(decrease) in payables		**(191.7)**	36.6
(33.9)	Decrease in provisions		**(9.5)**	(16.8)
4,049.1	**Cash generated from operations**		**1,162.7**	2,097.7
223.7	Dividends received from investments		**98.3**	112.2
(67.0)	Interest paid		**(43.0)**	(54.6)
(345.8)	Taxes paid		**(143.0)**	(126.3)
3,860.0	**Net cash from operating activities**		**1,075.0**	2,029.0
(1,970.3)	Purchase of property, plant and equipment	5	**(1,137.1)**	(848.0)
(542.2)	Purchase of other intangible assets	5	**(200.1)**	(228.6)
93.4	Receipt of government grant income		**13.7**	-
17.4	Deferred income received		**12.8**	18.8
14.9	Proceeds from disposals	11	**16.5**	-
(42.9)	Purchase of businesses, joint ventures and subsidiaries		**-**	-
(443.6)	Loans and equity provided to joint ventures and associates		**(215.2)**	(133.1)
14.6	Loans and equity repaid by joint ventures		**18.1**	6.7
0.4	Decrease in other investments		**-**	-
(2,858.3)	**Net cash from investing activities**		**(1,491.3)**	(1,184.2)
9.2	Proceeds from issue of share capital	15	**0.7**	0.4
(917.8)	Dividends paid to the company's equity holders	9	**(211.8)**	(708.3)
(73.1)	Hybrid equity dividend payments	14	**(73.7)**	(73.1)
(21.8)	Employee share awards share purchase	15	**(2.2)**	(19.7)
1,982.2	New borrowings		**1,655.6**	1,751.0
(1,842.7)	Repayment of borrowings		**(1,097.7)**	(1,786.4)
6.4	Settlement of cashflow hedges		**0.3**	1.9
(857.6)	**Net cash (used in)/from financing activities**		**271.2**	(834.2)
144.1	**Net increase/(decrease) in cash and cash equivalents**		**(145.1)**	10.6
891.8	Cash and cash equivalents at the start of period		**1,035.9**	891.8
144.1	Net increase/(decrease) in cash and cash equivalents		**(145.1)**	10.6
1,035.9	**Cash and cash equivalents at the end of period**		**890.8**	902.4

*The comparative Consolidated Cashflow Statement has been restated. See note 2(v).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Condensed Interim Financial Statements

SSE plc (the Company) is a company domiciled in Scotland. The condensed Interim Financial Statements comprise those of the Company and its subsidiaries (together referred to as the Group).

The financial information set out in these condensed Interim Financial Statements does not constitute the Group's statutory accounts for the periods ended 30 September 2024, 31 March 2024 or 30 September 2023 within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2024, which were prepared in accordance with UK-adopted international accounting standards, have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified (ii) did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain statements under section 498 (2) or (3) of the Companies Act 2006. The Group's financial statements for the year ending 31 March 2025 will be prepared on a consistent basis in accordance with UK-adopted international accounting standards.

The financial information set out in these condensed Interim Financial Statements has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and UK adopted IAS 34 '*Interim Financial Reporting*'. The interim financial information is unaudited but has been formally reviewed by the auditor and its report to the Company is set out on page 93.

These interim statements were authorised by the Board on 12 November 2024.

2. Basis of preparation

These condensed Interim Financial Statements for the period to 30 September 2024 and the comparative information for the period to 30 September 2023 have been prepared applying the accounting policies used in the Group's consolidated financial statements for the year ended 31 March 2024.

(i) Adjusted measures

The Directors assess the performance of the Group and its reportable segments based on 'adjusted measures'. These measures are used for internal performance management and are believed to be appropriate for explaining underlying financial performance to users of the accounts. These measures are also deemed to be the most useful for the ordinary shareholders of the Company and for other stakeholders.

Reconciliations from the reported measures to adjusted measures along with further description of the rationale for those adjustments are included in the 'Alternative Performance Measures' section on pages 41 to 47.

(ii) Going concern

The Directors consider that the Group has adequate resources to continue in operational existence for the period to 31 December 2025. The condensed Interim Financial Statements are therefore prepared on a going concern basis.

In reaching their conclusion, the Directors regularly review the Group's funding structure (see note 13) against the current economic climate to ensure that the Group has the short and long term funding required. The Group has performed detailed going concern testing, including the consideration of cash flow forecasts under stressed scenarios for the period to December 2025.

The Group has an established €1.5bn Euro commercial paper programme (paper can be issued in a range of currencies and swapped into Sterling) and as at 30 September 2024 there was £799m commercial paper outstanding (31 March 2024: £840m). In the six months ended 30 September 2024, the Group has issued new debt instruments totalling £0.9bn, and has redeemed £0.2bn of maturing long term debt, while rolling £0.8bn of short term commercial paper.

The Group also continues to have access to its revolving credit facilities. As at 30 September 2024 there were five committed facilities totalling £3.5bn which were undrawn, as described in note 13. On 23 October 2024 these facilities have been re-financed with the £0.75m facility relating to Scottish Hydro Electric Transmission plc being increased to £1.5bn, and the £2.75bn of facilities relating to SSE plc and Distribution being reduced to £1.5bn. This reduction relates to the cancellation of the £1.0bn collateral facility due to mature in February 2025, and the £0.25bn Distribution facility that is no longer required.

This results in the Group having the following committed facilities:

- a £1.5bn revolving credit facility for SSE plc maturing October 2029 with two 1 year extension options; and
- a £1.5bn revolving credit facility for Scottish Hydro Electric Transmission plc maturing October 2029 with two 1 year extension options.

The re-financing of the committed facilities was undertaken to ensure the Group is set up to meet its funding obligations over the next five years, with available committed facilities on the entities that require them. The opportunity was also taken to increase the number of relationship banks from 11 to 15, which supports the Group's growth plans and funding requirements over the next five years. The £1.5bn revolving credit facility for SSE plc is in place to provide back-up to the commercial paper programme and support the Group's capital expenditure plans. The Scottish Hydro Electric Transmission plc facility, was entered into to help cover the capital expenditure and working capital of that business.

(iii) Exceptional items and certain re-measurements

Exceptional items are those charges or credits that are considered unusual by nature and/or scale and of such significance that separate disclosure is required for the financial statements to be properly understood. The trigger points for recognition of items as exceptional items will tend to be non-recurring although exceptional charges (or credits) may impact the same asset class or segment over time.

Examples of items that may be considered exceptional include material asset or business impairment charges; reversals of historic impairments; certain business restructuring and reorganisation costs; significant realised gains or losses on disposal; unrealised fair value adjustments on acquisitions or disposals; and provisions in relation to significant disputes and claims.

(iii) Exceptional items and certain re-measurements (continued)

The Group operates a policy framework for establishing whether items should be considered to be exceptional. This framework, which is reviewed annually, is based on the materiality of the item, by reference to the Group's key performance measure of adjusted earnings per share. This framework estimates that any qualifying item greater than £40.0m will be considered exceptional, with a potentially lower threshold applied to strategic restructuring of activities or discontinued operations, which will respectively be considered on a case by case basis or will always be treated as exceptional. The only exception to this threshold is for gains or losses on disposal, or divestment of early stage international or offshore windfarm development projects within SSE Renewables, which are considered non-exceptional in line with the Group's strategy to generate recurring gains from developer divestments. Where a gain arises on a non-cash transaction, the gain is treated as exceptional.

Certain re-measurements are re-measurements arising on certain commodity, interest rate and currency contracts which are accounted for as held for trading or as fair value hedges in accordance with the Group's policy for such financial instruments; re-measurements on stocks of commodities held at the balance sheet date; or movements in fair valuation of contracts for difference not designated as government grants. The amount recorded in the adjusted results for these contracts is the amount settled in the year as disclosed in note 16.

This excludes commodity contracts not treated as financial instruments under IFRS 9 where the contracts are held for the Group's own use requirements. The fair value of these contracts is not recorded and the value associated with the contract is not recognised until the underlying commodity is delivered.

The impact of changes in Corporation Tax rates on deferred tax balances are also included within certain re-measurements.

(iv) Other additional disclosures

As permitted by IAS 1 'Presentation of financial statements', the Group's income statement discloses additional information in respect of joint ventures and associates, exceptional items and certain re-measurements to aid understanding of the Group's financial performance and to present results clearly and consistently.

(v) Changes to presentation and prior year adjustments

The prior period comparatives at 30 September 2023 have been restated as follows:

Derivative financial instruments prior period adjustment

A non-cash adjustment has been made to restate derivative financial instruments following the identification of an error in the calculation of the Level 3 non-government Contracts for Difference ("CfD") financial instruments at 30 September 2023. The adjustment has resulted in a £63.7m credit to certain re-measurements in the cost of sales line in the income statement (from £3,298.7m to £3,235.0m), a £56.2m reduction to non-current derivative financial liabilities (from £197.9m to £141.7m) and a £7.5m increase to non-current derivative financial assets (from £132.4m to £139.9m) lines in the balance sheet, with a related current tax impact of £15.9m (from a charge of £140.0m to £155.9m and from an asset of £75.1m to £59.2m). As the error primarily relates to the Group's CfD arrangement with its joint venture investment in Seagreen Offshore Wind Farm, the share in the joint venture's derivative re-measurement movements have been debited by £28.9m (increasing the credit from £18.3m to a £10.6m charge), with a related current tax charge being credited by £7.2m (from a charge of £9.6m to £2.4m charge), resulting in a £21.7m decrease in equity investments in the balance sheet (from £2,004.1m to £1,982.4m). The overall reported profit after tax increased by £26.1m (from £433.3m to £459.4m) and the Group's net assets increased by £26.1m (from £10,715.3m to £10,741.4m). As a result of this adjustment reported basic and diluted earnings per share for 30 September 2023 have increased from 28.3p to 30.7p.

This adjustment was identified and included in the 31 March 2024 results and has no impact on the adjusted performance measures of the Group at 30 September 2023.

3. New accounting policies and reporting changes

The accounting policies applied in the preparation of these condensed Interim Financial Statements are consistent with those applied by the Group in the preparation of the consolidated financial statements for the year ended 31 March 2024.

Set out below are revisions to accounting standards that have become applicable in the period, or which are issued but not yet effective.

3.1 New standards, amendments and interpretations effective or adopted by the Group

In the 6 months to 30 September 2024, the Group adopted the amendments to:

- IAS 1 'Presentation of Financial Statements' in relation to non-current liabilities with covenants
- IFRS 16 'Leases' in relation to a lease on sale and leaseback
- IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' in relation to supplier finance arrangements'

Adoption of these amendments had no material impact on these condensed Interim Financial Statements.

3.2 New standards, amendments and interpretations issued, but not yet adopted by the Group

IFRS 18 '*Presentation and Disclosure in Financial Statements*' is expected to be effective from 1 January 2027 (1 April 2027 for the Group) but remains subject to UK endorsement. The Group is continuing to assess the expected impact of adoption of the standard.

Amendments to IFRS 9 *'Financial Instruments'* and IFRS 7 *'Financial Instruments: Disclosures'* in relation to the classification and measurement of financial instruments have been issued and are expected to be effective from 1 January 2026, but have not been adopted by the Group as UK endorsement remains outstanding at the date the financial statements were authorised for issue. The Group is continuing to assess the expected impact of these amendments.

4. Accounting judgements and estimation uncertainty

In the process of applying the Group's accounting policies, management is required to make judgements and estimates that will have a significant effect on the amounts recognised in the financial statements. Changes in the assumptions underlying the estimates could result in a significant impact to the financial statements. The Group's key accounting judgement and estimation areas are noted below.

4.1 Significant financial judgements and estimation uncertainties

The preparation of these condensed Interim Financial Statements has specifically considered the following significant financial judgements, some of which are areas of estimation uncertainty as noted below.

(i) Impairment testing and valuation of certain non-current assets – financial judgement and estimation uncertainty

The Group reviews the carrying amounts of its goodwill, other intangible assets, specific property, plant and equipment and investment assets to determine whether any impairments or reversal of impairments to the carrying value of those assets requires to be recorded. Where an indicator of impairment or impairment reversal exists, the recoverable amount of those assets is determined by reference to value in use calculations or fair value less cost to sell assessments, if more appropriate.

At 30 September 2024, the Group has reviewed its Thermal generation assets; Gas Storage assets; Great Britain & Ireland and Japanese wind assets; and its equity investment in Neos Networks Limited for indicators of impairment (or impairment reversal) arising since the last formal review performed at 31 March 2024. There were no indicators identified and therefore no formal impairment assessments were performed.

The Group also performed an assessment of indicators of impairment over the carrying value of its Southern European goodwill and intangible development assets and its equity investment in Triton Power Holdings Limited. The review indicated that there were indicators of impairment, requiring a full impairment assessment to be performed at 30 September 2024. The indicators of impairment and the results of the impairment assessments are documented in note 12 to these Interim Financial Statements.

The main assumptions in the Group's impairment assessments performed at 31 March 2024 were: regulation and legislation changes (including the Electricity Generator Levy and climate change related regulation), power, gas, carbon and other commodity prices, volatility of gas prices, plant running regimes and load factors and discount rates.

The Group will reassess the assets for indicators of impairment, or impairment reversal, at 31 March 2025.

(ii) Retirement benefit obligations – estimation uncertainty

The assumptions in relation to the cost of providing post-retirement benefits during the period are based on the Group's best estimates and are set after consultation with qualified actuaries. While these assumptions are believed to be appropriate, a change in these assumptions would impact the level of the retirement benefit obligation recorded and the cost to the Group of administering the schemes.

Further detail of the calculation basis, key assumptions used and the resulting movements in obligations are disclosed in note 17 of these condensed Interim Financial Statements.

(iii) Revenue recognition – Customers unbilled supply of energy – estimation uncertainty

Revenue from energy supply activities undertaken by SSE Business Energy and SSE Airtricity businesses includes an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the period end. This estimation comprises both billed revenue and unbilled revenue and is calculated based on applying the tariffs and contract rates applicable to customers against aggregated estimated customer consumption, taking account of various factors including tariffs, consumption patterns, customer mix, metering data, operational issues relating to the billing process and externally notified aggregated volumes supplied to customers from national settlement bodies. During the year ended 31 March 2024, the Group's SSE Business Energy Segment completed the implementation of a new billing system. Due to the timing of the data migration, which occurred in the second half of the prior financial year for the majority of customers, the level of unbilled sales and hence the level of judgement applied in determining the sales accruals for these customer remains higher than the comparable period to 30 September 2023. At both 30 September 2024 and 31 March 2024 the Group has recognised a provision against this accrual to reflect that customer billing delays may result in poorer collection performance.

This unbilled estimation is subject to an internal corroboration process which compares calculated unbilled volumes to a theoretical 'perfect billing' benchmark measure of unbilled volumes (in GWh and millions of therms) derived from historical consumption patterns and aggregated metering data used in industry reconciliation processes. Unbilled revenue is also compared to billings in the period between the balance sheet date and the finalisation of the condensed Interim Financial Statements which has provided evidence of post reporting date billings and hence support to the accrual recognised.

Given the requirement of management to apply judgement, the estimated revenue accrual is considered to be a significant estimate made by management in preparing the condensed Interim Financial Statements. A 5% sensitivity on the unbilled energy accrual would equate to an increase or decrease in the receivable balance of £14.1m (March 2024: £20.7m). A more comprehensive explanation of the Group's policy, and the nature of the judgements requiring consideration, is disclosed in note 18 of the Group's 31 March 2024 Annual Report.

(iv) Valuation of other receivables – financial judgement and estimation uncertainty

The Group holds a £100m loan note due from OVO Holdings Limited following the disposal of SSE Energy Services on 15 January 2020. The loan is repayable in full by 31 December 2029, carries interest at 13.25% and is presented cumulative of accrued interest payments, discounted at 13.25%. At 30 September 2024, the carrying value (net of expected credit loss provision of £1.6m (March 2024: £1.6m)) is £181.6m (March 2024: £170.1m).

The Group has assessed the recoverability of the loan note receivable and has recognised a provision for the expected credit loss in accordance with the requirements of IFRS 9. The Group's assessment of the recoverability of the loan note is considered to be a significant financial judgement. The Group has taken appropriate steps to assess all available information in respect of the recoverability of the loan note. Procedures included reviewing recent financial information of Energy Transition Holdings Limited ("ETHL") (new holding company of OVO Group Limited), including the 31 December 2023 statutory financial statements; and discussions with ETHL management. While the carrying value is considered to be appropriate, changes in economic conditions could lead to a change in the expected credit loss incurred by the Group in future periods.

(v) Impact of climate change and the transition to net zero – financial judgement and estimation uncertainty

Climate change and the transition to net zero have been considered in the preparation of these condensed Interim Financial Statements. Where relevant, assumptions have been applied that are consistent to a Paris-aligned 1.5^{O}C 2050 net zero pathway. The Group has a clearly articulated NZAP Plus plan to lead in the UK's transition to net zero and aligns its investment plans and business activities to that strategy. These plans are supported by the Group's Green Bond framework under which the eighth green bond was issued by SSEN Transmission in August 2024. The proceeds of the eighth green bond were allocated to fund Transmission network projects.

The impact of future climate change regulation could have a material impact on the currently reported amounts of the Group's assets and liabilities. In preparing these condensed Interim Financial Statements, the following climate change related risks have been considered:

Valuation of property, plant and equipment, and impairment assessment of goodwill

In the medium term, the transition to net zero may result in regulation restricting electricity generation from unabated gas fired power stations. The Group's view is that flexible generation capacity, such as the Group's fleet of CCGT power stations, will be an essential part of the net zero transition in order to provide security of supply to a market increasingly dependent upon renewable sources, which are inherently intermittent. The majority of the Group's GB CCGT fleet is nearing the end of its economic life and it is not currently expected that regulation to require abatement would be introduced before the planned closure of those power stations. Of the net book value held at 30 September 2024, only four assets are forecast to continue to operate beyond 2030 being: Great Island; Keadby 2; Marchwood (which is operated by SSE under a lease); and Saltend Power Station within the Triton joint venture. The Group extended the useful economic lives of Peterhead, Keadby and Medway power stations to March 2030. These changes in end of life assumptions were reflected in the annual impairment process at 31 March 2024. The Group's view is that Great Island will continue to be essential to providing security of supply in the Irish electricity market. Keadby 2 has an efficiency of around 63% making it the most efficient plant of its type in the UK and Europe. Work is also underway to explore how to decarbonise Keadby 2 further, with the potential to blend hydrogen into the plant. Marchwood is a 50% equity accounted joint venture and is considered one of the most efficient CCGTs in the UK. Saltend was acquired as part of Triton Power 50% equity accounted joint venture and supports the long-term decarbonisation of the UK's power system, and also contributes to security of supply and grid stability. Initial steps are underway at Saltend, targeting abatement by 2029 through blending up to 30% of low-carbon hydrogen. The Group considers that other assets operating in the market would be more likely to close before Keadby 2, Marchwood and Saltend and the assets will continue to be required to balance the UK electricity market beyond 2030. As a result, the useful economic lives of the assets have not been shortened when preparing the condensed Interim Financial Statements. The Group assesses the useful economic life of its property, plant and equipment assets annually.

A significant increase in renewable generation capacity in the Group's core markets in the UK and Ireland could potentially result in an oversupply of renewable electricity at a point in the future, which would lead to a consequential decrease in the power price achievable for the Group's wind generation assets. The Group has not assessed that this constitutes an indicator of impairment at 30 September 2024 as the Group's baseline investment case models assume a centrally approved volume of new build in these markets over the life of the existing assets. The Group's policy is to test the goodwill balances associated with wind generation portfolio for impairment on an annual basis in line with the requirements of IAS 36.

Changes to weather patterns resulting from global warming have also been considered as a potential risk to future returns from the Group's wind and hydro assets. Changes to weather patterns could result in calmer, drier weather patterns, which would reduce volumes achievable for the Group's wind and hydro generation assets (although noting that this would likely lead to capacity constraints and hence higher prices). This has not been assessed as an indicator of impairment for operating assets in the UK and Ireland at 30 September 2024, as there is no currently observable evidence to support that scenario directly.

Valuations of decommissioning provisions

The Group holds decommissioning provisions for its Renewable and Thermal generation assets and has retained a 60% share for the decommissioning of its disposed Gas Production business. As noted above, the Group's view at 30 September 2024 is that climate change regulation will not bring forward the closure dates of its CCGT fleet, many of which are expected to close before 2030. Similarly, it is expected that fundamental changes to weather patterns, or the impact of new wind generation capacity will not bring forward the decommissioning of the Group's current wind farm portfolio.

The Group's discounted share of the Gas Production provision is £207.0m (March 2024: £219.7m). At 30 September 2024, the impact of discounting of this retained provision is £67.9m (March 2024: £68.3m), which is expected to be incurred across the period to 31 March 2040. If the decommissioning activity was accelerated due to changes in legislation, the costs of unwinding the discounting of the provision would be recognised earlier.

Defined benefit scheme assets

The Group holds defined benefit pension scheme assets at 30 September 2024 which could be impacted by climate-related risks. The Trustees of the schemes have a long-term investment strategy that seeks to reduce investment risk as and when appropriate and takes into consideration the impact of climate-related risk.

Going concern

The implications of near term climate-related risks have been considered in the Group's going concern assessment.

4.2 Other accounting judgements and estimation uncertainties - changes from the prior year

The Group has made no changes to accounting judgements and estimation uncertainties and identified no new areas of estimation uncertainty from those presented in the Group's 2024 Annual Report.

4.3 Other areas of estimation uncertainty

Decommissioning costs

The calculation of the Group's decommissioning provisions involves the estimation of quantum and timing of cash flows to settle the obligation. The Group engages independent valuation experts to estimate the cost of decommissioning its Renewable, Thermal and Gas Storage assets every three years based on current technology and prices. The last independent assessment for the majority of the Group's Renewable and Thermal generation assets was performed in the year to 31 March 2022. The costs of these provisions will be reassessed in the second half of the financial year. The last formal assessment for Gas Storage assets was performed in the year to 31 March 2023. Retained decommissioning costs in relation to the disposed Gas Production business are periodically agreed with the field operators and reflect the latest expected economic production lives of the fields.

The dates for settlement of future decommissioning costs are uncertain, particularly for the disposed Gas Production business where reassessment of gas and liquids reserves and fluctuations in commodity prices can lengthen or shorten the field life.

At 30 September 2024, the carrying value of decommissioning provisions has decreased due to increases in discount rate and minimal movement in inflation assumptions since 31 March 2024. All revaluation movements have been matched by an offsetting adjustment to the associated asset, except for the decrease of £10.8m (March 2024: increase £9.9m) to the provision relating to Gas Production activities, which has been recognised in the income statement.

5. Segmental information

There have been no changes to the Group's core operating segments during the period. These segments are used internally by the Board to manage the business and make strategic decisions. The Group's 'Corporate unallocated' segment is the Group's residual corporate central costs which are not allocated to individual segments and includes the contribution from Enerveo Limited and the Group's joint venture investment in Neos Networks Limited.

The types of products and services from which each reportable segment generates its revenue are:

Business area	Reported segments	Description
Continuing operations		
Transmission	SSEN Transmission	The economically regulated high voltage transmission of electricity from generating plant to the distribution network in the North of Scotland.
Distribution	SSEN Distribution	The economically regulated lower voltage distribution of electricity to customer premises in the North of Scotland and the South of England.
Renewables	SSE Renewables	The generation of electricity from renewable sources, such as onshore and offshore windfarms and run of river and pumped storage hydro assets in the UK and Ireland. This segment also includes the development of wind assets in Japan and the Netherlands; solar assets in Poland; and the development of wind, solar and battery opportunities in the UK and Southern Europe.
Thermal	SSE Thermal	The generation of electricity from thermal plants including CCGTs and the Group's interests in multifuel assets in the UK and Ireland.
	Gas Storage	The operation of gas storage facilities in Great Britain, utilising capacity to optimise trading opportunities associated with the assets.
Energy Customer Solutions	SSE Business Energy	The supply of electricity and gas to business customers in Great Britain and smart buildings (BEMS) activity.
	SSE Airtricity	The supply of electricity, gas and energy related services to residential and business customers in the Republic of Ireland and Northern Ireland.
SSE Enterprise	SSE Enterprise	The provision of low carbon energy solutions to customers; behind-the-meter solar and battery solutions, EV charging activities, private electric networks and heat and cooling networks. On 30 September 2024, the Group announced that SSE Enterprise will be integrated into SSE's other segments to provide an enhanced platform for growth. This realignment of segment reporting will be applied in the annual financial statements for the year to 31 March 2025.
SSE Energy Markets	SSE Energy Markets	The provision of a route to market for the Group's Renewable and Thermal generation businesses and commodity procurement for the Group's energy supply businesses in line with the Group's stated hedging policies.

The internal measure of profit used by the Board is 'adjusted profit before interest and tax' or 'adjusted operating profit' which is arrived at before exceptional items, the impact of financial instruments measured under IFRS 9, share of profits attributable to non-controlling interests, the net interest costs/income associated with defined benefit pension schemes, adjustments to the retained Gas Production decommissioning, the impact of depreciation on fair value uplifts and after the removal of taxation and interest on profits from joint ventures and associates.

Analysis of revenue, operating profit, capital expenditure and earnings before interest, taxation, depreciation and amortisation ('EBITDA') by segment is provided below. All revenue and profit before taxation arise from operations within the UK and Ireland. Details of revenue recognition policies are included in the Group's consolidated financial statements for the year to 31 March 2024.

5. Segmental information (continued)

5. (a) Revenue by segment

	Six months ended 30 September 2024			Six months ended 30 September 2023		
	Reported revenue £m	**Inter-segment revenue £m**	**Segment revenue £m**	Reported revenue £m	Inter-segment revenue £m	Segment revenue £m
Continuing operations						
SSEN Transmission	**397.2**	**-**	**397.2**	441.1	-	441.1
SSEN Distribution	**700.5**	**35.1**	**735.6**	468.2	24.4	492.6
SSE Renewables	**145.4**	**454.2**	**599.6**	140.6	185.0	325.6
SSE Thermal	**238.2**	**396.1**	**634.3**	279.0	1,530.7	1,809.7
Gas Storage	**8.1**	**1,154.8**	**1,162.9**	4.6	1,302.3	1,306.9
Energy Customer Solutions						
SSE Business Energy	**1,278.9**	**20.1**	**1,299.0**	1,544.5	21.0	1,565.5
SSE Airtricity	**837.9**	**59.1**	**897.0**	949.6	75.1	1,024.7
SSE Enterprise	**40.3**	**16.9**	**57.2**	38.3	10.1	48.4
SSE Energy Markets:						
Gross trading	***5,234.6***	**2,479.9**	***7,714.5***	*6,812.4*	*4,010.0*	*10,822.4*
Optimisation trades(i)	***(4,529.1)***	***(130.6)***	***(4,659.7)***	*(5,916.2)*	*(1,327.2)*	*(7,243.4)*
SSE Energy Markets	**705.5**	**2,349.3**	**3,054.8**	896.2	2,682.8	3,579.0
Corporate unallocated	**107.3**	**149.3**	**256.6**	28.4	119.0	147.4
Total SSE Group	**4,459.3**	**4,634.9**	**9,094.2**	4,790.5	5,950.4	10,740.9

	Year ended 31 March 2024		
	Reported revenue £m	Inter-segment revenue £m	Segment revenue £m
Continuing operations			
SSEN Transmission	885.2	-	885.2
SSEN Distribution	1,004.0	45.9	1,049.9
SSE Renewables	335.5	876.3	1,211.8
SSE Thermal	571.0	3,123.9	3,694.9
Gas Storage	11.2	2,948.4	2,959.6
Energy Customer Solutions			
SSE Business Energy	3,183.2	48.5	3,231.7
SSE Airtricity	2,021.2	170.0	2,191.2
SSE Enterprise	91.9	23.6	115.5
SSE Energy Markets:			
Gross trading	*15,074.3*	*7,951.4*	*23,025.7*
Optimisation trades(i)	*(12,785.1)*	*(2,674.2)*	*(15,459.3)*
SSE Energy Markets	2,289.2	5,277.2	7,566.4
Corporate unallocated	64.8	250.9	315.7
Total SSE Group	10,457.2	12,764.7	23,221.9

(i) The Group continues to provide optimisation volume disclosures to disclose the volume of trading in the period by its SSE Energy Markets segment.

5. **Segmental information (continued)**
5. **(a) Revenue by segment (continued)**

Disaggregation of revenue

Revenue from contracts with customers can be disaggregated by reported segment, by major service lines and by timing of revenue recognition as follows:

	Six months ended 30 September 2024									
	Revenue from contracts with customers									
	Goods or services transferred over time				Goods or services transferred at a point in time					
	Use of electricity networks	Supply of energy and ancillary services	Construction related services	Other contracted services	Physical energy	Gas storage	Other revenue	Total revenue from contracts with customers	Other contract revenue	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations										
SSEN Transmission	385.4	-	-	10.4	-	-	1.4	397.2	-	397.2
SSEN Distribution	676.5	-	-	7.3	-	-	9.9	693.7	6.8	700.5
SSE Renewables	-	30.9	-	53.4	60.2	-	0.9	145.4	-	145.4
SSE Thermal	-	235.4	-	-	-	-	0.6	236.0	2.2	238.2
Gas Storage	-	-	-	-	-	8.1	-	8.1	-	8.1
Energy Customer Solutions										
SSE Business Energy	-	1,250.6	-	-	-	-	28.3	1,278.9	-	1,278.9
SSE Airtricity	-	825.8	-	-	-	-	12.1	837.9	-	837.9
SSE Enterprise	11.4	12.4	6.5	-	-	-	4.5	34.8	5.5	40.3
SSE Energy Markets	-	-	-	-	548.1	-	157.4	705.5	-	705.5
Corporate unallocated	-	-	-	95.6	-	-	11.7	107.3	-	107.3
Total SSE Group	1,073.3	2,355.1	6.5	166.7	608.3	8.1	226.8	4,444.8	14.5	4,459.3

5. Segmental information (continued)
5. (a) Revenue by segment (continued)

Disaggregation of revenue (continued)

	Six months ended 30 September 2023									
	Revenue from contracts with customers									
	Goods or services transferred over time				Goods or services transferred at a point in time					
	Use of electricity networks	Supply of energy and ancillary services	Construction related services	Other contracted services	Physical energy	Gas storage	Other revenue	Total revenue from contracts with customers	Other contract revenue	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations										
SSEN Transmission	429.8	-	-	9.3	-	-	2.0	441.1	-	441.1
SSEN Distribution	445.1	-	-	6.5	-	-	7.4	459.0	9.2	468.2
SSE Renewables	-	25.1	-	49.6	63.7	-	2.2	140.6	-	140.6
SSE Thermal	-	264.5	-	-	-	-	14.5	279.0	-	279.0
Gas Storage	-	-	-	-	-	4.6	-	4.6	-	4.6
Energy Customer Solutions										
SSE Business Energy	-	1,523.5	-	-	-	-	21.0	1,544.5	-	1,544.5
SSE Airtricity	-	937.8	-	-	-	-	11.8	949.6	-	949.6
SSE Enterprise	8.6	14.3	6.3	1.9	-	-	1.7	32.8	5.5	38.3
SSE Energy Markets	-	-	-	-	757.1	-	139.1	896.2	-	896.2
Corporate unallocated	-	-	-	-	-	-	28.4	28.4	-	28.4
Total SSE Group	883.5	2,765.2	6.3	67.3	820.8	4.6	228.1	4,775.8	14.7	4,790.5

5. Segmental information (continued)
5. (a) Revenue by segment (continued)

Disaggregation of revenue (continued)

	Year ended 31 March 2024									
	Revenue from contracts with customers									
	Goods or services transferred over time				Goods or services transferred at a point in time					
	Use of electricity networks	Supply of energy and ancillary services	Construction related services	Other contracted services	Physical energy	Gas storage	Other revenue	Total revenue from contracts with customers	Other contract revenue	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations										
SSEN Transmission	854.1	-	-	18.8	-	-	12.3	885.2	-	885.2
SSEN Distribution	951.2	-	-	14.0	-	-	16.9	982.1	21.9	1,004.0
SSE Renewables	-	58.6	-	104.0	169.5	-	3.4	335.5	-	335.5
SSE Thermal	-	531.5	-	-	-	-	39.5	571.0	-	571.0
Gas Storage	-	-	-	-	-	11.2	-	11.2	-	11.2
Energy Customer Solutions										
SSE Business Energy	-	3,135.4	-	-	-	-	47.8	3,183.2	-	3,183.2
SSE Airtricity	-	1,999.2	-	-	-	-	22.0	2,021.2	-	2,021.2
SSE Enterprise	18.6	30.7	4.7	-	-	-	32.1	86.1	5.8	91.9
SSE Energy Markets	-	-	-	-	2,136.5	-	152.7	2,289.2	-	2,289.2
Corporate unallocated	-	-	-	-	-	-	64.8	64.8	-	64.8
Total SSE Group	1,823.9	5,755.4	4.7	136.8	2,306.0	11.2	391.5	10,429.5	27.7	10,457.2

5. Segmental information (continued)
5. (b) Operating profit/(loss) by segment

	Six months ended 30 September 2024							
	Adjusted operating profit reported to the Board £m	**Depreciation expense on fair value uplifts £m**	**Joint Venture/ Associate share of interest and tax £m**	**Adjustments to Gas Production decommissioning provision £m**	**Non-controlling interests £m**	**Before exceptional items and certain re-measurements £m**	**Exceptional items and certain re-measurements £m**	**Total £m**
Continuing operations								
SSEN Transmission	**157.5**	**-**	**-**	**-**	**52.5**	**210.0**	**-**	**210.0**
SSEN Distribution	**346.3**	**-**	**-**	**-**	**-**	**346.3**	**-**	**346.3**
SSE Renewables	**335.6**	**(9.8)**	**(84.3)**	**-**	**(0.1)**	**241.4**	**29.1**	**270.5**
SSE Thermal	**(9.0)**	**(0.1)**	**2.6**	**-**	**-**	**(6.5)**	**0.2**	**(6.3)**
Gas Storage	**(34.8)**	**-**	**-**	**-**	**-**	**(34.8)**	**-**	**(34.8)**
Energy Customer Solutions								
SSE Business Energy	**60.1**	**-**	**-**	**-**	**-**	**60.1**	**-**	**60.1**
SSE Airtricity	**70.6**	**-**	**-**	**-**	**-**	**70.6**	**-**	**70.6**
SSE Enterprise	**(19.0)**	**-**	**-**	**-**	**-**	**(19.0)**	**-**	**(19.0)**
SSE Energy Markets	**14.1**	**-**	**-**	**-**	**-**	**14.1**	**65.2**	**79.3**
Corporate								
Corporate unallocated	**(50.5)**	**-**	**-**	**10.8**	**-**	**(39.7)**	**(21.9)**	**(61.6)**
Neos Networks	**(10.7)**	**-**	**(1.6)**	**-**	**-**	**(12.3)**	**-**	**(12.3)**
Total SSE Group	**860.2**	**(9.9)**	**(83.3)**	**10.8**	**52.4**	**830.2**	**72.6**	**902.8**

The adjusted operating profit of the Group is reported after removal of the Group's share of interest, fair value movements on operating derivatives, the depreciation expense on fair value uplifts and tax from joint ventures and associates, Gas Production decommissioning costs, operating profit from non-controlling interests and after adjusting for exceptional items and certain re-measurements (note 6).

5. Segmental information (continued)
5. (b) Operating profit/(loss) by segment (continued)

	Six months ended 30 September 2023 (restated*)							
	Adjusted operating profit reported to the Board £m	Depreciation expense on fair value uplifts £m	Joint Venture/ Associate share of interest and tax £m	Adjustments to Gas Production decommissioning provision £m	Non-controlling interests £m	Before exceptional items and certain re-measurements £m	Exceptional items and certain re-measurements £m	Total £m
Continuing operations								
SSEN Transmission	215.6	-	-	-	71.7	287.3	-	287.3
SSEN Distribution	120.1	-	-	-	-	120.1	-	120.1
SSE Renewables	86.8	(9.4)	(49.1)	-	(0.5)	27.8	(9.5)	18.3
SSE Thermal	312.9	-	(1.6)	-	-	311.3	(76.7)	234.6
Gas Storage	(86.7)	-	-	-	-	(86.7)	(4.6)	(91.3)
Energy Customer Solutions								
SSE Business Energy	88.0	-	-	-	-	88.0	-	88.0
SSE Airtricity	5.8	-	(0.5)	-	-	5.3	-	5.3
SSE Enterprise	(8.4)	-	-	-	-	(8.4)	-	(8.4)
SSE Energy Markets	9.0	-	-	-	-	9.0	79.9	88.9
Corporate								
Corporate unallocated	(35.2)	-	-	3.5	-	(31.7)	(50.5)	(82.2)
Neos Networks	(14.7)	-	(1.6)	-	-	(16.3)	-	(16.3)
Total SSE Group	693.2	(9.4)	(52.8)	3.5	71.2	705.7	(61.4)	644.3

*The comparative has been restated within the "Exceptional items and certain re-measurements" column above for SSE Renewables. See note 2(v).

5. Segmental information (continued)
5. (b) Operating profit/(loss) by segment (continued)

	Year ended 31 March 2024							
	Adjusted operating profit reported to the Board £m	Depreciation expense on fair value uplifts £m	Joint Venture/ Associate share of interest and tax £m	Adjustments to Gas Production decommissioning provision £m	Non-controlling interests £m	Before exceptional items and certain re-measurements £m	Exceptional items and certain re-measurements £m	Total £m
Continuing operations								
SSEN Transmission	419.3	-	-	-	139.8	559.1	-	559.1
SSEN Distribution	272.1	-	-	-	-	272.1	-	272.1
SSE Renewables	833.1	(19.0)	(145.7)	-	(0.7)	667.7	(37.4)	630.3
SSE Thermal	736.1	-	(13.1)	-	-	723.0	(78.6)	644.4
Gas Storage	82.8	-	-	-	-	82.8	(125.0)	(42.2)
Energy Customer Solutions								
SSE Business Energy	95.8	-	-	-	-	95.8	-	95.8
SSE Airtricity	95.0	-	(0.5)	-	-	94.5	-	94.5
SSE Enterprise	(25.6)	-	-	-	-	(25.6)	-	(25.6)
SSE Energy Markets	38.9	-	-	-	-	38.9	551.1	590.0
Corporate								
Corporate unallocated	(88.8)	-	-	(9.9)	-	(98.7)	4.6	(94.1)
Neos Networks	(32.3)	-	(10.2)	-	-	(42.5)	(73.6)	(116.1)
Total SSE Group	2,426.4	(19.0)	(169.5)	(9.9)	139.1	2,367.1	241.1	2,608.2

5. Segmental information (continued)
5. (c) Capital expenditure by segment

	Capital additions to intangible assets 30 September 2024 £m	**Capital additions to property, plant and equipment 30 September 2024 £m**	Capital additions to intangible assets 30 September 2023 £m	Capital additions to property, plant and equipment 30 September 2023 £m	Capital additions to intangible assets 31 March 2024 £m	Capital additions to property, plant and equipment 31 March 2024 £m
Continuing operations						
SSEN Transmission	**-**	**504.8**	-	324.8	12.8	784.7
SSEN Distribution	**4.5**	**384.4**	4.7	332.2	20.3	636.8
SSE Renewables	**144.3**	**223.5**	134.4	246.8	355.1	433.8
SSE Thermal	**6.7**	**13.7**	15.4	5.2	83.3	24.6
Gas Storage	**-**	**0.9**	-	0.2	-	0.8
Energy Customer Solutions						
SSE Business Energy	**11.3**	**15.2**	27.8	-	43.7	-
SSE Airtricity	**9.5**	**0.2**	8.6	0.4	14.1	0.7
SSE Enterprise	**10.2**	**12.4**	11.1	4.7	26.4	32.4
SSE Energy Markets	**196.9**	**-**	166.7	-	723.4	-
Corporate unallocated	**9.1**	**25.7**	12.3	25.1	35.1	57.6
Total SSE Group	**392.5**	**1,180.8**	381.0	939.4	1,314.2	1,971.4
Increase in prepayments related to capital expenditure	**-**	**142.7**	-	76.7	-	215.1
Tarbert temporary generation additions	**-**	**13.7**	-	-	-	93.4
Decrease/(increase) in trade payables related to capital expenditure	**-**	**(64.5)**	10.9	(51.8)	2.5	(84.6)
Customer funded additions	**-**	**(92.6)**	-	(91.4)	-	(152.0)
Lease asset additions	**-**	**(43.0)**	-	(24.9)	-	(73.0)
Less non-cash items:						
Allowances and certificates	**(153.2)**	**-**	(68.1)	-	(346.6)	-
Net cash outflow	**239.3**	**1,137.1**	323.8	848.0	970.1	1,970.3

Capital additions do not include assets acquired in acquisitions, assets acquired under leases or assets constructed that the Group were reimbursed by way of a government grant. During the period the Group received reimbursements totalling £13.7m (2023: £nil; March 2024: £93.4m) from government bodies relating to construction of a temporary generation plant at the Group's Tarbert site, which have been presented separately on the cashflow statement. Capital additions to intangible assets includes the cash purchase of emissions allowances and certificates of £39.2m (2023: £95.2m; March 2024: £427.9m). These purchases are presented in the cash flow statement within operating activities since they relate to the obligation to surrender the allowances and certificates in line with operating volumes of emissions. Other non-cash additions comprise self-generated renewable obligation certificates.

No segmental analysis of assets is required to be disclosed as this information is not presented to the Board.

5. Segmental information (continued)
5. (c) Capital expenditure by segment (continued)

	Six months ended 30 September 2024							
	Capital additions to intangible assets £m	Capital additions to property, plant and equipment £m	Capital Investment relating to Joint Ventures and Associates (i) £m	Allowances and certificates (ii) £m	Customer funded additions (iii) £m	Lease asset additions (iv) £m	Share of non-controlling interests (v) £m	Adjusted Investment and Capital Expenditure £m
Continuing operations								
SSEN Transmission	-	504.8	-	-	-	(2.6)	(125.6)	376.6
SSEN Distribution	4.5	384.4	-	-	(92.6)	(0.1)	-	296.2
SSE Renewables	144.3	223.5	142.5	-	-	(17.2)	(1.2)	491.9
SSE Thermal	6.7	13.7	26.0	-	-	-	-	46.4
Gas Storage	-	0.9	-	-	-	-	-	0.9
Energy Customer Solutions								
SSE Business Energy	11.3	15.2	-	-	-	-	-	26.5
SSE Airtricity	9.5	0.2	-	-	-	-	-	9.7
SSE Enterprise	10.2	12.4	5.1	-	-	(0.7)	-	27.0
SSE Energy Markets	196.9	-	-	(192.4)	-	-	-	4.5
Corporate unallocated	9.1	25.7	-	-	-	(22.4)	-	12.4
Total SSE Group	392.5	1,180.8	173.6	(192.4)	(92.6)	(43.0)	(126.8)	1,292.1

i) Represents equity or debt funding provided to joint ventures or associates in relation to capital expenditure projects.
ii) Allowances and Certificates consist of purchased carbon emissions allowances and generated or purchased renewable obligations certificates (ROCs) and are not included in the Group's Capital Expenditure and Investment alternative performance measure.
iii) Represents removal of additions to electricity and other networks funded by customer contributions.
iv) Represents removal of additions in respect of right of use assets recognised on the commencement date of a lease arrangement.
v) Represents the share of capital additions attributable to non-controlling interests.

