Reconciliation of Non-GAAP Information

In this proxy statement, we show EPS as calculated in accordance with GAAP and adjusted EPS which excludes certain items. Southern Company management uses this non-GAAP measure to evaluate the performance of Southern Company's ongoing business activities and its annual performance on a basis consistent with the assumptions used in developing applicable performance targets and to compare certain results to prior periods. Southern Company believes this presentation is useful to investors by providing additional information for purposes of evaluating the performance of its business activities. This presentation is not meant to be considered a substitute for financial measures prepared in accordance with GAAP.

	Year Ended December 31,		
(In millions, except earnings per share)	**2024**	**2023**	**2022**
Net Income – GAAP	**$ 4,401**	**$ 3,976**	**$ 3,524**
Average Shares Outstanding	**1,096**	**1,092**	**1,075**
Basic Earnings Per Share	**$ 4.02**	**$ 3.64**	**$ 3.28**
Net Income – GAAP	**$ 4,401**	**$ 3,976**	**$ 3,524**
Less Non-GAAP Excluding Items:			
Estimated Loss on Plants Under Construction[1]	7	51	(199)
Tax Impact	(15)	(13)	51
Acquisition and Disposition Impacts[2]	—	(1)	(115)
Tax Impact	—	33	32
Loss on Extinguishment of Debt[3]	—	(5)	—
Tax Impact	—	1	—
Estimated Loss on Qualifying Infrastructure Plant and Other Capital Investments[4]	—	(96)	—
Tax Impact	—	24	—
Impairments[5]	(36)	—	(119)
Tax Impact	9	—	—
Accelerated Depreciation from Repowering[6]	(9)	—	—
Tax Impact	2	—	—
Net Income – Excluding Items	**$ 4,443**	**$ 3,982**	**$ 3,874**
Basic Earnings Per Share – Excluding Items	**$ 4.05**	**$ 3.65**	**$ 3.60**

(1) Net income for the year ended December 31, 2024 includes a pre-tax credit to income of $21 million ($16 million after tax) related to the estimated probable loss on Plant Vogtle Units 3 and 4 reflecting a revision to Georgia Power's total project capital cost forecast resulting from a reduction in remaining expected site demobilization costs and other contractor obligations. Additionally, net income for the year ended December 31, 2024 includes a $14 million income tax charge related to the remeasuring of deferred tax assets associated with the previously recognized estimated probable loss on Plant Vogtle Units 3 and 4 due to a change in the State of Georgia corporate tax rate. Net income for the year ended December 31, 2023 includes a pre-tax net credit to income of $68 million ($50 million after tax) and for the year ended December 31, 2022 includes net pre-tax charges of $183 million ($137 million after tax) related to the estimated probable loss associated with construction of Plant Vogtle Units 3 and 4. Further charges and/or credits may occur; however, the amount and timing are uncertain. Net income for all periods presented also includes charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to Mississippi Power's integrated coal gasification combined cycle facility project in Kemper County, Mississippi. Mississippi Power expects to incur additional pre-tax period costs related to dismantlement of the abandoned gasifier-related assets and site restoration activities, including related costs for compliance and safety, asset retirement obligation accretion, and property taxes, net of salvage, totaling approximately $15 million in 2025.

(2) Net income for the year ended December 31, 2023 includes a $35 million favorable tax impact related to a reversal of an uncertain tax position associated with the 2019 sale of Gulf Power. Net income for the years ended December 31, 2023 and 2022 includes disposition impacts associated with the sales of two Southern Company Gas natural gas storage facilities, including pre-tax impairment charges totaling $131 million ($99 million after tax) for the year ended December 31, 2022. Net income for the year ended December 31, 2022 also includes a $14 million pre-tax ($11 million after-tax) gain as a result of the early termination of the transition services agreement related to the 2019 sale of Gulf Power. Further impacts may result from future acquisition and disposition activities; however, the amount and timing of any such impacts are uncertain.

(3) Net income for the year ended December 31, 2023 includes costs associated with the extinguishment of debt at Southern Company. Similar transaction costs may occur in the future at Southern Company or one of its unregulated subsidiaries; however, the amount and timing of any such costs are uncertain.

(4) Net income for the year ended December 31, 2023 includes pre-tax charges totaling $96 million ($72 million after tax) for estimated losses at Southern Company Gas associated with the Illinois Commerce Commission disallowances related to (i) its review of the Qualifying Infrastructure Plant (QIP) capital investments by Nicor Gas under the QIP rider, or Investing in Illinois program, and (ii) Nicor Gas' general base rate case proceeding. Further charges may occur; however, the amount and timing of any such charges are uncertain.

(5) Net income for the year ended December 31, 2024 includes a pre-tax impairment loss of $36 million ($27 million after tax) associated with the discontinued development of a multi-use commercial facility at Alabama Power. Net income for the year ended December 31, 2022 includes an impairment charge of $119 million associated with goodwill at PowerSecure. Impairment charges may occur in the future; however, the amount and timing of any such charges are uncertain.

(6) Net income for the year ended December 31, 2024 includes a pre-tax charge, net of noncontrolling interests impacts, of $9 million ($7 million after tax) associated with accelerated depreciation related to the repowering of the Kay Wind facility at Southern Power. Accelerated depreciation related to the equipment being replaced will continue until commercial operation of the repowering project, which is projected to occur in the third quarter 2026. Pre-tax accelerated depreciation, net of noncontrolling interest impacts, is projected to total approximately $100 million in 2025 and $40 million in 2026.