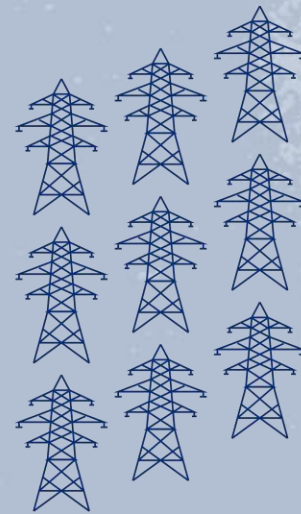


# Delivering the Pathway to 2030

RIIO-T3 Webinar

30 March 2026



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# Agenda

- The network growth requirement
- Consenting update
- Community and economic benefit
- Supply chain secured and in delivery
- RIIO-T3 introduction & financial parameters
- Network resilience and improvements
- Growth in the network regulatory asset value
- Inflation and commodity exposure
- The equity returns framework

**Rob McDonald**  
Managing Director  
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**Maz Alkirwi**  
Finance Director  
SSEN Transmission



**Michael Livingston**  
Director of Investor  
Relations  
SSE Plc



# Transformational investment in delivery



## Major projects delivery well underway



~21GW of generation supported



21 substations



5 new subsea links



Over 630km new double circuit overhead lines



Over 1,200 km of new DUAL HVDC cable



Clean Power 2030 supported

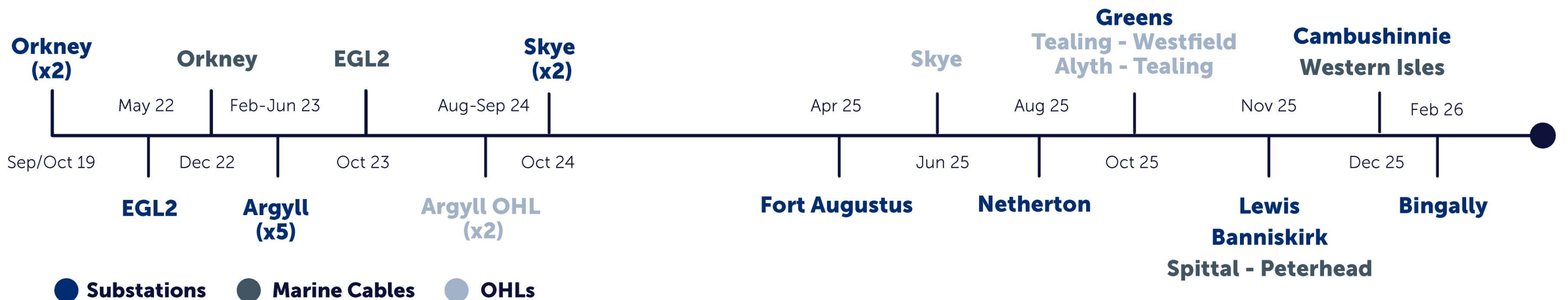
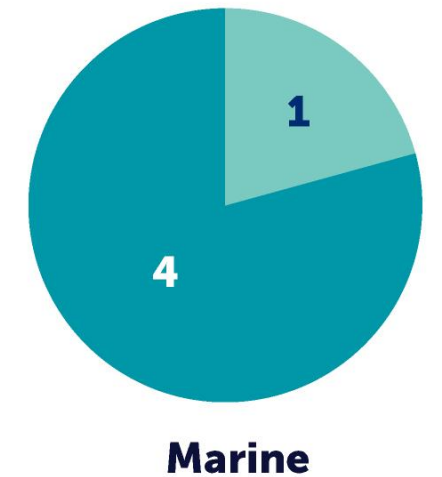
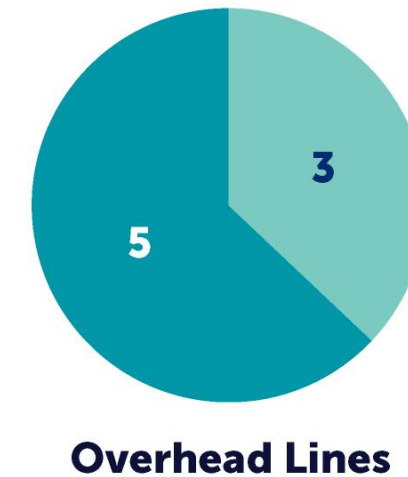
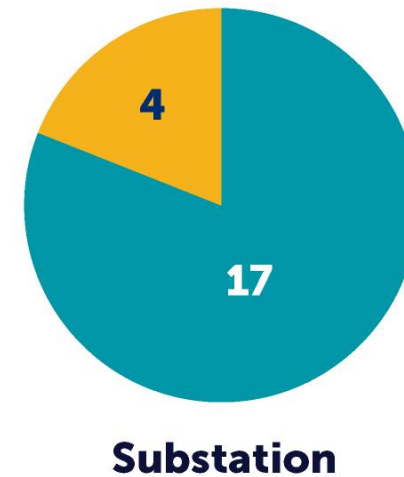
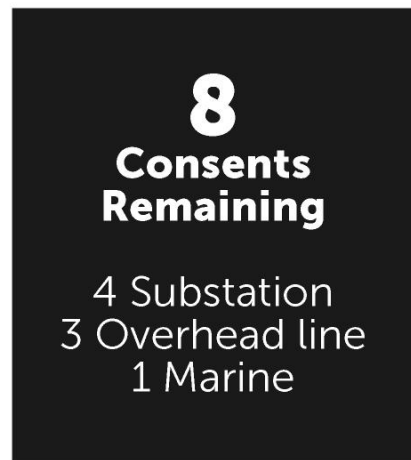


Connections Reform enabled

# Consenting update: Pathway to 2030

● Approved ● In Appeal ● Submitted

To achieve our Pathway to 2030 programme, we require 34 significant consents through three different consenting regimes. We submitted the final applications in 2025 and have successfully obtained 26 of the required consents so far.



# Boosting the UK economy and delivering for local communities

Investing **~£29bn** in transmission projects across the north of Scotland

Supporting **37,000** jobs in the UK

Boosting the UK economy by up to **£15bn**

Contributing to the development of over **1,000** permanent homes, with **60%** unlocking affordable housing stock

Unlocking over **£100m** in community benefit funding to support local and regional projects

Delivering **10%** net gain in biodiversity and **no net loss of woodland** on all new projects

Investing at least **£100m** in nature restoration

Up to **£400m** forecast spend on roads and bridges to support local investment plans

Awarding up to **£18.5bn** of anticipated contract spend to UK businesses

Ambition to deliver at least **25%** local content through the supply chain

Enabling further **low carbon technologies** to connect to the grid

Supporting **local and national decarbonisation**

Strengthening **homegrown energy security** and boosting resilience

Delivering sector leading, first of its kind, **marine biodiversity research**



# Pathway to 2030: continued growth in the supply chain



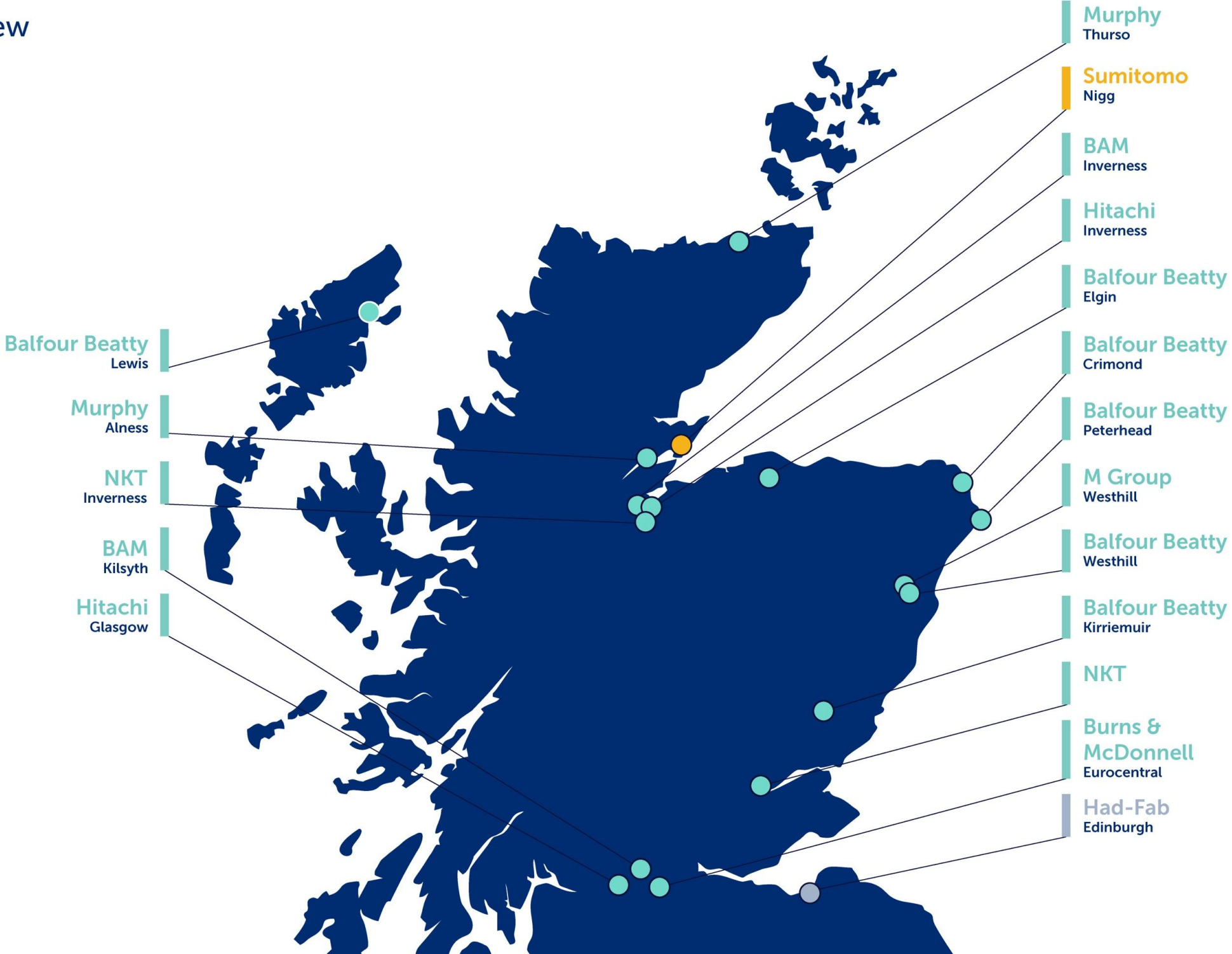
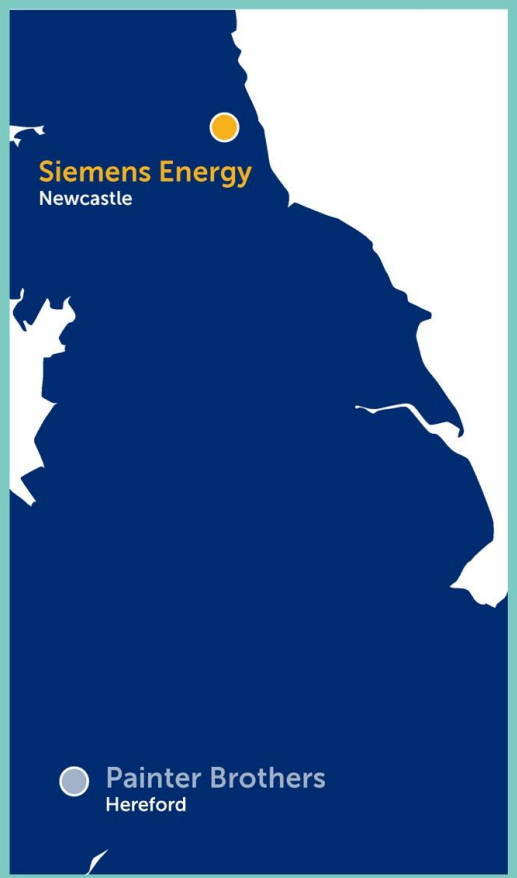
Some examples of our Supply Chain's investment in new offices, facilities and factories

**Jobs supported by region**

North of Scotland: 8,400  
 Scotland: 17,500  
 UK: 37,000

- Offices
- Factory
- Sub-Supply Chain Contracts

...more to be added



# Supply chain secured and in delivery

## Secured supply chain

- Frameworks in place
- Well established supply chain partners

## Structured relationship management

- Multi-party forum and steering groups to ensure co-ordination and planning
- Executive level partnerships

## 5 projects in construction

- ~35% of total £29bn capex spend<sup>1</sup>
- ~50:50 split between onshore / offshore



## Offshore and Islands

Projects	Converter	Subsea HVDC/AC Cable	Civil and building	Sub-station
Western Isles	Hitachi Energy	NKT	Balfour Beatty, RJ McLEOD, bam nuttall	linxon
Spittal-Peterhead	Hitachi Energy	NKT	Balfour Beatty, MURPHY	
EGL2	Hitachi Energy	Prysmian Group	Balfour Beatty, bam nuttall	
EGL3	Hitachi Energy	NKT		
Orkney		RJ McLEOD, Nexans		

## Onshore

Projects	Overhead Line	Substations / underground cable / civil and building
Skye	Balfour Beatty, NORPOWER	GE, Balfour Beatty, united infrastructure, RJ McLEOD
Argyll	united infrastructure	Balfour Beatty, SIEMENS energy, bam
Beaully-Denny Upgrade	united infrastructure	Balfour Beatty, SIEMENS energy, OMEXOM, bam
Tealing-Kintore	Balfour Beatty	SIEMENS energy, bam, OMEXOM
Beaully - Peterhead	Balfour Beatty	Balfour Beatty, SIEMENS energy, bam
Beaully-Spittal	united infrastructure, MURPHY	MURPHY, SIEMENS energy, bam

Note: Status as at 30 March 2026

<sup>1</sup> Capex on a 100% basis, SSE share 75% (£22bn) 25% minority interest

# Evolution of a well-established framework

	RIIO-T2 Apr 2021-Mar 2026	RIIO-T3 Apr 2026-Mar 2031
Cost of Equity (real)	5.09% <sup>1</sup>	<b>5.70%</b>
Cost of Debt (real)	2.68% <sup>1</sup>	<b>3.84%</b>
Gearing	55%	<b>55%</b>
<b>WACC (real)</b>	3.77% <sup>1</sup>	<b>4.68%</b>
<b>WACC (semi-nominal)</b>	N/A	<b>5.75%</b>
<b>Capitalisation rate</b>	77%- Baseline totex 85%- Uncertainty Mechanism totex	<b>55% - Baseline totex 85% - Uncertainty Mechanism totex</b>
<b>Asset lives on new assets</b>	Increasing to 45 years by 2026	<b>45 years</b>
<b>Operational outperformance</b>	~100bps	<b>Similar level to T2 targeted</b>

<sup>1</sup> 2025 figures (final year of RIIO-T2) for cost of equity, debt and WACC



# RIIO-T3 Baseline totex approved

## Baseline allowances approved

~£4bn ex ante funding<sup>1</sup>

Non load portfolio

Resilience

Digital

Cyber

Indirects BSC & CAI<sup>2</sup>



**Project need approved** with focus on maintaining high standards of network reliability and resilience.

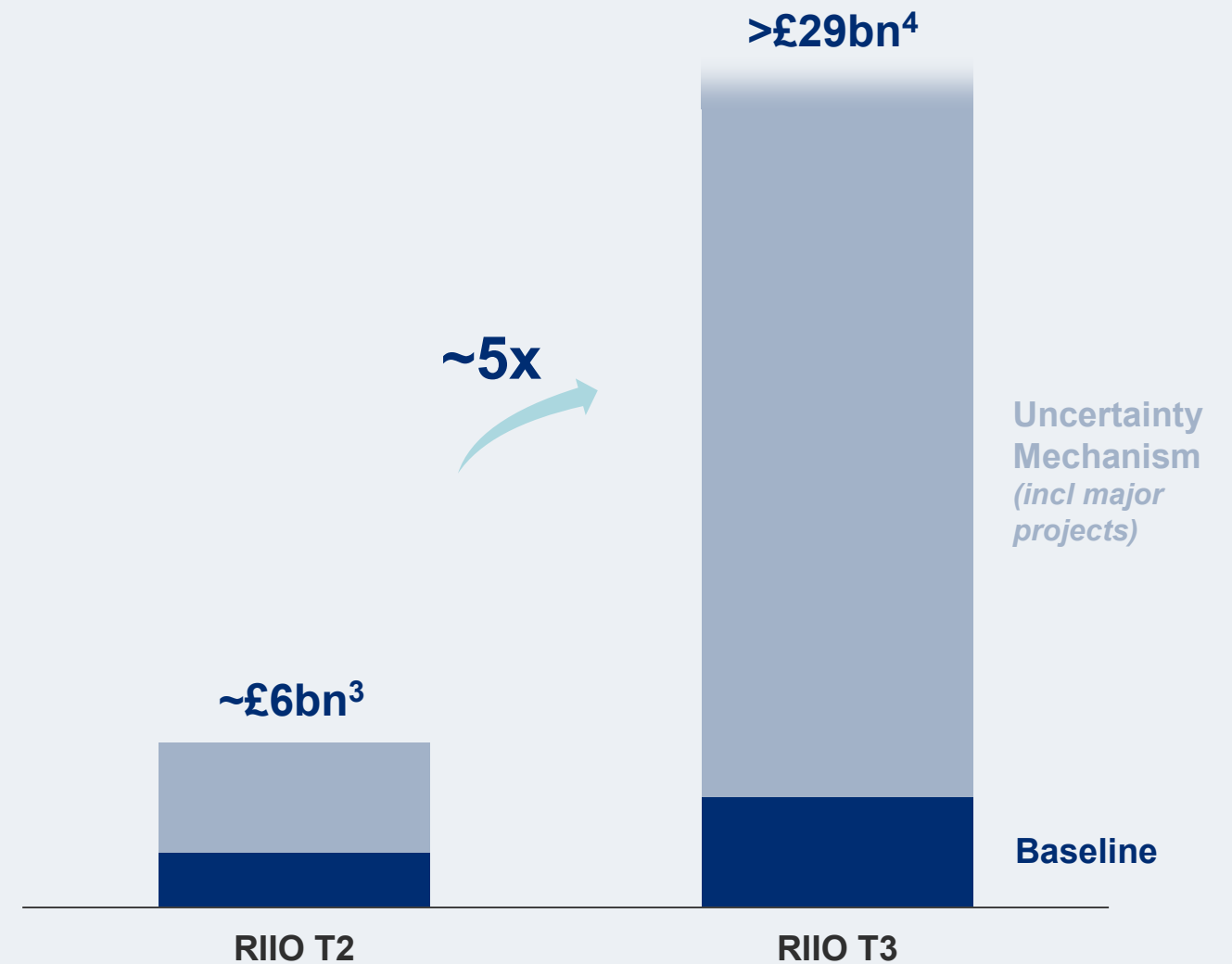


**Needs cases agreed** for area load projects, CP30 connections, shared use initiatives, preconstruction funding and indirect support costs.



**Regulatory framework approved** to establish robust load uncertainty mechanisms, facilitating future implementation.

## Underpinning transformational network investment



<sup>1</sup> 2023/24 prices, T3 period to FY31 and 100% basis. Baseline totex could increase above £4bn with further 'use it or lose it' allowances, volume drivers and pass-throughs.

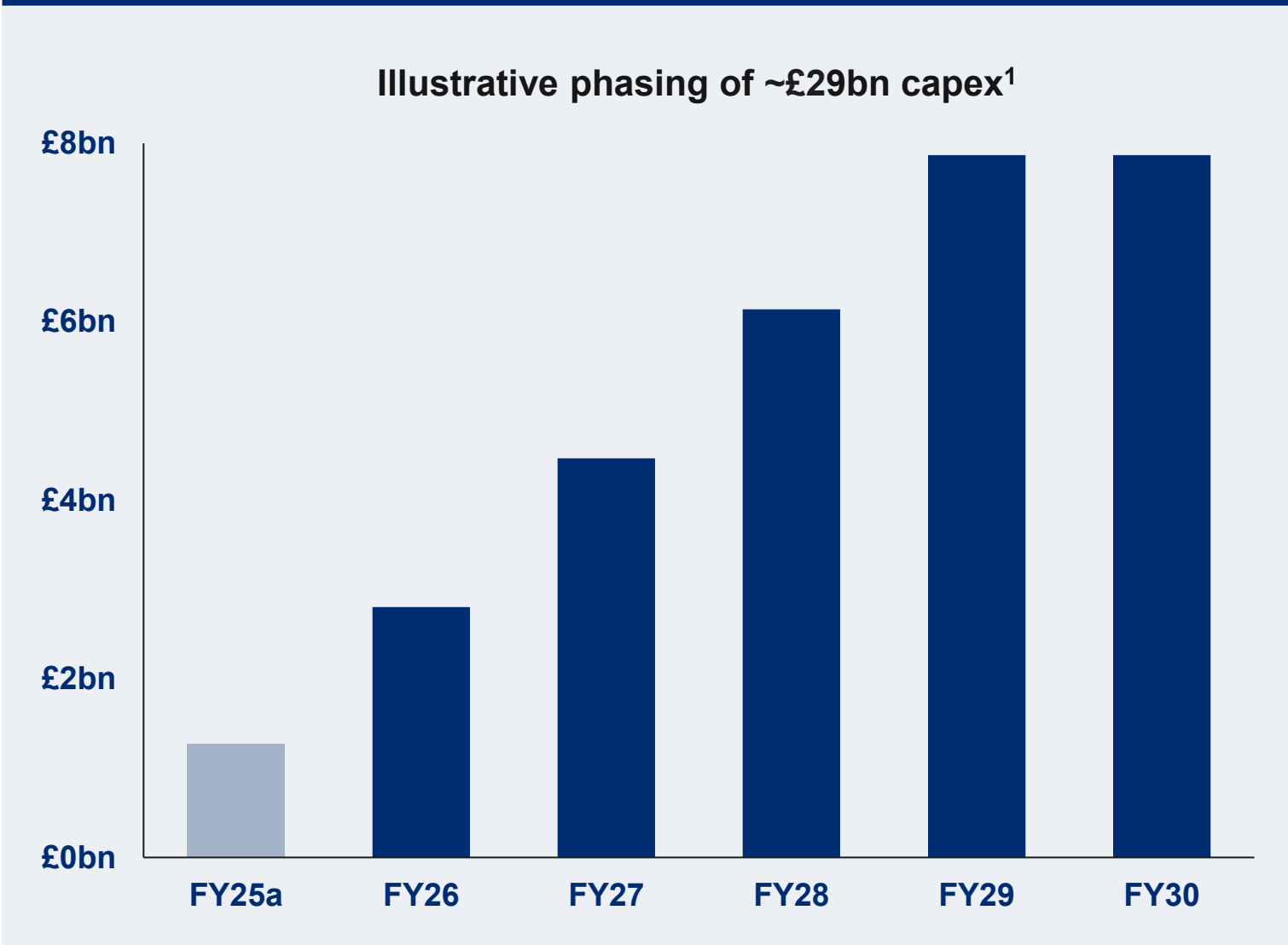
<sup>2</sup> Business Support Costs (BSC) & Closely Associated Indirects (CAI)

<sup>3</sup> 2023/24 prices and subject to finalisation of T2 period

<sup>4</sup> Totex over T3 five-year period to FY31 is estimated to be higher than £29bn totex in investment plan five-year period to FY30

# Investment ramps up over the plan, driven by eleven major projects

## Visibility on step-change in capex requirement...



## With momentum behind delivery...

- **~£29bn gross capex in the plan period** equivalent to £22bn on a net basis for SSE plc
- **90% on ASTI & LOTI projects and baseline** in license conditions and approved by regulator
- **10% on future pipeline** reflecting early investment on Beyond 2030 projects

**>75% Consents received**

**5 major projects in construction**

**5 Offshore  
6 Onshore**  
plus multiple resilience and reinforcement projects

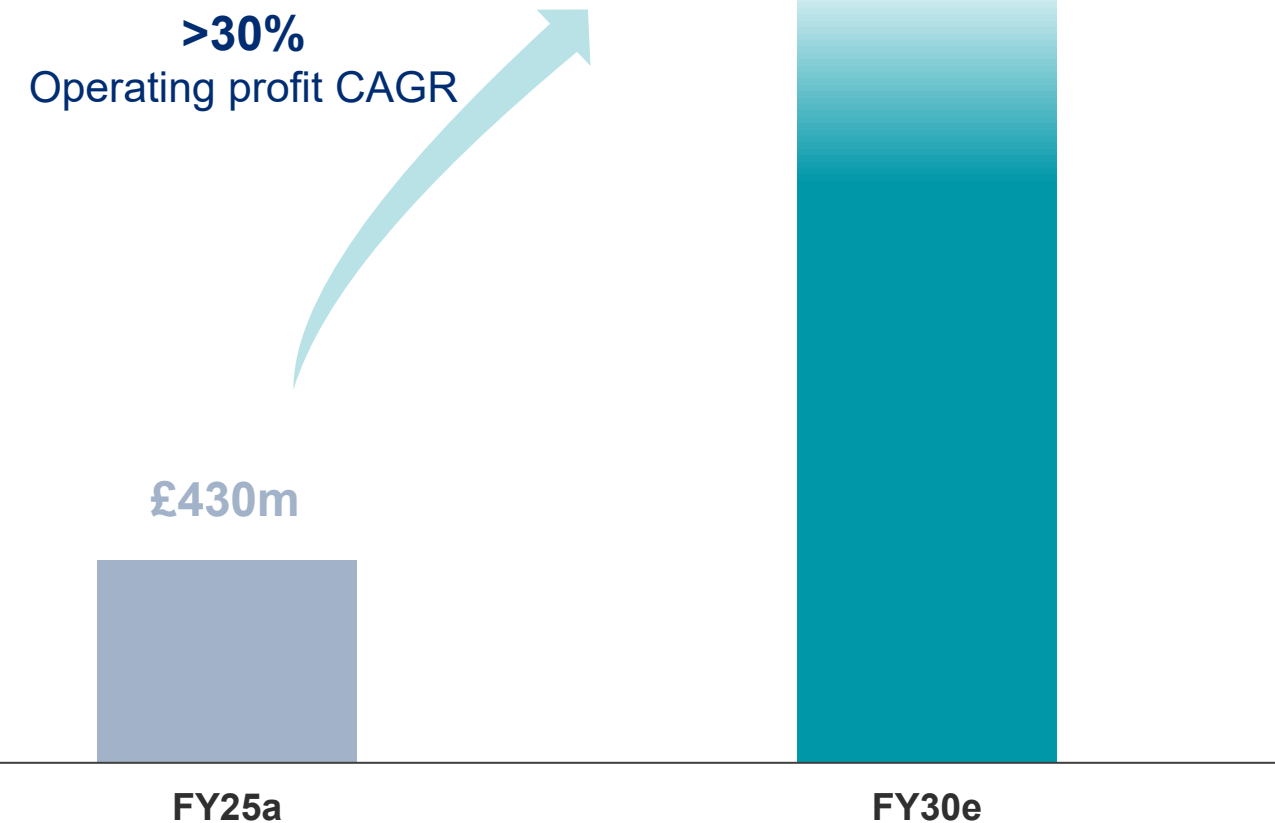
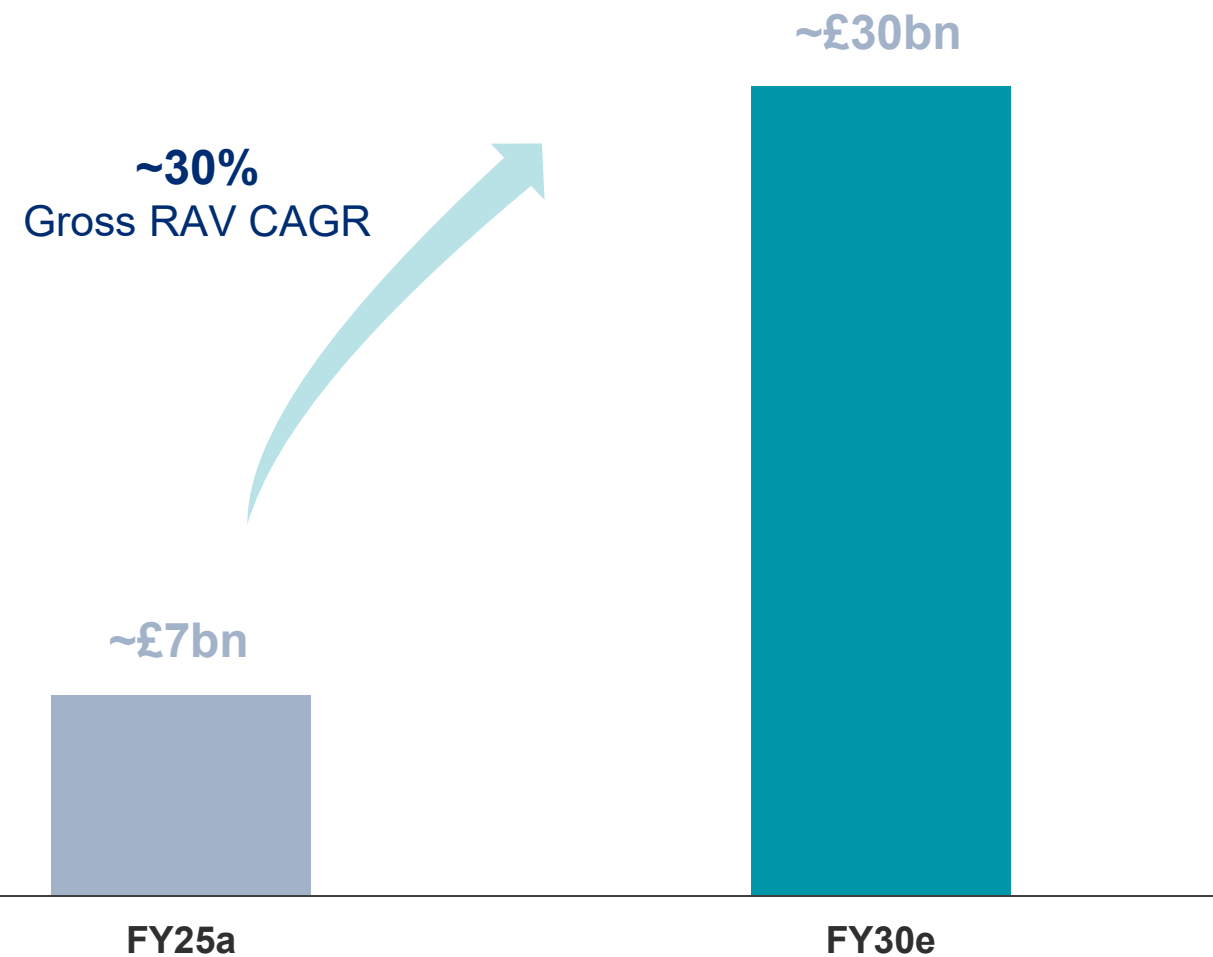
# Rapid RAV growth driving sustainable earnings uplift

One of the fastest growing electricity networks globally

RAV return and depreciation largest drivers of sustainable operating profit growth

Gross RAV

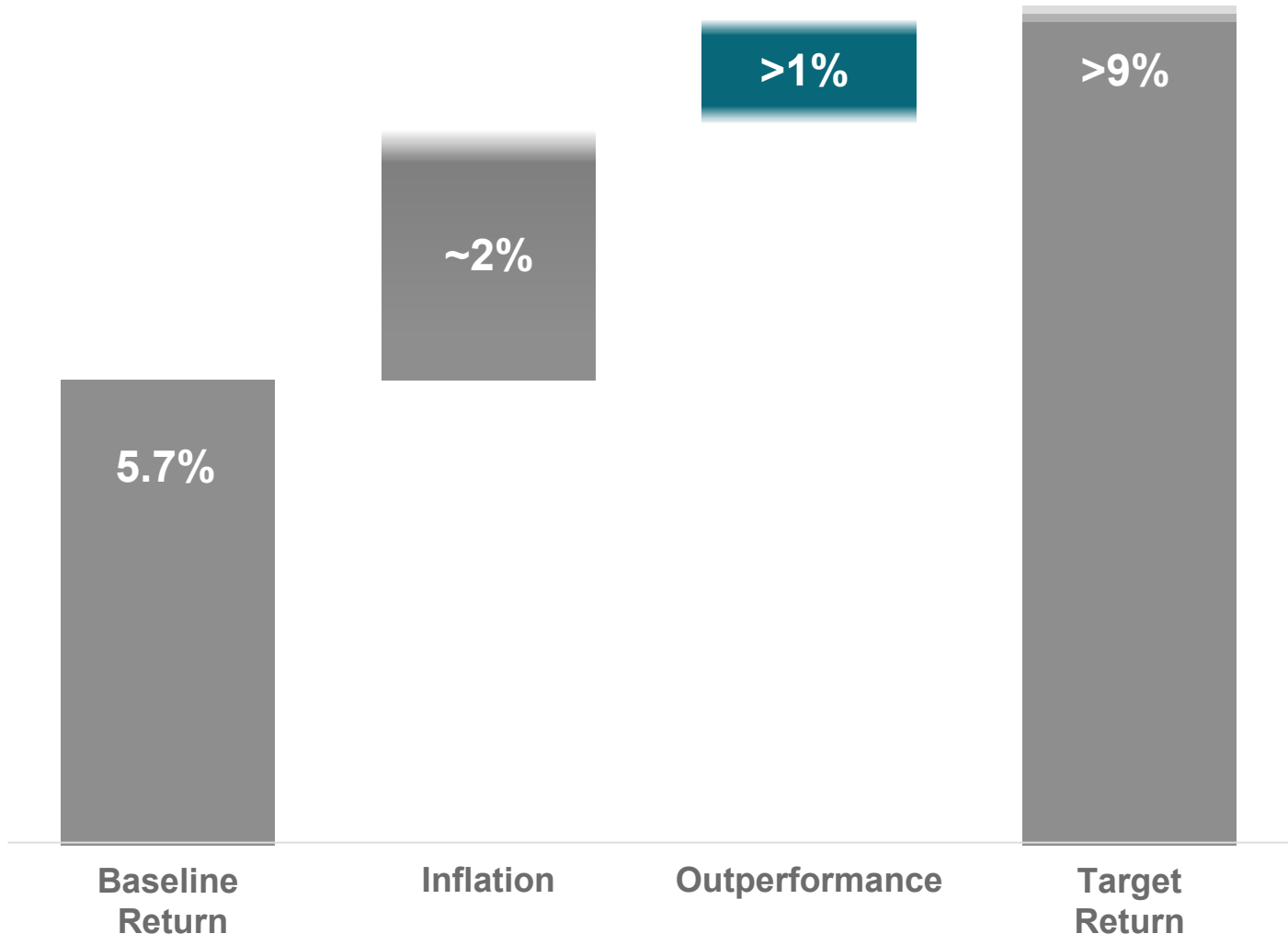
Operating profit



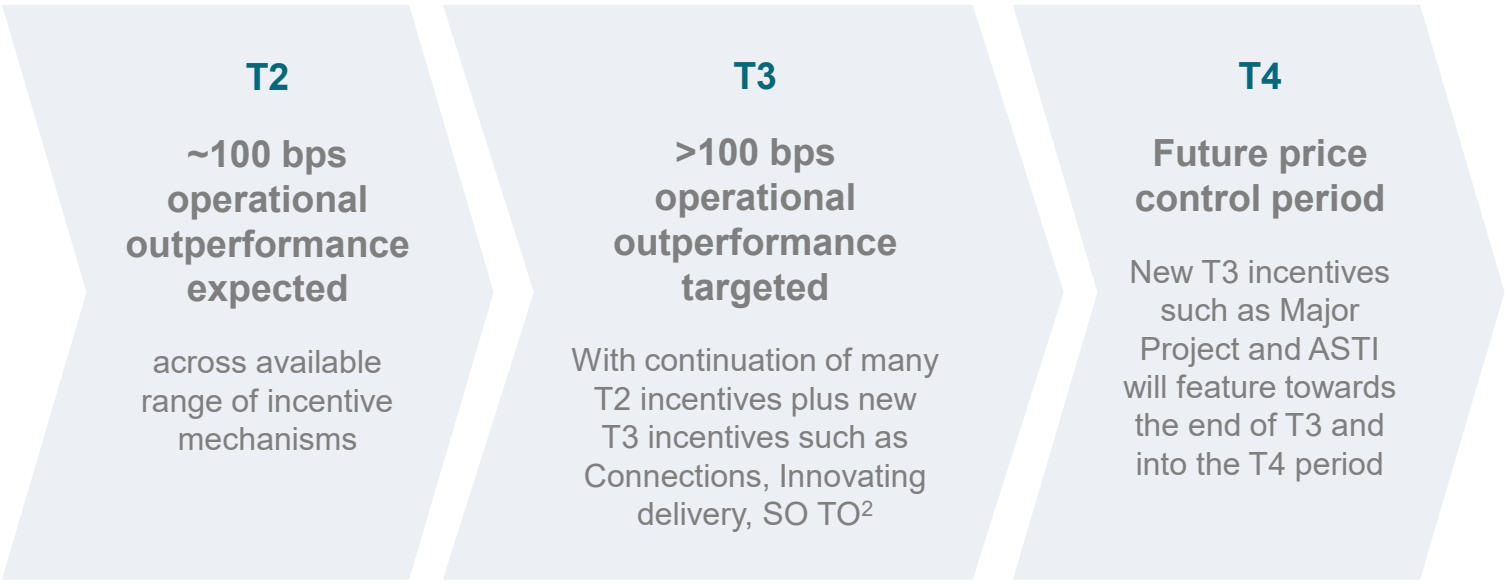
# Visibility on achievable returns

Pathway to overall return on equity<sup>1</sup> above 9%

Continuing outperformance expected



- Framework of incentive mechanisms across time horizons in T3 and into T4
- At least 100bps outperformance targeted across T3



13 <sup>1</sup> The timing of incentives will vary throughout the price control period. Return on equity on a 55% gearing basis.  
<sup>2</sup> SO TO – System operator transmission owner

# Thank you

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