

Chairman's Message

Dear fellow shareholders,

At Southern Company, our vision is rooted in knowing energy provides an opportunity for people to live more comfortable and connected lives, fuels businesses that are shaping industries and creates possibilities for future generations. We put our vision in motion by placing our customers and communities at the center of everything we do. Understanding their needs and going out of our way to prepare them for what's ahead, our mission remains the same – provide clean, safe, reliable and affordable energy. Over 27,000 system employees work hard every day to deliver smart solutions anchored in remarkable service, resilience and safety.

In fact, here in the first few months of 2022, we were recognized by Fortune magazine as one of the World's Most Admired Companies. This recognition is a testament to the thousands of people across our enterprise who are making thousands of good decisions every day in alignment with our core values of Safety First, Unquestionable Trust, Superior Performance and Total Commitment. You will find photographs of some of these employees displayed throughout this report. These individuals – and countless others – are the basis for our continued success, and I am proud to serve on their team.

This past year was an outstanding year for Southern Company, and we believe we are well-positioned to continue that momentum. We have a solid financial outlook, and our premier, state-regulated electric and gas utility franchises continue to be among our industry's leaders for operational performance and customer satisfaction.

In 2021, Southern Company benefitted from strong customer growth, improving retail trends and continued investment in our state rate-regulated utilities. On an adjusted basis*, our company earned \$3.62 billion, or \$3.41 per share, compared with \$3.44 billion, or \$3.25 per share, for 2020. For nearly three quarters of a century, Southern Company has paid a dividend to its shareholders that is equal to or greater than the previous quarter.

Notable highlights from 2021 are perhaps best appreciated through a brief review of the progress we achieved in each of our five strategic priorities:

Excel at the Fundamentals

Southern Company's keen focus on operational excellence and business fundamentals has resulted in a variety of industry awards and recognition. Nicor Gas was honored with the Midwest Energy Efficiency Alliance Award for outstanding service to customers in need. The Edison Electric Institute recognized Alabama Power with the Emergency Response Award. Virginia Natural Gas was recognized by the Virginia Oil and Gas Association as that state's Local Distribution Company of the Year.

J.D. Power ranked Georgia Power among the very best in business customer satisfaction for large utilities in the South. Cogent Reports named both Georgia Power and Nicor Gas among their most trusted utility brands, and Chattanooga Gas among the most trusted business partners in the utility industry.

Achieve Success with Major Construction Projects

Despite the COVID-19 pandemic, we continued to make meaningful progress at Plant Vogtle units 3 and 4, and we are entering the final stages of testing for Unit 3. The project has continued to face challenges which have added to our project timelines and costs. The projected in-service range for Unit 3 is the fourth quarter of 2022 through the first quarter of 2023. We project that Unit 4 will be in service in the third or fourth quarter of 2023.

All 157 fuel assemblies at Unit 3 have been loaded into the spent fuel pool in preparation for fuel load. Direct construction of Unit 4 is approximately 92% complete. Our priority is bringing these units online safely, after which they are expected to serve as reliable carbon-free energy resources for customers for the next 60 to 80 years.

Support the Building of a National Energy Policy

We maintained our ongoing commitment to advocate for a comprehensive national energy policy, actively engaging in

Thomas A. Fanning
Chairman, President & CEO,
Southern Company



* Adjusted earnings per share is not a financial measure under generally accepted accounting principles. See Reconciliation of Non-GAAP Financial Metric on page 21 for additional information and specific adjustments made to this measure by year.

Chairman's Message (continued)

public policy dialogue and working constructively with regulators and legislators to support policies that advance innovation and benefit our industry, our business and the customers we serve.

Promote Energy Innovation

Southern Company and the United States Department of Energy have established a cooperative agreement to design, construct and operate the Molten Chloride Reactor Experiment – the world's first critical fast-spectrum salt reactor and a technology considered important to a sustainable clean energy future. Southern Company's research and development (R&D) organization will lead this effort in collaboration with Terra-Power, Idaho National Laboratory, CORE POWER, Orano Federal Services, the Electric Power Research Institute and 3M Company.

Southern Company has also joined the Hydrogen Council, a global, CEO-led coalition of companies with a united vision and long-term ambition for hydrogen to foster a clean energy transition. The Council believes hydrogen will play a key role in reaching global decarbonization goals by helping diversify energy sources and by fostering business and technological innovation. Southern Company is embracing the role of hydrogen as a potentially powerful solution to holistically serve the needs of customers while providing a resilient energy system in a decarbonized energy environment.

Southern Company's R&D organization is actively engaged both domestically and internationally in a portfolio of projects focused on power generation delivery, transportation, infrastructure and energy storage, as well as low-carbon hydrogen production and developing a national road map for the deployment of hydrogen-based energy.