5. Segmental information (continued)
5. (c) Capital expenditure by segment (continued)

	Six months ended 30 September 2023							
	Capital additions to intangible assets £m	**Capital additions to property, plant and equipment £m**	**Capital Investment relating to Joint Ventures and Associates (i) £m**	**Allowances and certificates (ii) £m**	**Customer funded additions (iii) £m**	**Lease asset additions (iv) £m**	**Share of non-controlling interests (v) £m**	**Adjusted Investment and Capital Expenditure £m**
Continuing operations								
SSEN Transmission	-	324.8	-	-	-	(1.4)	(80.8)	242.6
SSEN Distribution	4.7	332.2	-	-	(91.4)	-	-	245.5
SSE Renewables	134.4	246.8	67.4	-	-	(1.5)	-	447.1
SSE Thermal	15.4	5.2	17.6	-	-	-	-	38.2
Gas Storage	-	0.2	-	-	-	-	-	0.2
Energy Customer Solutions								
SSE Business Energy	27.8	-	-	-	-	-	-	27.8
SSE Airtricity	8.6	0.4	-	-	-	-	-	9.0
SSE Enterprise	11.1	4.7	-	-	-	(0.6)	-	15.2
SSE Energy Markets	166.7	-	-	(163.3)	-	-	-	3.4
Corporate unallocated	12.3	25.1	9.3	-	-	(21.4)	-	25.3
Total SSE Group	381.0	939.4	94.3	(163.3)	(91.4)	(24.9)	(80.8)	1,054.3

i) Represents equity or debt funding provided to joint ventures or associates in relation to capital expenditure projects.
ii) Allowances and Certificates consist of purchased carbon emissions allowances and generated or purchased renewable obligations certificates (ROCs) and are not included in the Group's Capital Expenditure and Investment alternative performance measure.
iii) Represents removal of additions to electricity and other networks funded by customer contributions.
iv) Represents removal of additions in respect of right of use assets recognised on the commencement date of a lease arrangement.
v) Represents the share of capital additions attributable to non-controlling interests.

5. Segmental information (continued)
5. (c) Capital expenditure by segment (continued)

	Year ended 31 March 2024							
	Capital additions to intangible assets £m	**Capital additions to property, plant and equipment £m**	**Capital Investment relating to Joint Ventures and Associates (i) £m**	**Allowances and certificates (ii) £m**	**Customer funded additions (iii) £m**	**Lease asset additions (iv) £m**	**Share of non-controlling interests (v) £m**	**Adjusted Investment and Capital Expenditure £m**
Continuing operations								
SSEN Transmission	12.8	784.7	-	-	-	(2.5)	(199.4)	595.6
SSEN Distribution	20.3	636.8	-	-	(152.0)	-	-	505.1
SSE Renewables	355.1	433.8	324.5	-	-	(16.3)	-	1,097.1
SSE Thermal	83.3	24.6	51.4	(59.7)	-	-	-	99.6
Gas Storage	-	0.8	-	-	-	-	-	0.8
Energy Customer Solutions								
SSE Business Energy	43.7	-	-	-	-	-	-	43.7
SSE Airtricity	14.1	0.7	-	-	-	-	-	14.8
SSE Enterprise	26.4	32.4	-	-	-	(7.8)	-	51.0
SSE Energy Markets	723.4	-	-	(714.8)	-	-	-	8.6
Corporate unallocated	35.1	57.6	14.1	-	-	(46.4)	-	60.4
Total SSE Group	1,314.2	1,971.4	390.0	(774.5)	(152.0)	(73.0)	(199.4)	2,476.7

i) Represents equity or debt funding provided to joint ventures or associates in relation to capital expenditure projects.
ii) Allowances and Certificates consist of purchased carbon emissions allowances and generated or purchased renewable obligations certificates (ROCs) and are not included in the Group's Capital Expenditure and Investment alternative performance measure.
iii) Represents removal of additions to electricity and other networks funded by customer contributions.
iv) Represents removal of additions in respect of right of use assets recognised on the commencement date of a lease arrangement.
v) Represents the share of capital additions attributable to non-controlling interests.

5. Segmental information (continued)
5. (d) Earnings/(losses) before interest, taxation, depreciation and amortisation ('Adjusted EBITDA')

	30 September 2024						
	Adjusted operating profit reported to the Board £m	Depreciation expense on fair value uplifts £m	Depreciation/ impairment/ amortisation before exceptional charges £m	Joint venture/ Associate share of depreciation and amortisation £m	Release of deferred income £m	Share of non-controlling interest depreciation and amortisation £m	Adjusted EBITDA £m
Continuing operations							
SSEN Transmission	**157.5**	**-**	**72.1**	**-**	**(1.0)**	**(18.0)**	**210.6**
SSEN Distribution	**346.3**	**-**	**105.2**	**-**	**(6.0)**	**-**	**445.5**
SSE Renewables	**335.6**	**(9.8)**	**94.5**	**67.1**	**-**	**-**	**487.4**
SSE Thermal	**(9.0)**	**(0.1)**	**44.1**	**20.7**	**-**	**-**	**55.7**
Gas Storage	**(34.8)**	**-**	**0.4**	**-**	**-**	**-**	**(34.4)**
Energy Customer Solutions							
SSE Business Energy	**60.1**	**-**	**9.6**	**-**	**-**	**-**	**69.7**
SSE Airtricity	**70.6**	**-**	**8.2**	**-**	**-**	**-**	**78.8**
SSE Enterprise	**(19.0)**	**-**	**4.9**	**-**	**(0.2)**	**-**	**(14.3)**
SSE Energy Markets	**14.1**	**-**	**3.2**	**-**	**-**	**-**	**17.3**
Corporate							
Corporate unallocated	**(50.5)**	**-**	**45.7**	**-**	**(0.2)**	**-**	**(5.0)**
Neos Networks	**(10.7)**	**-**	**-**	**22.4**	**-**	**-**	**11.7**
Total SSE Group	**860.2**	**(9.9)**	**387.9**	**110.2**	**(7.4)**	**(18.0)**	**1,323.0**

5. Segmental information (continued)
5. (d) Earnings/(losses) before interest, taxation, depreciation and amortisation ('Adjusted EBITDA') (continued)

30 September 2023	Adjusted operating profit reported to the Board £m	Depreciation expense on fair value uplifts £m	Depreciation/ impairment/ amortisation before exceptional charges £m	Joint venture/ Associate share of depreciation and amortisation £m	Release of deferred income £m	Share of non-controlling interest depreciation and amortisation £m	Adjusted EBITDA £m
Continuing operations							
SSEN Transmission	215.6	-	63.0	-	(1.0)	(15.7)	261.9
SSEN Distribution	120.1	-	94.0	-	(4.9)	-	209.2
SSE Renewables	86.8	(9.4)	81.7	59.5	-	-	218.6
SSE Thermal	312.9	-	50.7	21.4	-	-	385.0
Gas Storage	(86.7)	-	6.2	-	-	-	(80.5)
Energy Customer Solutions							
SSE Business Energy	88.0	-	3.3	-	-	-	91.3
SSE Airtricity	5.8	-	4.1	-	-	-	9.9
SSE Enterprise	(8.4)	-	3.2	-	(0.2)	-	(5.4)
SSE Energy Markets	9.0	-	2.6	-	-	-	11.6
Corporate							
Corporate unallocated	(35.2)	-	34.8	-	(0.3)	-	(0.7)
Neos Networks	(14.7)	-	-	23.4	-	-	8.7
Total SSE Group	693.2	(9.4)	343.6	104.3	(6.4)	(15.7)	1,109.6

31 March 2024	Adjusted operating profit reported to the Board £m	Depreciation expense on fair value uplifts £m	Depreciation/ impairment/ amortisation before exceptional charges £m	Joint venture/ Associate share of depreciation and amortisation £m	Release of deferred income £m	Share of non-controlling interest depreciation and amortisation £m	Adjusted EBITDA £m
Continuing operations							
SSEN Transmission	419.3	-	130.1	-	(2.0)	(32.5)	514.9
SSEN Distribution	272.1	-	194.8	-	(9.9)	-	457.0
SSE Renewables	833.1	(19.0)	171.9	121.6	-	-	1,107.6
SSE Thermal	736.1	-	104.0	40.6	-	-	880.7
Gas Storage	82.8	-	12.4	-	-	-	95.2
Energy Customer Solutions							
SSE Business Energy	95.8	-	9.1	-	-	-	104.9
SSE Airtricity	95.0	-	5.1	-	-	-	100.1
SSE Enterprise	(25.6)	-	10.2	-	(0.5)	-	(15.9)
SSE Energy Markets	38.9	-	5.1	-	-	-	44.0
Corporate							
Corporate unallocated	(88.8)	-	82.2	-	(0.6)	-	(7.2)
Neos Networks	(32.3)	-	-	46.6	-	-	14.3
Total SSE Group	2,426.4	(19.0)	724.9	208.8	(13.0)	(32.5)	3,295.6

6. Exceptional items and certain re-measurements

Year ended 31 March 2024 £m		Six months ended 30 September 2024 £m	Six months ended 30 September 2023 (restated*) £m
	Continuing operations		
	Exceptional items (note 6.1)		
(270.9)	Asset impairments	**(19.2)**	(63.2)
-	Other exceptional provisions and charges	**(2.7)**	(50.5)
4.9	Net gains on disposals/acquisitions of businesses and other assets	**0.3**	0.2
(266.0)	**Total exceptional items**	**(21.6)**	(113.5)
	Certain re-measurements (note 6.2)		
452.2	Movement on operating derivatives	**118.7**	64.9
9.1	Movement in fair value of commodity stocks	**-**	(4.6)
6.1	Movement on financing derivatives	**(4.6)**	41.0
46.1	Share of movement on derivatives in jointly controlled entities (net of tax)	**(24.2)**	(8.0)
513.5	**Total certain re-measurements**	**89.9**	93.3
247.5	**Exceptional items and certain re-measurements on continuing operations before taxation**	**68.3**	(20.2)
	Taxation		
23.3	Taxation on other exceptional items	**3.1**	3.2
(115.0)	Taxation on certain re-measurements	**(27.7)**	(23.9)
(91.7)	**Taxation**	**(24.6)**	(20.7)
155.8	**Total exceptional items and certain re-measurements on continuing operations after taxation**	**43.7**	(40.9)

Exceptional items and certain re-measurements are disclosed across the following categories within the income statement:

Year ended 31 March 2024 £m		Six months ended 30 September 2024 £m	Six months ended 30 September 2023 (restated*) £m
	Continuing operations		
	Cost of sales:		
452.2	Movement on operating derivatives (note 16)	**118.7**	64.9
9.1	Movement in fair value of commodity stocks	**-**	(4.6)
461.3		**118.7**	60.3
	Operating costs:		
(270.9)	Asset impairments	**(19.2)**	(63.2)
-	Other exceptional provisions and charges	**(2.7)**	(50.5)
(270.9)		**(21.9)**	(113.7)
	Operating income:		
4.6	Net gains on disposals of businesses and other assets	**-**	-
4.6		**-**	-
	Joint ventures and associates:		
46.1	Share of movement on derivatives in jointly controlled entities (net of tax)	**(24.2)**	(8.0)
46.1		**(24.2)**	(8.0)
241.1	**Operating profit:**	**72.6**	(61.4)
	Finance costs		
6.1	Movement on financing derivatives (note 16)	**(4.6)**	41.0
0.3	Interest income on deferred consideration receipt	**0.3**	0.2
6.4		**(4.3)**	41.2
247.5	**Profit before taxation on continuing operations**	**68.3**	(20.2)

*The comparative has been restated. See note 2(v).

6. Exceptional items and certain re-measurements (continued)

6.1 Exceptional items

Exceptional items recognised within continuing operations in the current financial period ended 30 September 2024

i) Enerveo Limited

On 3 October 2024, subsequent to the balance sheet date, the Group entered into an agreement with HUK 144 Limited, a subsidiary of Hilco Capital Limited, to dispose of the Infrastructure Solutions component of Enerveo Limited ("Enerveo") for consideration of £1 less costs. The Group has assessed that the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to be classified as held for sale were met by the Infrastructure Solutions component as at 30 September 2024. The Group has recognised an exceptional charge of £19.2m to reflect the impairment of the assets to fair value and a provision for £2.7m of pre-tax related disposal costs. The current period charges have been treated as exceptional to align the treatment with previously recognised exceptional charges associated with Enerveo. The results of the Infrastructure Solutions business are immaterial to the Group and therefore have not been separately disclosed as a discontinued operation. The transaction is expected to complete in the second half of the year. The Group has retained the Highway Electricals component of Enerveo as a continuing operation. The results of the retained component are also immaterial to the Group and will be reported as part of Corporate Unallocated.

ii) Other credits

At 30 September 2024, the Group recognised a final exceptional credit of £0.3m relating to the unwind of discounting on deferred consideration recognised as an exceptional item on the part disposal of SSE Slough Multifuel Limited in the year ended 31 March 2021. The deferred consideration of £7.0m was paid on commissioning of the plant.

Taxation

The Group has separately recognised the tax effect of the exceptional items summarised above.

Exceptional items in the year ended 31 March 2024

i) Triton Power 50% joint venture – investment impairment charge

At 31 March 2024 the Group recognised an impairment charge of £63.2m against the carrying value of the Group's investment in Triton Power Holdings Limited, reflecting future market price assumptions.

ii) Gas Storage – impairment charge

The Group performed a formal impairment review at 31 March 2024 to reassess the carrying value of its Gas Storage operations at Aldbrough and Atwick. As a result of the assessment, the Group recognised an exceptional impairment charge of £85.7m to the carrying value of the assets at Aldbrough and £48.4m to the carrying value of the assets at Atwick.

iii) Neos Networks 50% joint venture – impairment charge

At 31 March 2024, the Group performed a formal impairment assessment on the carrying value of its 50% joint venture investment, including shareholder loan balances, in Neos Networks Limited. The assessment indicated that the recoverable amount of the investment and shareholder loan receivable balances were impaired by £73.6m.

iv) Enerveo acquisition

On 22 March 2024, the Group purchased the entire share capital of Enerveo from Aurelius Antelope Limited ("Aurelius") for cash consideration of £1.0m. Completion of the transaction resulted in an exceptional credit of £4.6m being recognised on acquisition during the year ended 31 March 2024.

6.2 Certain re-measurements

The Group, through its SSE Energy Markets business, enters into forward commodity purchase (and sale) contracts to meet the future demand requirements of its SSE Business Energy and SSE Airtricity supply businesses, to optimise the value of its SSE Renewables and SSE Thermal power generation assets or to conduct other trading subject to the value at risk limits set out by the Energy Markets Risk Committee. Certain of these contracts (predominately electricity, gas and other commodity purchase contracts) are determined to be derivative financial instruments under IFRS 9 "Financial Instruments" and as such are required to be recorded at their fair value. Conversely, commodity contracts that are not financial instruments under IFRS 9 (predominately electricity sales contracts) are accounted for as 'own use' contracts and are not recorded at fair value. Inventory purchased to utilise excess capacity ahead of an optimised sale in the market by the Gas Storage business is held as trading inventory at fair value with changes in value recognised within 'certain re-measurements'. In addition, the mark-to-market valuation movements on the Group's contracts for difference contracts entered into by SSE Renewables that are not designated as government grants, and which are measured as Level 3 fair value financial instruments, are also included within 'certain re-measurements'.

