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)	**2025**	**2024**	**2023**	**2022**	**2021**
Net Income – GAAP	**$ 4,341**	**$ 4,401**	**$ 3,976**	**$ 3,524**	**$ 2,393**
Average Shares Outstanding	**1,103**	**1,096**	**1,092**	**1,075**	**1,061**
Basic Earnings Per Share	**$ 3.94**	**$ 4.02**	**$ 3.64**	**$ 3.28**	**$ 2.26**
Net Income – GAAP	**$ 4,341**	**$ 4,401**	**$ 3,976**	**$ 3,524**	**$ 2,393**
Less Non-GAAP Excluded Items:					
Estimated Loss on Plants Under Construction[1]	46	7	51	(199)	(1,703)
Tax Impact	(15)	(15)	(13)	51	433
Accelerated Depreciation from Repowering[2]	(284)	(9)	—	—	—
Tax Impact	63	2	—	—	—
Loss on Extinguishment of Debt[3]	(252)	—	(5)	—	(23)
Tax Impact	63	—	1	—	6
Disposition Impacts[4]	2	—	(1)	(115)	209
Tax Impact	(1)	—	33	32	(90)
Estimated Loss on Nicor Gas Capital Investments[5]	(63)	—	(96)	—	—
Tax Impact	16	—	24	—	—
Adjustment to Certain Tax Benefit from Tax Reform[6]	19	—	—	—	—
Impairments[7]	—	(36)	—	(119)	(91)
Tax Impact	—	9	—	—	19
Wholesale Gas Services[8]	—	—	—	—	18
Tax Impact	—	—	—	—	(3)
Net Income – Excluding Items	**$ 4,747**	**$ 4,443**	**$ 3,982**	**$ 3,874**	**$ 3,618**
Basic Earnings Per Share – Excluding Items	**$ 4.30**	**$ 4.05**	**$ 3.65**	**$ 3.60**	**$ 3.41**

(1) Net income for the years ended December 31, 2025, 2024, 2023, 2022, and 2021 includes pre-tax net credits/(charges) to income of $60 million ($45 million after tax), $21 million ($16 million after tax), $68 million ($50 million after tax), $(183) million ($(137) million after tax), and $(1.7) billion ($(1.3) billion after tax), respectively, related to the estimated probable loss associated with construction of Plant Vogtle Units 3 and 4, including the impact of joint owner cost-sharing. Site demobilization efforts were completed and remaining contractor obligations were finalized during 2025. Additionally, net income for the years ended December 31, 2025 and 2024 includes income tax charges of $4 million and $14 million, respectively, 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. Further charges related to the remeasuring of deferred tax assets 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. Dismantlement of the abandoned gasifier-related assets was completed at the end of 2025. Site restoration activities are substantially complete, and any additional costs are expected to be immaterial.

(2) Net income for the years ended December 31, 2025 and 2024 includes pre-tax charges, net of noncontrolling interests impacts, associated with accelerated depreciation related to the repowering of certain wind facilities at Southern Power. Accelerated depreciation related to the equipment being replaced will continue until the commercial operation dates of the repowering projects, which are projected to occur between the third quarter 2026 and the third quarter 2027. At December 31, 2025, the remaining pre-tax accelerated depreciation is projected to total approximately $490 million in 2026 and $100 million in 2027.

(3) Net income for the years ended December 31, 2025, 2023, and 2021 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, 2025 includes a pre-tax gain of $2 million ($1 million after tax) related to the sale of a multi-use commercial facility development at Alabama Power. 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. Net income for the year ended December 31, 2021 includes: (i) a $93 million pre-tax ($99 million after-tax) gain associated with the termination of a leasehold interest in assets associated with two leveraged lease projects; (ii) $16 million of income tax benefits recognized as the result of another leveraged lease investment disposition; and (iii) a $121 million pre-tax ($92 million after-tax) gain on the sale of Sequent, as well as $85 million of additional tax expense due to the resulting changes in state apportionment rates. Further impacts may result from future disposition activities; however, the amount and timing of any such impacts are uncertain.

(5) Net income for the years ended December 31, 2025 and 2023 includes an estimated loss of $63 million ($47 million after tax) and $96 million ($72 million after tax), respectively, at Southern Company Gas related to Nicor Gas capital investment disallowances by the Illinois Commerce Commission. Further charges may occur; however, the amount and timing of any such charges are uncertain.

(6) Net income for the year ended December 31, 2025 includes a tax benefit totaling $19 million at Southern Company Gas related to an adjustment to the 2017 Tax Cuts and Jobs Act impact on certain deferred income tax balances resulting from Internal Revenue Service private letter rulings. Additional adjustments are not expected.

(7) 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. Net income for the year ended December 31, 2021 includes pre-tax impairment charges totaling $84 million ($67 million after tax) related to Southern Company Gas' investment in the PennEast Pipeline project, as well as impairment charges associated with two leveraged leases. Impairment charges may occur in the future; however, the amount and timing of any such charges are uncertain.

(8) Net income for the year ended December 31, 2021 includes the Wholesale Gas Services business, which was sold on July 1, 2021. Presenting net income and earnings per share excluding Wholesale Gas Services provided an additional measure of operating performance that excluded the volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments.