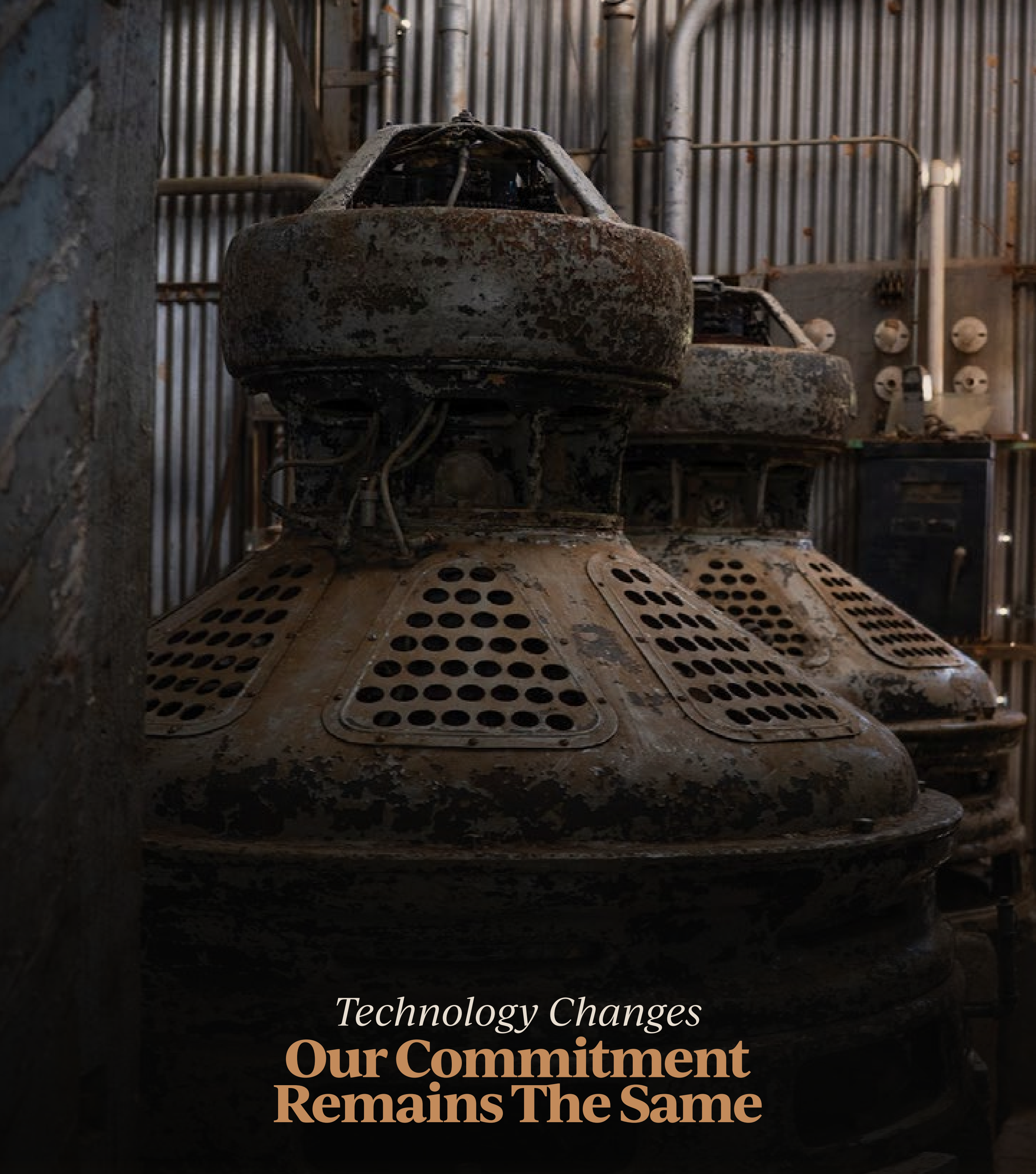

Technology Changes

Our Commitment Remains The Same

Snapping Shoals EMC

2026 Annual Report

To the Members of
Snapping Shoals EMC

As we gather for this year's Annual Meeting, we are also celebrating 88 years of Snapping Shoals EMC.

A lot has changed during those 88 years. The way electricity is generated, delivered, measured, monitored, and used has changed in ways our earliest members could never have imagined. Technology is also moving faster than ever. Our system is smarter, our tools are better, and our members use electricity much differently than they did even a few years ago. Although much has changed, our commitment remains the same.

Snapping Shoals EMC exists to serve our members, and that has always been the purpose of this cooperative. You trust us to provide power at a fair price, keep it reliable, plan for the future, and respond when you need us, and that trust is not something we take lightly.

Affordability is one of the most important issues facing families and businesses right now. Every dollar matters. Many of the costs we face in providing power, such as wholesale power, materials, equipment, labor, and fuel have continued to increase. Our responsibility is to manage those costs with discipline, common sense, and a clear focus on our members.

2026 *Board of Directors*

Ruby Woods

Lance Harper
Secretary/Treasurer

Jeanette Berry
Vice-Chair

DISTRICT 1
Newton County

Jeff Wigington

Alfred Flannigan
Assistant Secretary/Treasurer

Anthony Norton

DISTRICT 2
Rockdale County

Our commitment to our members continues to show in our rates. According to the most recent Georgia Public Service Commission (PSC) residential rate survey, Snapping Shoals EMC members rates are continually among the lowest when compared to the other 94 electric providers in the state. Based on the PSC survey, an average Snapping Shoals EMC residential member using 1,500 kWh per month would save about $175 per year compared with the average Georgia electric customer at the same usage level.

Long-term planning, careful cost control, and a willingness to make decisions that protect the cooperative, while also protecting the members who pay the bills, helps us to maintain our rates. We do not control every cost that comes our way, but we are responsible for how we respond.

Affordability and reliability go hand-in-hand. Low rates do not mean much if the power is not dependable, just as reliable power does not mean much if members cannot afford it. Our job is to balance both.

Our service area continues to grow and change. Snapping Shoals now serves more than 112,000 meters across more than 6,600 miles of energized line. Growth brings opportunity, but it also brings pressure on our system. We have to maintain what we have, strengthen weak spots, build for the next phase of growth, and do it all while watching costs closely.

Over the past year, SSEMC has continued to invest in the parts of the electric system that matter most to members: substations, poles, wire, transformers, right-of-way maintenance, outage response, system technology, and day-to-day service. While not all of that work is visible, it all matters.

Our employees play an important part in delivering the reliable service our members expect. The people who serve this cooperative do difficult work, and they do it extremely well. When storms come through, they leave their families to take care of yours. When members call with a question or a problem, they do their best to help. When new homes, businesses, and community facilities need service, they make it happen.

As we look ahead, there will be challenges. Growth will continue. Cost pressures will continue. Weather will test us. Technology will keep changing. Fortunately, Snapping Shoals EMC is well positioned for the future because we have the right foundation: a dedicated workforce, a committed Board of Directors, a strong cooperative, and members who care about the communities they call home.

Thank you for allowing us to serve you. Most of all, thank you for trusting Snapping Shoals EMC to power your homes, businesses, and communities.

After 88 years, the tools have changed, the needs have grown and the expectations have increased, but our commitment remains the same.

Shaun W. Mock

Shaun W. Mock
President & CEO
Snapping Shoals EMC

Ernest Watkins

Walter Johnson

Gene Morris

Jake Carter
Chairman

James I. White

DISTRICT 3
DeKalb County

DISTRICT 4
Henry County

2025
Facts & Figures

Service Area Statistics

Service Area Statistics	2024	2025
Total Number of Electric Meters	110,300	111,590
Monthly Average Residential Kilowatt Hours Consumed	1,286	1,288
Total Miles of Energized Line	6,579	6,637

2025 Community Support

Operation Round Up (General Fund)	$ 404,542
Operation Round Up (Education Fund)	$ 35,000
Scholarships	$ 71,000
Bright Idea Teacher Grants	$ 55,000
Community Organization Donations	$ 60,000
Economic Development	$ 10,500
Total Donations	$ 603,880

2025 Taxes Paid By SSEMC

Property Taxes	$ 2,402,039
Sales Tax	$ 17,706,379
Franchise Fees	$ 936,916

Where Your Co-op Dollars Were Spent

From generating power with two turbines on *Snapping Shoals Creek* to serving over 112,000 members across eight counties, our mission still defines our purpose:

To provide reliable electric service at affordable rates to the members we serve

2024/2025 *Report of Independent Auditors*

The Board of Directors *Snapping Shoals Electric Membership Corporation and Subsidiary*

OPINION We have audited the consolidated financial statements of **Snapping Shoals Electric Membership Corporation and Subsidiary**, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Snapping Shoals Electric Membership Corporation and Subsidiary as of December 31, 2025 and 2024 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Snapping Shoals Electric Membership Corporation and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Snapping Shoals Electric Membership Corporation and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Snapping Shoals Electric Membership Corporation and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Snapping Shoals Electric Membership Corporation and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

McNair, McLemore, Middlebrooks & Co., LLC

MCNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC

Consolidated Balance Sheets

Assets

	2025	2024
Utility Plant		
Electric Plant in Service	$ 421,748,970	$ 396,127,904
Construction Work in Progress	3,277,708	2,834,674
	425,026,678	398,962,578
Accumulated Depreciation	(179,071,153)	(170,484,603)
	245,955,525	228,477,975
Other Property and Investments		
Investments in Associated Organizations	36,098,949	33,637,720
Other Investments	3,089,152	3,089,152
	39,188,101	36,726,872
Current Assets		
Cash and Cash Equivalents	60,990,633	28,131,654
Accounts Receivable (Net of Allowance for Credit Losses of $259,658 and $261,928 in 2025 and 2024, Respectively)	36,920,378	34,589,310
Materials and Supplies	5,411,790	5,007,959
Other	19,428,704	25,296,994
	122,751,505	93,025,917
Deferred Debits	1,310,954	598,633
Total Assets	$ 409,206,085	$ 358,829,397

Consolidated Balance Sheets

Members' Equity & Liabilites

	2025	2024
Members' Equity		
Membership Fees	**$ 970,191**	$ 959,431
Patronage Capital	**85,019,089**	79,047,214
Accumulated Other Comprehensive Income (Loss)	**(3,829,119)**	(193,144)
Other Equities	**36,404,844**	32,167,534
	118,565,005	111,981,035
Long-Term Debt	**128,203,689**	119,252,862
Accumulated Provision for Postretirement Benefits Other Than Pensions - Noncurrent	**20,150,187**	15,594,313
Current Liabilities		
Current Maturities of Long-Term Debt	**10,681,467**	9,645,342
Accounts Payable	**20,812,198**	19,157,466
Consumer Deposits	**15,061,779**	14,079,558
Accrued and Withheld Taxes	**2,042,830**	1,913,337
Accumulated Provision for Postretirement Benefits Other Than Pensions - Current	**590,000**	493,000
Other	**10,813,594**	10,002,772
	60,001,868	55,291,475
Deferred Credits	**82,285,336**	56,709,712
Total Members' Equity and Liabilities	**$ 409,206,085**	$ 358,829,397

Consolidated Statements of Operations and Comprehensive Income

Operating Revenues

	2025	2024
Operating Revenues	$ 278,288,967	$ 261,960,757
Operating Expenses		
Cost of Power	195,594,182	182,688,621
Distribution Operations	17,990,391	16,235,024
Distribution Maintenance	10,368,192	9,812,039
Consumer Accounts	10,089,951	9,812,966
Consumer Service and Information	365,248	287,260
Sales	722,387	718,227
Administrative and General	14,335,964	13,303,509
Depreciation	13,419,203	12,532,370
	262,885,518	245,390,016
Operating Margins Before Interest Expense	15,403,449	16,570,741
Interest Expense	6,002,060	5,193,277
Operating Margins After Interest Expense	9,401,389	11,377,464
Nonoperating Margins	1,769,252	1,378,836
Generation and Transmission Cooperative Capital Credits	2,537,325	1,305,178
Other Capital Credits and Patronage Capital Allocations	822,241	1,034,212
Net Margins	14,530,207	15,095,690
Other Comprehensive Income (Loss)	(3,635,975)	(1,242,939)
Total Comprehensive Income	$ 10,894,232	$ 13,852,751