Changes in the fair value of those commodity contracts designated as financial instruments and trading inventory are therefore reflected in the income statement. The Group shows the change in the fair value of these forward contracts and trading inventory separately as "certain re-measurements", as the Group does not believe this mark-to-market movement is relevant to the underlying performance of its businesses.

At 30 September 2024, changes in global commodities markets and in SSE's contractual positions have resulted in favourable net mark-to-market remeasurement on commodity contracts designated as financial instruments, contracts for difference contracts and trading inventory of £118.7m (gain) (2023: £60.3m gain (restated), March 2024: £461.3m gain). The net IFRS 9 position on operating derivatives at 30 September 2024 is an asset of £169.9m (2023: £336.4m liability (restated); March 2024: £51.4m asset).

6. Exceptional items and certain re-measurements (continued)

The mark-to-market gain in the period has resulted in a tax charge of £27.7m (2023: £23.9m charge (restated), March 2024: £115.0m charge), which has been reported separately as part of certain re-measurements. In addition, the Group has recognised losses of £4.6m (2023: £41.0m gains, March 2024: £6.1m gains) on the remeasurement of the certain interest rate and foreign exchange contracts through the income statement. Losses on the remeasurement of cash flow hedge accounted contracts of £8.3m (2023: £41.3m gain, March 2024: £6.5m gain) and losses on the equity share of the remeasurement of cash flow hedge accounted contracts in joint ventures of £27.4m (2023: £84.4m gains, March 2024: £40.9m losses) have been recognised in other comprehensive income.

The re-measurements arising from IFRS 9 and the associated deferred tax are disclosed separately to aid understanding of the underlying performance of the Group.

7. Finance income and costs

Year ended 31 March 2024 £m		**Six months ended 30 September 2024 £m**	Six months ended 30 September 2023 £m
	Finance income:		
60.3	Interest income from short term deposits	**11.6**	32.4
26.2	Interest on net pension assets	**10.2**	12.8
	Other interest receivable:		
78.4	Joint ventures and associates	**60.1**	34.4
34.2	Other receivable	**15.9**	24.2
112.6		**76.0**	58.6
199.1	**Total finance income**	**97.8**	103.8
	Finance costs:		
(77.4)	Bank loans and overdrafts	**(28.0)**	(37.1)
(274.3)	Other loans and charges	**(146.6)**	(144.0)
(25.2)	Notional interest arising on discounted provisions	**(13.2)**	(11.0)
(25.8)	Lease charges	**(11.0)**	(11.7)
84.4	Less: interest capitalised	**48.7**	30.0
(318.3)	**Total finance costs**	**(150.1)**	(173.8)
6.1	Changes in fair value of financing derivative assets or liabilities at fair value through profit or loss	**(4.6)**	41.0
(113.1)	**Net finance costs**	**(56.9)**	(29.0)
	Presented as:		
205.2	**Finance income**	**97.8**	144.8
(318.3)	**Finance costs**	**(154.7)**	(173.8)
(113.1)	**Net finance costs**	**(56.9)**	(29.0)

Adjusted net finance costs are arrived at after the following adjustments:

Year ended 31 March 2024 £m		**Six months ended 30 September 2024 £m**	Six months ended 30 September 2023 £m
(113.1)	**Net finance costs**	**(56.9)**	(29.0)
	(add)/less:		
(110.7)	Share of interest from joint ventures and associates	**(86.2)**	(47.8)
(26.2)	Interest on net pension assets	**(10.2)**	(12.8)
(6.1)	Movement on financing derivatives (note 16)	**4.6**	(41.0)
(0.3)	Exceptional item	**(0.3)**	(0.2)
4.7	Share of net finance cost attributable to non-controlling interests	**3.3**	2.8
(251.7)	**Adjusted net finance costs**	**(145.7)**	(128.0)
25.2	Notional interest arising on discounted provisions	**13.2**	11.0
25.8	Lease charges	**11.0**	11.7
(73.1)	Hybrid coupon payment	**(73.7)**	(73.1)
(273.8)	**Adjusted net finance costs for interest cover calculations**	**(195.2)**	(178.4)

8. Taxation

The income tax expense for the interim period is calculated in accordance with the principles of IAS 34, where the forecast effective rate of tax for the year is applied to the profits for the period, with discrete items arising in the interim period being separately treated.

The income tax expense reflects the anticipated effective rate of tax on profits before taxation for the Group for the year ending 31 March 2025, taking account of the movement in the deferred tax provision in the period so far as it relates to items recognised in the income statement. The reported tax rate on the profit before tax before exceptional items and certain re-measurements on continuing operations is 24.3% (2023: 21.3%, March 2024: 23.1%). The reported tax rate on the profit before tax after exceptional items and certain remeasurements is 25.2% (2023: 25.3% restated, March 2024: 24.5%).

The charge recognised in the income statement is as follows:

	Six months ended 30 September 2024			Six months ended 30 September 2023		
	Before exceptional items and remeasurements £m	**Exceptional items and remeasurements £m**	**Total £m**	Before exceptional items and remeasurements £m	Exceptional items and remeasurements (restated*) £m	Total (restated*) £m
Current tax						
Corporation tax	**104.2**	**11.1**	**115.3**	97.3	(6.9)	90.4
Adjustments in respect of previous periods	**-**	**-**	**-**	(15.0)	-	(15.0)
Total current tax	**104.2**	**11.1**	**115.3**	82.3	(6.9)	75.4
Deferred tax						
Current period	**84.5**	**13.5**	**98.0**	52.9	27.6	80.5
Total deferred tax	**84.5**	**13.5**	**98.0**	52.9	27.6	80.5
Total taxation charge	**188.7**	**24.6**	**213.3**	135.2	20.7	155.9

	Year ended 31 March 2024		
	Before exceptional items and remeasurements £m	Exceptional items and remeasurements £m	Total £m
Current tax			
Corporation tax	366.1	(36.5)	329.6
Adjustments in respect of previous years	(25.6)	31.8	6.2
Total current tax	340.5	(4.7)	335.8
Deferred tax			
Current year	155.3	128.2	283.5
Adjustments in respect of previous years	23.2	(31.8)	(8.6)
Total deferred tax	178.5	96.4	274.9
Total taxation charge	519.0	91.7	610.7

The 'adjusted current tax charge' and the 'adjusted effective rate of tax', which are presented in order to best represent underlying performance by making similar adjustments to the 'adjusted profit before tax' measure, are arrived at after the following adjustments:

Year ended 31 March 2024 £m	Year ended 31 March 2024 %		**Six months ended 30 September 2024 £m**	**Six months ended 30 September 2024 %**	Six months ended 30 September 2023 (restated*) £m	Six months ended 30 September 2023 (restated*) %
		Continuing operations				
610.7	25.6	Group tax charge and effective rate	**213.3**	**24.5**	155.9	24.7
(274.9)	(11.5)	Add: reported deferred tax charge and effective rate	**(98.0)**	**(11.3)**	(80.5)	(12.8)
335.8	14.1	Reported current tax charge and effective rate	**115.3**	**13.2**	75.4	11.9
	1.3	Effect of adjusting items		**2.9**		1.4
335.8	15.4	Reported current tax charge and effective rate on adjusted basis	**115.3**	**16.1**	75.4	13.3
		add:				
38.5	1.8	Share of current tax from joint ventures and associates	**(13.7)**	**(1.9)**	10.5	1.9
		less:				
4.7	0.2	Current tax charge on exceptional items	**(11.1)**	**(1.6)**	6.9	1.2
(8.0)	(0.3)	Share of current tax attributable to non-controlling interests	**5.5**	**0.8**	(4.4)	(0.8)
371.0	17.1	**Adjusted current tax charge and effective rate**	**96.0**	**13.4**	88.4	15.6

*The comparative has been restated. See note 2(v).

The adjusted effective current tax rate for the period after adjusting for discrete events arising in the first half of the year is 13.4% (2023: 15.6%). The forecast full-year effective current tax rate is expected to be 13.4%.

8. Taxation (continued)

Change in UK corporation tax rates

There are no announced or enacted changes in corporation tax rates in the interim period.

Finance Bill 2023 introduced legislation, initially as a temporary measure but then being made permanent in the Autumn Statement, to allow 'Full Expensing' of 100% General Pool plant and machinery, alongside 50% for Special Rate Pool plant and machinery. These changes significantly increase the deductions for Capital Allowances on capital expenditure incurred from 1 April 2023.

Finance Act (No.2) 2023 also introduced legislation in respect of Multinational Top-up Tax in line with OECD BEPS Pillar Two principles. The Group has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required by the amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules, which was issued in May 2023. The legislation is in force for the year ended 31 March 2025, including this interim period. Similar draft legislation has been introduced in the Republic of Ireland and other EU jurisdictions. The Group has undertaken modelling and does not expect a material impact to arise as tax rates, including deferred tax, in the countries in which the Group operates are expected to exceed 15%.

9. Dividends

Ordinary dividends

Year ended 31 March 2024				**Six months ended 30 September 2024**			Six months ended 30 September 2023		
Total £m	Settled via scrip £m	Pence per ordinary share		**Total £m**	**Settled via scrip £m**	**Pence per ordinary share**	Total £m	Settled via scrip £m	Pence per ordinary share
-	-	-	Final – year ended 31 March 2024	**437.3**	**225.5**	**40.0**	-	-	-
218.3	8.8	20.0	Interim – year ended 31 March 2024	**-**	**-**	**-**	-	-	-
738.1	29.8	67.7	Final – year ended 31 March 2023	**-**	**-**	**-**	738.1	29.8	67.7
956.4	38.6			**437.3**	**225.5**		738.1	29.8	

The final dividend of 40.0p per ordinary share declared in respect of the financial year ended 31 March 2024 (2023: 67.7p) was approved at the Annual General Meeting on 18 July 2024 and was paid to shareholders on 19 September 2024. Shareholders were able to elect to receive ordinary shares credited as fully paid instead of the cash dividend under the terms of the Company's scrip dividend scheme.

For dividends paid in relation to the financial year ended 31 March 2022 and in relation to the subsequent years to 31 March 2027, the Group's policy is to repurchase shares to reduce the scrip's dilutive effects, if the scrip take-up exceeds 25% of the full year dividend in any given year. The overall scrip dividend take-up for the financial year ended 31 March 2024 was 35.7% (March 2023: 18.0% - no Scrip buyback). SSE initiated a share buyback in the period following the final dividend payment for the year ended 31 March 2024. The number of ordinary shares to be purchased will not exceed 3,806,467 ordinary shares, and the maximum amount allocated to the Scrip buyback is £75.0m. SSE completed the Share buyback process on 16 October 2024.

An interim dividend of 21.2p per ordinary share has been proposed and is due to be paid on 27 February 2025 to those shareholders on the SSE plc share register on 3 January 2025. The proposed interim dividend has not been included as a liability in these financial statements. A scrip dividend will be offered as an alternative.

10. Earnings per share

Basic earnings per share

The calculation of basic earnings per ordinary share at 30 September 2024 is based on the net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period ended 30 September 2024.

Adjusted earnings per share

Adjusted earnings per share has been calculated by excluding the charge for deferred tax, interest on net pension assets under IAS 19, retained Gas Production decommissioning costs, the depreciation expense on fair value uplifts, the share of profit attributable to non-controlling interests and the impact of exceptional items and certain re-measurements.

10. Earnings per share (continued)

Continuing operations

Year ended 31 March 2024 Earnings £m	Year ended 31 March 2024 Earnings per share pence		**Six months ended 30 September 2024 Earnings £m**	**Six months ended 30 September 2024 Earnings per share pence**	Six months ended 30 September 2023 (restated*) Earnings £m	Six months ended 30 September 2023 (restated*) Earnings per share pence
1,710.5	156.7	**Basic earnings attributable to ordinary shareholders on continuing operations used to calculate adjusted EPS**	**522.1**	**47.7**	335.1	30.7
(155.8)	(14.3)	Exceptional items and certain re-measurements (note 6)	**(43.7)**	**(4.0)**	40.9	3.7
1,554.7	142.4	Basic excluding exceptional items and certain re-measurements	**478.4**	**43.7**	376.0	34.4
		Adjusted for:				
9.9	0.9	Gas Production decommissioning provision movement	**(10.8)**	**(1.0)**	(3.5)	(0.3)
19.0	1.7	Depreciation expense on fair value uplifts	**9.9**	**0.9**	9.4	0.9
(26.2)	(2.4)	Interest on net pension assets (note 7)	**(10.2)**	**(0.9)**	(12.8)	(1.2)
178.5	16.3	Deferred tax	**84.5**	**7.7**	52.9	4.9
20.3	1.9	Deferred tax from share of joint ventures and associates	**10.8**	**1.0**	(12.8)	(1.2)
(25.6)	(2.3)	Deferred tax on non-controlling interest	**(17.8)**	**(1.6)**	(5.5)	(0.5)
1,730.6	158.5	**Adjusted**	**544.8**	**49.8**	403.7	37.0

Reported earnings per share

Year ended 31 March 2024 Earnings £m	Year ended 31 March 2024 Earnings per share pence		**Six months ended 30 September 2024 Earnings £m**	**Six months ended 30 September 2024 Earnings per share pence**	Six months ended 30 September 2023 (restated*) Earnings £m	Six months ended 30 September 2023 (restated*) Earnings per share pence
1,710.5	156.7	**Basic earnings per share attributable to ordinary shareholders**	**522.1**	**47.7**	335.1	30.7
-	(0.2)	**Dilutive effect of outstanding share options**	**-**	**(0.1)**	-	-
1,710.5	156.5	**Diluted**	**522.1**	**47.6**	335.1	30.7

*The comparative has been restated. See note 2(v).

The weighted average number of shares used in each calculation is as follows:

Year ended 31 March 2024 Number of shares (millions)		**Six months ended 30 September 2024 Number of shares (millions)**	Six months ended 30 September 2023 Number of shares (millions)
1,091.8	For basic and adjusted earnings per share	**1,094.2**	1,090.4
1.5	Effect of exercise of share options	**2.2**	2.0
1,093.3	For diluted earnings per share	**1,096.4**	1,092.4

11. Acquisitions and disposals

Acquisitions and disposals in the current period

There have been no significant acquisitions and disposals in the current period.