Value and Develop Our People

Southern Company has been named the number two Best Large Employer in America by Forbes magazine. Of the 500 large employers included in the ranking, Southern Company was first among energy industry peers, first among Georgia-based companies and first in the entire Southeast. This recognition is especially gratifying because it was based directly on employee feedback.

For the sixth consecutive year, we were recognized as one of the Top 50 Companies for Diversity by DiversityInc. Southern Company earned a 100 percent rating from the Human Rights Campaign (HRC) on their 2022 Corporate Equality Index, also for the sixth consecutive year. Likewise, the HRC's Disability Equality Index recognized Southern Company as one of the Best Places to Work for Disability Inclusion.

We also take great pride in our longstanding commitment to hiring military veterans. In 2021, we were named the number one Best for Vets Employer by Military Times magazine.

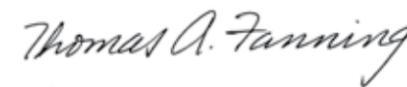
I believe all these accolades are a tangible result of our commitment to value and develop our people, and our efforts to create a workplace where all groups are well-represented, included and treated fairly and where everyone feels welcome, valued and respected.

In closing, the foundation of our business remains strong as we continue to execute on our vision. With performance characterized by outstanding fundamentals, high customer satisfaction, operational excellence and constructive regulatory relationships, our success is the direct result of an unwavering emphasis on the core values that have shaped our company's identity since its inception.

Our customer-focused business model continues to be the cornerstone for delivering value to customers and shareholders alike, and our management team is experienced and motivated, with a long track record of successfully executing on this time-tested model. We believe our company is poised for continued success, both today and in the years ahead.

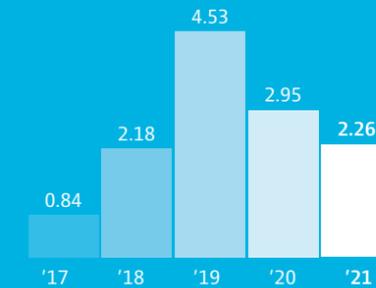
We are grateful for your continued confidence in Southern Company. It is a privilege to serve you.

Sincerely,

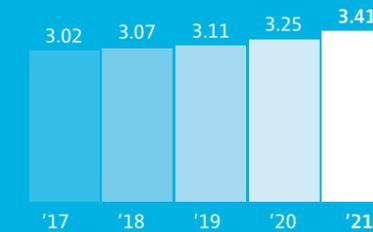


Thomas A. Fanning
March 29, 2022

Financial Highlights

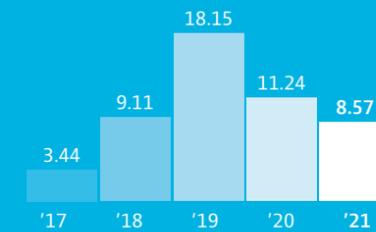


Basic Earnings Per Share (in dollars)

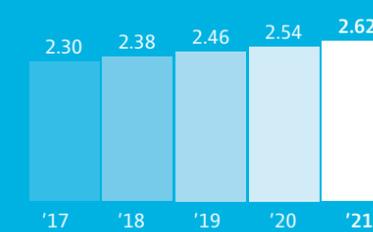


Basic Earnings Per Share – Excluding Items* (in dollars)

* Not a financial measure under generally accepted accounting principles. See Reconciliation of Non-GAAP Financial Metric on page 21 for additional information and specific adjustments made to this measure by year.



Return On Average Common Equity (percent)



Dividends Per Share (in dollars)

	2021	2020	Change
Operating Revenues (in millions)	\$23,113	\$20,375	13.4 %
Earnings (in millions)	\$2,393	\$3,119	(23.3)%
Basic Earnings Per Share	\$2.26	\$2.95	(23.4)%
Diluted Earnings Per Share	\$2.24	\$2.93	(23.5)%
Dividends Per Share (amount paid)	\$2.62	\$2.54	3.1 %
Dividend Yield (year-end, percent)	3.8	4.1	(7.3)%
Average Shares Outstanding (in millions)	1,061	1,058	0.3 %
Return On Average Common Equity (percent)	8.57	11.24	(23.8)%
Book Value Per Share	\$26.30	\$26.48	(0.7)%
Market Price Per Share (year-end, closing)	\$68.58	\$61.43	11.6 %
Total Market Value Of Common Stock (year-end, in millions)	\$72,693	\$64,899	12.0 %
Total Assets (in millions)	\$127,534	\$122,935	3.7 %
Total Kilowatt-Hour Sales (in millions)	193,380	186,225	3.8 %
Retail	143,370	140,546	2.0 %
Wholesale	50,010	45,679	9.5 %
Total Utility Customers (year-end, in thousands)	8,722	8,630	1.1 %