During the period ended 30 September 2024, the Group made an asset acquisition (of a special purchase vehicle as opposed to a business) for cash consideration of £15.4m and sold a 50% equity share in SSE DE EV Hold Co Limited to form a 50:50 joint venture with TotalEnergies Marketing UK Limited for cash consideration of £16.5m.

11. Acquisitions and disposals (continued)

Prior year acquisitions

Enerveo acquisition

On 22 March 2024, the Group completed the acquisition of Enerveo from Aurelius for cash consideration of £1.0m. Enerveo (formerly named SSE Contracting Limited) is a former subsidiary of the Group that was disposed to Aurelius on 30 June 2021. The reacquisition of Enerveo resulted in a gain of £4.6m in the year ended 31 March 2024, which was recognised as an exceptional item. Following completion, SSE restructured and settled external liabilities totalling £15.2m and settled certain balances of £30.9m due to SSE companies which are included in the acquired balances below. At 31 March 2024, the goodwill balance of £5.6m implied by the transaction was written off. This write-off was included within the total gain of £4.6m referred to above. The following table summarises the assets and liabilities acquired in the transaction.

	Fair value at 22 March 2024 £m
Assets acquired and liabilities assumed	
Property, plant and equipment	11.7
Intangible assets	2.5
Inventories	3.9
Trade and other receivables	40.1
Prepayments and accrued income	55.1
Cash	13.2
Trade and other payables	(91.0)
Deferred income	(20.0)
Lease liabilities	(12.8)
Provisions	(7.3)
Total net liabilities acquired	(4.6)
Goodwill	5.6
Cash consideration	1.0

As referred to at note 6.1(i), on 3 October 2024, the Group entered into an agreement with HUK 144 Limited to dispose of the Infrastructure Solutions component of Enerveo for consideration of £1 less costs. The transaction is expected to complete in the second half of the year.

12. Impairment testing

At 30 September 2024, the Group has reviewed the carrying value of certain assets and has assessed whether there are any indicators that an impairment may have arisen. Where an impairment indicator exists, then a formal impairment assessment has been performed.

The Group has an early-stage renewable development portfolio in Southern Europe which is sensitive to changes in certain assumptions supporting the Group's valuation. During the period to 30 September 2024, discount rates in Southern Europe have increased, and the Group has experienced some delays in progressing projects through the planning and consenting processes. These factors were considered impairment triggers, necessitating a formal impairment review.

The Group also holds a 50% investment stake in Triton Power Holdings Limited ('Triton'), following its acquisition on 1 September 2022. While the investment is an equity accounted joint venture, the investment has been impaired in previous periods and is sensitive to market movements. During the period, there has been a decrease in short term observable spark spreads, offset by increases in Capacity Mechanism price assumptions. The movements in these assumptions have been considered impairment triggers, necessitating a formal impairment review. The Group's remaining CCGT fleet are held at historic cost and displayed significant headroom during the 31 March 2024 impairment review. Therefore, while the movements in spark spreads and Capacity Mechanism prices have been considered impairment triggers

or the Group's investment in Triton, the Group's remaining CCGT fleet continue to demonstrate headroom above their carrying values and have not been included in the review below.

12. Impairment testing (continued)

The results of the impairment assessments in relation to SSE Southern Europe and Triton were as follows:

Assets	Cash flow period assumption	Operating and other valuation assumptions	Commentary and impairment conclusions
SSE Southern Europe	Period to end of life of portfolio assets	**Modelling methodology and assumptions** A discounted cash flow analysis is used to test the carrying value of £405.1m of goodwill (March 2024: £416.8m) and £145.6m of capitalised development assets (March 2024: £120.5m) for impairment. As the Southern Europe platform is in early-stage development, the assessment was based on the discounted pre-tax cash flows using a comparable methodology to the acquisition model but updated to reflect changes to specific project circumstances and wider market developments since acquisition. The Southern Europe CGU includes cashflows for early-stage development assets, being 77 individual windfarm and co-located solar projects across Spain, France, Italy and Greece that have been assigned a probability of success. While there are other projects in the portfolio, these have not been assigned a probability of success and have been excluded from the valuation. Cashflows for the CGUs are based on the expected average annual generation output for each project, valued using forward power price projections. These factors are subject to management review. The prices applied to projected outputs are based on observable market information as at 30 September 2024. Assumptions have also been made on the Spanish, French, Italian and Greek government's support for the development of wind projects and expected governmental support under CfD subsidies. Cash outflows are based on planned and expected maintenance profiles and other capital or replacement costs. The cash flow projections are based on European power prices between €40 - €172 per MWh (March 2024: €38 - €141 per MWh) and have been discounted applying a pre-tax real discount rate between 6.6% and 7.5% (March 2024: 6.2% and 6.7%) based on technology and market risks.	**Impairment conclusion** The recoverable amount of the Southern Europe windfarm CGU is £557.4m (March 2024: £572.8m), resulting in minimal headroom. While the recoverable amount reflects current market challenges, it continues to exceed the carrying value of the goodwill and intangible development assets. Therefore, no impairment has been recognised at 30 September 2024. The impairment assessment is highly sensitive to fluctuations in key assumptions due to the relatively small headroom above carrying value. The Group continues to monitor both the portfolio and the Southern European market closely for further developments. **Sensitivity analysis** The principal assumptions impacting the valuation model of the Southern Europe windfarm CGU are generation volume; development probability of success; discount rate; and power price. While cash flow projections are subject to inherent uncertainty, a 10% reduction in greenfield generation volume was modelled which indicated an impairment of £25.8m (March 2024: headroom of £3.4m). A 5% reduction in the probability of success attributed to the development projects would result in an impairment of £62.4m (March 2024: impairment of £2.6m). An increase of 0.1% in the respective pre-tax real discount rates (Spain: 6.6% France: 7.5%, Italy: 7.2% and Greece: 7.1%) results in an impairment of £20.8m and a 0.5% increase in the respective pre-tax real discount rates indicates an impairment of £120.6m (March 2024: impairment of £100.0m). The Group has assessed that many of the projects in Spain, Italy and France will obtain a revenue support contract. If this assumption were changed and the projects were developed on a merchant basis, the price assumptions applied in the model would increase, although would likely be offset by a compensatory increase in the discount rate. A £0.1m impairment would be recognised if the projects are developed on a merchant basis and power prices decrease by 3.8%.

12. Impairment testing (continued)

Assets	Cash flow period assumption	Operating and other valuation assumptions	Commentary and impairment conclusions
Equity investment in Triton Power Holdings Limited	Period to end of life	**Modelling methodology and assumptions** The Group has valued its 50% equity investment in Triton based on projected cashflows that will be derived from the joint venture investment on a value in use ('VIU') basis. The VIU assessment of the Triton power stations (Saltend, Indian Queens and Deeside) is used to test the carrying value of the equity investment of £136.4m (2024: £152.5m). The assessments were based on pre-tax discounted cash flows expected to be generated by each power station, based on management's view of operating prospects and operational flexibility within the GB wholesale market, including capacity market clearing prices. Cash flows are subject to a pre-tax real discount rate of 13.0% (blended) (2024: 13.2% (blended)).	**Conclusion** The recoverable amount of the Group's equity investment in Triton is £139.1m (2024: £153.9m), which is £2.7m higher than the carrying value. As the difference is low and has been assessed as part of a range of positive and negative reasonable possible outcomes, no adjustment has been recognised at 30 September 2024. The Group acquired its investment in Triton on 1 September 2022 during a period of significant volatility in the UK power market. On acquisition the Group recorded an exceptional gain on acquisition due to movements in short term gas and power prices between the purchase agreement and completion dates. While the investment is an equity accounted joint venture, the investment has been impaired in previous periods and is sensitive to market movements. **Sensitivity analysis** The principal assumptions impacting the valuation model of Triton are discount rate; gross margin; and non-contracted capacity market price. A 0.5% increase in the discount rate would result in an impairment at 30 September 2024 of £1.6m. A 0.5% decrease in the discount rate would increase the headroom from £2.7m to £7.2m and the impairment reversal would be recognised. A 20% increase in gross margin would result in an impairment reversal of £22.3m, and a 20% decrease in gross margin would result in an impairment of £17.9m. A £10/KW increase in non-contracted capacity market price would result in an impairment reversal of £17.8m, and a £10/KW decrease would result in an impairment charge of £12.5m.

13. Sources of finance

13.1 Capital management

The Board's policy is to maintain a strong balance sheet and credit rating to support investor, counterparty and market confidence in the Group and to underpin future development of the business. The Group's credit ratings are also important in maintaining an efficient cost of capital and in determining collateral requirements throughout the Group. As at 30 September 2024, the Group's long term credit rating was BBB+ positive outlook for Standard & Poor's and Baa1 stable outlook for Moody's. The Group is also BBB+ stable outlook with Fitch however this rating is on an unsolicited basis.

The maintenance of a medium-term corporate model is a key control in monitoring the development of the Group's capital structure and allows for detailed scenarios and sensitivity testing. Key ratios drawn from this analysis underpin regular updates to the Board and include the ratios used by the rating agencies in assessing the Group's credit ratings.

The Group's debt requirements are principally met through issuing bonds denominated in Sterling and Euros as well as private placements and medium-term bank loans including those with the European Investment Bank.

SSE's adjusted net debt and hybrid capital was £9.8bn at 30 September 2024, compared with £9.4bn at 31 March 2024.

13. Sources of finance (continued)

Adjusted net debt and hybrid capital is stated after removing lease obligations, external net debt attributable to non-controlling interests and cash held and posted as collateral in line with the Group's presentation basis which is explained at note 2(i). The adjustment related to the non-controlling interest share of Scottish Hydro Electric Transmission plc external net debt is £586.2m at 30 September 2024 (2023: £454.2m; March 2024: £490.2m) and relates to 25% of external loans of £2,930.1m (2023: £1,815.1m; March 2024: £2,088.0m) net of cash and cash equivalents of £585.4m (2023: £1.6m overdrawn; March 2024: cash equivalent of £127.4m). Cash held and posted as collateral refers to amounts received and deposited on commodity trading exchanges which are reported within 'Trade and other payables' and 'Trade and other receivables' respectively on the face of the balance sheet.

At 30 September 2024 the collateral balance was a net liability of £260.2m, consisting of a liability of £264.6m and an asset of £4.4m (2023: £140.6m asset, March 2024: £353.2m net liability). The movement since March 2024 reflects a reduction in the variation margin on 'in the money' positions due to higher commodity prices in the six months, along with 'in the money' positions maturing during the period.

Borrowing facilities

The Group has an established €1.5bn Euro commercial paper programme (paper can be issued in a range of currencies and swapped into Sterling) and as at 30 September 2024 there was £799m commercial paper outstanding (March 2024: £840m).

As at 30 September 2024, the Group continues to have access to £3.5bn of revolving credit facilities (March 2024: £3.5bn), which includes £750m (March 2024: £750m) relating to Scottish Hydro Electric Transmission plc. As at 30 September 2024 there were no drawings against these committed facilities (March 2024: nil utilisation).

The details of the five committed facilities as at 30 September 2024 are:

- a £1.3bn revolving credit facility for SSE plc maturing March 2026 (March 2024: £1.3bn);
- a £0.2bn bilateral facility for SSE plc maturing October 2026 (March 2024: £0.2bn);
- a £0.75bn facility for Scottish Hydro Electric Transmission plc maturing November 2026 (March 2024: £0.75bn);
- a £0.25bn facility for Scottish Hydro Electric Distribution plc and Southern Electric Power Distribution plc maturing November 2026 (March 2024: £0.25bn); and
- a £1.0bn committed facility for SSE plc maturing February 2025 (March 2024: £1.0bn).

At 30 September 2024, the £1.3bn revolving credit facility and £0.2bn bilateral facility were both in place to provide back-up to the commercial paper programme and support the Group's capital expenditure plans. The Transmission and Distribution related facilities were in place to help cover the capital expenditure and working capital of those businesses. The £1bn committed facility for SSE plc provided cover for potential cash collateral requirements. At 30 September 2024 and 31 March 2024 there were no drawings on the SSE plc, Distribution and Transmission facilities.

On 23 October 2024 the above facilities have been re-financed with the £0.75bn facility relating to Scottish Hydro Electric Transmission plc being increased to £1.5bn, and the £2.75bn of facilities relating to SSE plc and Distribution being reduced to £1.5bn. This reduction relates to the cancellation of the £1.0bn facility due to mature in February 2025, and the £0.25bn Distribution facility that is no longer required.

This results in the Group having the following committed facilities:

- a £1.5bn revolving credit facility for SSE plc maturing October 2029 with two 1 year extension options; and
- a £1.5bn revolving credit facility for Scottish Hydro Electric Transmission plc maturing October 2029 with two 1 year extension options.

Debt maturities and new debt issued

During the period, SSE plc issued £0.8bn of debt and had £1.0bn of debt maturities. The £0.8bn of issued debt relates to Commercial Paper being rolled at maturity, which also accounts for £0.8bn of the debt maturities, with the only additional debt maturity being €320m (£204m) of 12 year US Private Placements that matured in April 2024.

During the period Scottish Hydro Electric Transmission plc issued £0.9bn of new debt and had no debt maturities. The three issuances of new debt were as follows:

- August 2024 – €850m (£715m) 8 year green Eurobond maturing September 2032 with a coupon of 3.375% and an all-in GBP cost of 4.9127% once swapped back to Sterling;
- June 2024 – 1.5bn NOK (£111m) 10 year private placement maturing June 2034 with a coupon of 4.731% and an all-in GBP cost of 5.3315% once swapped back to Sterling; and
- July 2024 - £30m 15 year private placement maturing July 2039 with a coupon of 5.591%.

13. Sources of finance (continued)

The Group capital comprises:

March 2024 £m		September 2024 £m	September 2023 (restated*) £m
8,726.2	**Total borrowings (excluding lease obligations)**	**9,178.2**	8,558.6
(1,035.9)	Less: Cash and cash equivalents	**(890.8)**	(902.4)
7,690.3	Net debt (excluding hybrid equity)	**8,287.4**	7,656.2
1,882.4	Hybrid equity	**1,882.4**	1,882.4
(490.2)	External net debt attributable to non-controlling interests	**(586.2)**	(454.2)
353.2	Cash held/(posted) as collateral and other short-term loans	**260.2**	(140.6)
9,435.7	**Adjusted net debt and hybrid capital**	**9,843.8**	8,943.8
9,170.8	Equity attributable to shareholders of the parent	**9,406.9**	8,152.3
18,606.5	**Total capital excluding lease obligations**	**19,250.7**	17,096.1

*The comparative information has been restated. See note 2(v).

13.2 Loans and other borrowings

March 2024 £m		September 2024 £m	September 2023 £m
	Current		
1,044.5	Short term loans	**1,829.0**	1,313.3
83.5	Lease obligations	**74.9**	81.6
1,128.0		**1,903.9**	1,394.9
	Non-current		
7,681.7	Loans	**7,349.2**	7,245.3
324.0	Lease obligations	**326.5**	312.8
8,005.7		**7,675.7**	7,558.1
9,133.7	**Total loans and borrowings**	**9,579.6**	8,953.0
(1,035.9)	Cash and cash equivalents	**(890.8)**	(902.4)
8,097.8	**Unadjusted net debt**	**8,688.8**	8,050.6
	Add/(less):		
1,882.4	Hybrid equity (note 14)	**1,882.4**	1,882.4
(490.2)	External net debt attributable to non-controlling interests	**(586.2)**	(454.2)
(407.5)	Lease obligations	**(401.4)**	(394.4)
353.2	Cash held/(posted) as collateral and other short term loans	**260.2**	(140.6)
9,435.7	**Adjusted net debt and hybrid capital**	**9,843.8**	8,943.8

SSE's adjusted net debt and hybrid capital was £9.8bn at 30 September 2024, compared with £9.4bn at 31 March 2024 and £8.9bn at 30 September 2023.

Adjusted net debt and hybrid capital is stated after removing lease obligations, external net debt attributed to non-controlling interests and cash held and posted as collateral in line with the Group's presentation basis which is explained at note 2(i). Cash held and posted as collateral refers to amounts received and deposited on commodity trading exchanges which are reported within 'Trade and other payables' and 'Trade and other receivables' on the face of the balance sheet.

13.3 Reconciliation of net increase in cash and cash equivalents to movement in adjusted net debt and hybrid capital

March 2024 £m		September 2024 £m	September 2023 £m
144.1	Increase/(decrease) in cash and cash equivalents	**(145.1)**	10.6
	Add/(less)		
(1,982.2)	New borrowing proceeds	**(1,655.6)**	(1,751.0)
1,744.0	Repayment of borrowings	**1,047.0**	1,738.8
166.0	Non-cash movement on borrowings	**156.6**	107.6
56.0	Increase in external net debt attributable to non-controlling interests	**96.0**	20.0
(669.5)	(Decrease)/increase in cash held/posted as collateral and other short term loans	**93.0**	(175.7)
(541.6)	**Increase in adjusted net debt and hybrid capital**	**(408.1)**	(49.7)

13.4 Equity attributable to non-controlling interests

This relates to equity attributable to non-wholly owned but controlled subsidiaries which are consolidated within the condensed Interim Financial Statements of the Group. At 30 September 2024 the amount attributable to non-controlling interests is £781.3m (2023: £703.4m; March 2024: £749.9m), which relates to SHET of £742.8m (2023: £660.8m; March 2024: £709.1m) and SSE Pacifico £38.5m (2023: £42.6m; March 2024 £40.8m). The profit and loss attributable to non-controlling interests for the period ended 30 September 2024 is £36.8m profit (2023: £51.2m; March 2024: £100.8m), which relates to SHET £36.9m profit (2023: £51.7m profit, March 2024: £101.5m) and SSE Pacifico £0.1m loss (2023: £0.5m loss; March 2024: £0.7m loss).

14. Hybrid Equity

March 2024 £m	Perpetual subordinated capital securities	**September 2024 £m**	September 2023 £m
598.0	GBP 600m 3.74% perpetual subordinated capital securities (i)	**598.0**	598.0
453.0	EUR 500m 3.125% perpetual subordinated capital securities (i)	**453.0**	453.0
831.4	EUR 1,000m 4.00% perpetual subordinated capital securities (ii)	**831.4**	831.4
1,882.4		**1,882.4**	1,882.4

(i) 2 July 2020 £600m and €500m Hybrid Capital Bonds

The hybrid capital bonds issued in July 2020 have no fixed redemption date, but the Company may, at its sole discretion, redeem all but not part of the capital securities at their principal amount. The date for the first potential discretionary redemption of the £600m hybrid bond is 14 April 2026 and then every 5 years thereafter. The date for the first potential discretionary redemption of the €500m hybrid capital bond is 14 July 2027 and then every 5 years thereafter. For the £600m hybrid the discretionary coupon payments are made annually on 14 April and for the €500m hybrid the discretionary coupon payments are made annually on 14 July.

(ii) 12 April 2022 €1,000m Hybrid Capital Bonds

The hybrid capital bond issued in April 2022 has no fixed redemption date, but the Company may, at its sole discretion, redeem all but not part of the capital securities at their principal amount. The date for the first potential discretionary redemption is 21 April 2028 and then every 5 years thereafter. The discretionary hybrid coupon payments are made annually on 21 April.

Coupon Payments

In relation to the £600m hybrid equity bond a discretionary coupon payment of £22.4m (March 2024: £22.4m) was made on 14 April 2024, for the €500m hybrid equity bond a discretionary coupon payment of £16.5m (March 2024: £16.5m) was made on 14 July 2024 and for the €1bn hybrid equity bond a discretionary payment of £34.8m was paid on 21 April 2024 (March 2024: £34.2m).

The coupon payments in the six month period to 30 September 2024 consequently totalled £73.7m (2023: £73.1m) and the Company has the option to defer coupon payments on the bonds on any relevant payment date, as long as a dividend on the ordinary shares has not been declared. Deferred coupons shall be satisfied only on redemption; or on a dividend payment on ordinary shares, both of which occur at the sole option of the Company. Interest will accrue on any deferred coupon.

15. Share capital

	Number (millions)	**£m**
Allotted, called up and fully paid:		
At 1 April 2024	1,096.2	548.1
Issue of shares	12.2	6.1
At 30 September 2024	**1,108.4**	**554.2**

The Company has one class of ordinary share which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

Shareholders were able to elect to receive ordinary shares in place of the final dividend for the year to 31 March 2024 of 40.0p per ordinary share (2023: 67.7p in relation to the final dividend for the year to 31 March 2023; March 2024: 20.0p in relation to the interim dividend for the year to 31 March 2024) under the terms of the Company's scrip dividend scheme. This resulted in the issue of 12,203,570 (2023: 1,779,529; March 2024: 1,779,529 and 493,654) new fully paid ordinary shares.

In addition, the Company issued 53k shares (2023: 40k, March 2024: 0.8m) during the period under the savings-related share option schemes and discretionary share option schemes (all of which were settled by shares held in Treasury) for a consideration of £0.7m (2023: £0.4m, March 2024: £9.2m).

On 29 August 2024 the Group entered into an irrevocable non-discretionary share buyback programme of up to a maximum of £75.0m in own shares to be held as treasury shares pending their cancellation or re-issue in due course. As the share buyback was irrevocable the full value was recognised as a liability at 30 September 2024. The share repurchase scheme commenced on 30 September 2024, with 227k of shares repurchased in the period for a total consideration of £4.3m (including stamp duty and commission). SSE completed the share buyback process on 16 October 2024. There were no share buybacks in the financial year ended 31 March 2024.

Of the 1,108.4m (2023: 1,095.7m, March 2024: 1,096.2m) shares in issue, 3.0m (2023: 3.6m, March 2024: 2.8m) are held as treasury shares. These shares will be held by the Group and used to award shares to employees under the Sharesave schemes in the UK.

During the period, on behalf of the Company, the employee share trust purchased 0.1m shares (2023: 1.2m, March 2024: 1.3m) for a consideration of £2.2m (2023: £19.7m, March 2024: £21.8m) to be held in trust for the benefit of employee share schemes.

16. Financial risk management

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's policies for risk management are established to identify the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Exposure to commodity, currency and interest rate risks arise in the normal course of the Group's business and derivative financial instruments are entered into to hedge exposure to these risks.

SSE has a Group wide Risk Committee reporting to the Group Executive Committee, which is responsible for reviewing the strategic, market, credit, operational and liquidity risks and exposures that arise from the Group's operating activities. In addition, the Group has two dedicated Energy Market risk committees reporting to the Group Executive Committee and Board respectively, with the Group Executive Sub-committee chaired by the Group Chief Operating Officer (the "Group Energy Markets Exposures Risk Committee") and the Board Sub-committee chaired by Non-Executive Director Tony Cocker (the "Energy Markets Risk Committee (EMRC)"). These Committees oversee the Group's management of its energy market exposures, including its approach to hedging.

During the period ended 30 September 2024, the Group continued to be exposed to the economic conditions impacting the primary commodities to which it is exposed (Gas, Carbon and Power). The Group's approach to hedging, and the diversity of its energy portfolios (across Wind, Hydro, Thermal and Customers) has provided significant certain mitigation of these exposures.

The Group's policy in relation to liquidity risk continues to be to ensure, in so far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Further detail is noted in the Group's financial statements at 31 March 2024.

For financial reporting purposes, the Group has classified derivative financial instruments into two categories, operating derivatives and financing derivatives. Operating derivatives relate to all qualifying commodity contracts including those for electricity, gas, oil, coal and carbon and the post-day 1 fair value movements on non-government backed contracts for difference in SSE Renewables. Financing derivatives include all fair value and cash flow interest rate hedges, non-hedge accounted (mark-to-market) interest rate derivatives, cash flow foreign exchange hedges and non-hedge accounted foreign exchange contracts. Non-hedge accounted contracts are treated as held for trading.

The net movement reflected in the interim income statement can be summarised as follows:

Year ended 31 March 2024 £m		**Six months ended 30 September 2024 £m**	Six months ended 30 September 2023 (restated*) £m
	Operating derivatives		
(573.1)	Total result on operating derivatives (i)	**51.6**	(434.5)
1,025.3	Less: amounts settled (ii)	**67.1**	499.4
452.2	**Movement in unrealised derivatives**	**118.7**	64.9
	Financing derivatives (and hedged items)		
370.6	Total result on financing derivatives (i)	**59.2**	211.9
(364.5)	Less: amounts settled (ii)	**(63.8)**	(170.9)
6.1	**Movement in unrealised** derivatives	**(4.6)**	41.0
	Financial guarantee liabilities		
12.5	Total result on financial guarantee liabilities (iii)	**0.9**	(34.2)
470.8	**Net income statement impact**	**115.0**	71.7

(i) Total result on derivatives in the income statement represents the total amounts (charged) or credited to the income statement in respect of operating and financial derivatives.
(ii) Amounts settled in the period represent the result on derivatives transacted which have matured or been delivered and have been included within the total result on derivatives.
(iii) Total result on financial guarantee liabilities in the income statement represents the total amounts credited or (charged) to the income statement in respect of the unwind of the financial liabilities and new or expiring contracts.

*The comparative information has been restated. See note 2(v).

The movement in unrealised operating derivatives excludes a £3.6m loss (2023: £13.7m loss; March 2024: £8.8m loss) on proprietary trades, which has been recognised in the underlying profit of the Group.

16. Financial risk management (continued)

The fair values of the primary financial assets and liabilities of the Group together with their carrying values are as follows:

March 2024 Carrying value £m	March 2024 Fair value £m		**September 2024 Carrying value £m**	**September 2024 Fair value £m**	September 2023 (restated*) Carrying value £m	September 2023 (restated*) Fair value £m
		Financial Assets				
		Current				
1,305.5	1,305.5	Trade receivables	**1,173.7**	**1,173.7**	1,096.7	1,096.7
4.1	4.1	Other receivables	**4.2**	**4.2**	11.1	11.1
9.3	9.3	Cash collateral and other short term loans	**4.4**	**4.4**	140.6	140.6
1,035.9	1,035.9	Cash and cash equivalents	**890.8**	**890.8**	902.4	902.4
536.1	536.1	Derivative financial assets	**420.8**	**420.8**	262.6	262.6
2,890.9	2,890.9		**2,493.9**	**2,493.9**	2,413.4	2,413.4
		Non-current				
3.2	3.2	Unquoted equity investments	**7.6**	**7.6**	2.9	2.9
170.1	170.1	Loan note receivable	**181.6**	**181.6**	159.5	159.5
1,352.9	1,352.9	Loans to associates and jointly controlled entities	**1,484.4**	**1,484.4**	1,196.8	1,196.8
64.2	64.2	Derivative financial assets	**63.2**	**63.2**	139.9	139.9
1,590.4	1,590.4		**1,736.8**	**1,736.8**	1,499.1	1,499.1
4,481.3	4,481.3		**4,230.7**	**4,230.7**	3,912.5	3,912.5
		Financial Liabilities				
		Current				
(656.7)	(656.7)	Trade payables	**(569.4)**	**(569.4)**	(622.5)	(622.5)
(362.5)	(362.5)	Outstanding liquid funds	**(264.6)**	**(264.6)**	-	-
(1,044.5)	(1,113.6)	Loans and borrowings	**(1,829.0)**	**(1,831.1)**	(1,313.3)	(1,392.4)
(83.5)	(83.5)	Lease liabilities	**(74.9)**	**(74.9)**	(81.6)	(81.6)
(3.1)	(3.1)	Financial guarantee liabilities	**(2.9)**	**(2.9)**	(47.0)	(47.0)
(345.2)	(345.2)	Derivative financial liabilities	**(250.9)**	**(250.9)**	(505.2)	(505.2)
(2,495.5)	(2,564.6)		**(2,991.7)**	**(2,993.8)**	(2,569.6)	(2,648.7)
		Non-current				
(7,681.7)	(7,440.6)	Loans and borrowings	**(7,349.2)**	**(7,295.8)**	(7,245.3)	(6,412.5)
(324.0)	(324.0)	Lease liabilities	**(326.5)**	**(326.5)**	(312.8)	(312.8)
(36.4)	(36.4)	Financial guarantee liabilities	**(35.0)**	**(35.0)**	(34.5)	(34.5)
(222.2)	(222.2)	Derivative financial liabilities	**(208.8)**	**(208.8)**	(141.7)	(141.7)
(8,264.3)	(8,023.2)		**(7,919.5)**	**(7,866.1)**	(7,734.3)	(6,901.5)
(10,759.8)	(10,587.8)		**(10,911.2)**	**(10,859.9)**	(10,303.9)	(9,550.2)
(6,278.5)	(6,106.5)	**Net financial liabilities**	**(6,680.5)**	**(6,629.2)**	(6,391.4)	(5,637.7)

*The comparative information has been restated. See note 2(v).

Fair value hierarchy

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from unadjusted quoted market prices for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

	September 2024				September 2023 (restated*)			
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Energy derivatives	**298.8**	**121.0**	**6.2**	**426.0**	-	224.8	7.5	232.3
Interest rate derivatives	**-**	**46.0**	**-**	**46.0**	-	155.1	-	155.1
Foreign exchange derivatives	**-**	**12.0**	**-**	**12.0**	-	15.1	-	15.1
Unquoted equity instruments	**-**	**-**	**7.6**	**7.6**	-	-	2.9	2.9
	298.8	**179.0**	**13.8**	**491.6**	-	395.0	10.4	405.4
Financial liabilities								
Energy derivatives	**-**	**(202.6)**	**(53.5)**	**(256.1)**	(37.3)	(507.1)	(24.3)	(568.7)
Interest rate derivatives	**-**	**(158.6)**	**-**	**(158.6)**	-	(60.7)	-	(60.7)
Foreign exchange derivatives	**-**	**(45.0)**	**-**	**(45.0)**	-	(17.5)	-	(17.5)
Loans and borrowings*	**-**	**113.1**	**-**	**113.1**	-	(37.1)	-	(37.1)
	-	**(293.1)**	**(53.5)**	**(346.6)**	(37.3)	(622.4)	(24.3)	(684.0)

* The £113.1m relates to fair value hedges that are in place against the Group's loans and borrowings and has been included in the table above within financial liabilities, as it is presented in loans and borrowings liabilities in the balance sheet.

16. Financial risk management (continued)

	March 2024 Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Energy derivatives	357.7	121.6	0.5	479.8
Interest rate derivatives	-	113.0	-	113.0
Foreign exchange derivatives	-	7.5	-	7.5
Unquoted equity instruments	-	-	3.2	3.2
	357.7	242.1	3.7	603.5
Financial liabilities				
Energy derivatives	-	(327.1)	(101.3)	(428.4)
Interest rate derivatives	-	(95.8)	-	(95.8)
Foreign exchange derivatives	-	(43.2)	-	(43.2)
Loans and borrowings	-	(0.9)	-	(0.9)
	-	(467.0)	(101.3)	(568.3)

*The comparative information has been restated. See note 2(v).

There were no significant transfers out of Level 1 into Level 2 and out of Level 2 into Level 1 during the 6 months ended 30 September 2024 (2023: none, March 2024: none). There were no significant transfers out of Level 2 into Level 3 and out of Level 3 into Level 2 during the 6 months ended 30 September 2024 (2023: none, March 2024: none).

The following table represents the difference between the Level 3 financial instruments at fair value at the start of the reporting period and at the reporting date:

31 March 2024 £m		**30 September 2024 £m**	30 September 2023 (restated*) £m
25.6	Level 3 financial instruments fair value at 1 April	**(97.6)**	25.6
(24.1)	Transfer (from)/to financial assets	**4.6**	(24.1)
(0.4)	Cash settlement	**1.8**	-
(0.4)	Disposals in period	**(0.2)**	-
(106.0)	Remeasurement (loss)/gain recognise in income statement	**36.9**	(15.0)
0.3	Remeasurement gain/(loss) recognised in other comprehensive income	**-**	(0.4)
11.5	Additions – new instruments entered in the period	**3.0**	-
(11.5)	Deferred day 1 gains on instruments entered in the period	**(3.0)**	-
7.4	Amortisation of day 1 gains in the period	**14.8**	-
(97.6)	**Level 3 financial instruments fair value**	**(39.7)**	(13.9)

*The comparative information has been restated. See note 2(v).

17. Retirement benefit obligations

The Group has two funded final salary pension schemes which provide defined benefits based on final pensionable pay. The schemes are subject to independent valuations at least every three years. The Group provides pension benefits to most UK colleagues through SSE Pensions+, a defined contribution master trust agreement with Aviva. The Group also operates other pension arrangements, including a defined contribution master trust agreement with Zurich in the Republic of Ireland and an Unfunded Unapproved Retirement Benefit Scheme. Further details on these schemes are provided in the Group's Financial Statements to 31 March 2024.

Summary of Defined Benefit Pension Schemes:

Movement recognised in the SoCI March 2024 £m	Pension assets March 2024 £m		**Movement recognised in respect of the pension asset in the SoCI September 2024 £m**	September 2023 £m	**Pension asset September 2024 £m**	September 2023 £m
(37.1)	339.3	Scottish Hydro Electric	**15.6**	(47.7)	**360.3**	324.2
(118.1)	82.3	SSE Southern	**17.9**	(102.1)	**110.5**	86.8
(155.2)	421.6		**33.5**	(149.8)	**470.8**	411.0

The last triennial actuarial valuation of the Scottish Hydro Electric Pension Scheme was carried out as at 31 March 2024 and showed a surplus of £229.3m on a projected unit basis. Following this valuation, the Group agreed a new schedule of contributions which does not require contributions to be paid to the scheme, unless there is a sustained deficit for two successive quarters on the Trustees' long-term funding basis. Consequently, the Group has not and is not expected to make contributions to the scheme in the year ending 31 March 2025.

The last triennial actuarial valuation of the SSE Southern Group of the Electricity Supply Pension Scheme as at 31 March 2022 showed a deficit of £79.6m on a projected unit basis. Following this valuation, the Group agreed to a new schedule of contributions which, along with investment returns from return-seeking assets, are expected to make good this shortfall by 31 March 2027. The Group also pays contributions in respect of current accrual. Total contributions of approximately £28.2m are expected to be paid by the Group during the year ending on 31 March 2025, including deficit repair contributions of £15.5m of which £7.7m have been paid to 30 September 2024. The deficit repair contribution will be made annually until March 2027, increasing in line with inflation each year.

17. Retirement benefit obligations (continued)

A summary of the movement presented in the statement of comprehensive income is shown below:

Year ended 31 March 2024 £m		**Six months ended 30 September 2024 £m**	Six months ended 30 September 2023 £m
(155.2)	Actuarial (losses)/gains recognised	**33.5**	(149.8)
38.8	Deferred tax thereon	**(8.4)**	37.5
(116.4)	**Net (loss)/gain recognised in statement of comprehensive income**	**25.1**	(112.3)

The major assumptions used by the actuaries in both schemes in preparing the IAS 19 valuations were:

March 2024		**September 2024**	September 2023
3.4%	Rate of increase in pensionable salaries	**3.3%**	3.5%
3.1%	Rate of increase in pension payments	**3.1%**	3.2%
4.8%	Discount rate	**5.1%**	5.5%
3.1%	Inflation rate	**3.1%**	3.2%

The assumptions relating to longevity underlying the pension liabilities are based on standard actuarial mortality tables, and include an allowance for future improvements in longevity. The assumptions, equivalent to future longevity for members in normal health at age 65, are as follows:

March 2024			**September 2024**		September 2023	
Male	Female		**Male**	**Female**	Male	Female
		Scottish Hydro Electric Pension Scheme				
22	24	Currently aged 65	**22**	**24**	22	24
24	26	Currently aged 45	**24**	**26**	24	26
		SSE Southern Pension Scheme				
22	25	Currently aged 65	**22**	**25**	22	25
24	26	Currently aged 45	**24**	**26**	24	26

Other matters

On 16 June 2023 the High Court issued a ruling in respect of Virgin Media v NTL Pension Trustees II Limited (and others) calling into question the validity of rule amendments made to defined benefit pension schemes contracted-out on a Reference Scheme Test basis between 6 April 1997 and 5 April 2016. Amendments to these pension schemes over this time required confirmation from the Scheme Actuary that the Reference Scheme Test would continue to be met. In the absence of such a confirmation, the Rule amendment would be void. This ruling could have wide ranging implications for many UK pension schemes. In July 2024 the Court of Appeal upheld the judgement.

At 30 September 2024, the Trustees of the Scottish Hydro Electric Pension Scheme and the Trustees of the SSE Southern Pension Scheme have not performed a detailed assessment over the potential impact of this ruling and are considering the implications of the ruling on the schemes. The defined benefit obligation for the Group's schemes has been calculated on the basis of the pension benefits currently being administered. Any subsequent developments following the Court of Appeal's judgement will be monitored.

18. Capital commitments

March 2024 £m		**September 2024 £m**	September 2023 £m
	Capital expenditure		
1,389.2	Contracted for but not provided	**3,605.4**	1,190.0

The increase from the prior year relates primarily to Transmission projects.

19. Related party transactions

The following transactions took place during the period between the Group and entities which are related to the Group, but which are not members of the Group. Related parties are defined as those in which the Group has control, joint control or significant influence over.

	September 2024				September 2023			
	Sale of goods and services £m	**Purchase of goods and services £m**	**Amounts owed from £m**	**Amounts owed to £m**	Sale of goods and services £m	Purchase of goods and services £m	Amounts owed from £m	Amounts owed to £m
Joint arrangements:								
Marchwood Power Limited	**51.2**	**(74.9)**	**-**	**(8.9)**	0.4	(17.4)	-	(17.7)
Clyde Windfarm (Scotland) Limited	**2.7**	**(68.1)**	**-**	**(42.7)**	2.8	(53.9)	-	(32.2)
Beatrice Offshore Windfarm Limited	**2.9**	**(28.1)**	**1.3**	**(4.2)**	2.6	(30.9)	2.7	(7.4)
Stronelairg Wind Farm Limited	**1.3**	**(28.4)**	**1.3**	**(13.5)**	1.3	(29.2)	-	(17.2)
Dunmaglass Wind Farm Limited	**0.6**	**(11.6)**	**0.6**	**(5.6)**	0.6	(13.2)	-	(7.4)
Neos Networks Limited	**1.0**	**(12.4)**	**2.0**	**(3.8)**	1.8	(14.6)	2.3	(3.9)
Seagreen Wind Energy Limited	**4.4**	**(59.6)**	**18.4**	**(9.0)**	14.3	(30.5)	10.3	(10.2)
Doggerbank A, B, C and D	**17.0**	**-**	**18.5**	**-**	17.2	-	13.0	-
Other joint arrangements	**8.2**	**(74.8)**	**3.4**	**(43.4)**	8.2	(64.5)	3.0	(45.0)

19. Related party transactions (continued)

	March 2024			
	Sale of goods and services £m	Purchase of goods and services £m	Amounts owed from £m	Amounts owed to £m
Joint arrangements:				
Marchwood Power Limited	42.6	(63.2)	-	(13.0)
Clyde Windfarm (Scotland) Limited	5.6	(153.9)	-	(48.7)
Beatrice Offshore Windfarm Limited	4.8	(75.5)	2.0	(6.8)
Stronelairg Wind Farm Limited	2.5	(75.6)	-	(20.8)
Dunmaglass Wind Farm Limited	1.1	(32.2)	-	(8.6)
Neos Networks Limited	3.8	(28.5)	6.1	(4.7)
Seagreen Wind Energy Limited	19.8	(113.4)	11.3	(11.7)
Doggerbank A, B, C and D	36.5	-	10.7	-
Other joint arrangements	18.0	(209.4)	6.7	(63.9)

The transactions with Marchwood Power Limited relate to the contracts for the provision of energy or the tolling of energy under power purchase arrangements.

The amounts outstanding are trading balances, are unsecured and will be settled in cash.

In addition to the above at 30 September 2024, the Group was owed the following loans from its principal joint ventures: Marchwood Power Limited £7.7m (2023: £19.0m, March 2024: £12.2m); Clyde Windfarm (Scotland) Limited £127.1m (2023: £127.1m, March 2024: £127.1m); Dunmaglass Wind Farm Limited £46.6m (2023: £46.5m, March 2024: £46.6m); Stronelairg Wind Farm Limited £88.7m (2023: £88.7m, March 2024: £88.7m); Neos Networks Limited £71.8m (2023: £103.1m, March 2024: £57.7m); Seagreen Wind Energy Limited £691.3m (2023: £611.4m, March 2024: £686.4m); SSE Slough Multifuel Limited £179.0m (2023: £143.9m, March 2024: £157.8m) and Doggerbank Offshore Wind Farm Project 1 Holdco Limited £158.5m (2023: £nil, March 2024: £87.7m).

20. Seasonality of operations

Certain activities of the Group are affected by weather and temperature conditions and seasonal market price fluctuations. As a result of this, the amounts reported for the interim period may not be indicative of the amounts that will be reported for the full year due to seasonal fluctuations in customer demand for gas, electricity and services, the impact of weather on demand, renewable generation output and commodity prices and market changes in commodity prices. In Transmission and Distribution, the volumes of electricity and gas distributed or transmitted across network assets are dependent on levels of customer demand which are generally higher in winter months. In SSE Business Energy and SSE Airtricity, notable seasonal effects include the impact on customer demand of warmer temperatures in the first half of the financial year and the procurement prices in summer versus winter. In Thermal Generation and Renewables, there is the impact of lower Renewables production in the summer as well as the related impact on commodity prices. The weather impact on Renewable generation production in relation to hydro and wind assets is particularly affected by seasonal fluctuation. The impact of temperature on customer demand for gas is more volatile than the equivalent demand for electricity. The Gas Storage business' activity is partly to manage seasonal risk across summer/winter gas price spreads and its profitability is impacted by the extent to which optimisation gains or losses can be achieved.

PRINCIPAL RISKS AND UNCERTAINTIES

SSE's established Risk Management Framework and wider system of internal control continues to inform strategic decision-making in 2024/25. This, combined with a resilient business model, helps the Group manage and minimise the human, operational and financial impacts from external conditions such as commodity prices and to meet its objective of supporting the reliable supply of electricity to those who needed it.

The Directors regularly monitor the Principal Risks and Uncertainties of the Group and have determined that those reported in the 2024 Annual Report and summarised below remain relevant for the remaining half of the financial year.

- Climate Change
- Cyber Security and Resilience
- Energy Affordability **
- Energy Infrastructure Failure
- Financial Liabilities
- Large Capital Projects Management
- People and Culture
- Political and Regulatory Change **
- Portfolio Exposure
- Safety and the Environment *
- Speed of Change
- Supply Chain

* Safety remains SSE's most important value, and management of this risk remains SSE's highest priority.
* It should be noted that Energy Affordability is particularly closely linked to – and therefore impacted by – Political and Regulatory Change and Portfolio Exposure.

An essential tenet of SSE's Risk Management process is the consideration of potential emerging risks and whether any of those identified have the potential to become a Group Principal risk in the medium to long term. As such, the number of Principal Risks increased to 12 for the 2024 year end, with the inclusion of the newly formed "Supply Chain" risk as disclosed in the SSE plc 2024 Annual Report. For more information on these risks, and the wider system of internal control, please refer to pages 90 to 95 of the SSE plc 2024 Annual Report which is available on the company website www.sse.com.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

We confirm that to the best of our knowledge:

i) the condensed set of financial statements has been prepared in accordance with UK adopted IAS 34 *Interim Financial Reporting*;

ii) the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the *Disclosure Guidance and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year;

(b) DTR 4.2.8R of the *Disclosure Guidance and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so; and

(c) DTR 4.2.10 of the *Disclosure Guidance and Transparency Rules*, being the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole.

For and on behalf of the Board

Alistair Phillips-Davies	Barry O'Regan
Chief Executive	Chief Financial Officer

Perth

12 November 202

INDEPENDENT REVIEW REPORT TO SSE PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related explanatory notes 1 to 20. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London

12 November 2024