

COMMONWEALTH OF KENTUCKY
CASE NO: 2021-00193

REPORT OF ACTION
Prepared February 16, 2023

Reference is made to the order entered into on May 26, 2021, which requires the Company to make a report to the Commission within ten days after filing its 10Q or 10K filing with the SEC regarding the issuance of securities under the \$5,000,000,000 universal shelf registration.

Atmos Energy Corporation hereby reports:

Atmos Energy Corporation At-The-Market (ATM) Equity Distribution Agreement

On March 23, 2022, Atmos Energy Corporation (“Atmos Energy”) entered into an equity distribution agreement (the “Equity Distribution Agreement”) with the Managers (the “Managers”) and Forward Purchasers (the “Forward Purchasers”) named in Schedule A thereto and with respect to the offering and sale from time to time through the Managers, as Atmos Energy’s sales agents, of shares of Atmos Energy’s common stock, no par value, having an aggregate offering price of up to \$1,000,000,000 through June 29, 2024 (including shares of common stock that may be sold pursuant to the forward sale agreements described below, the “Shares”). This ATM equity sales program replaced our previous ATM equity sales program, filed on June 29, 2021, which was exhausted during our second fiscal quarter. Sales of the Shares, if any, will be made by means of ordinary brokers’ transactions through the facilities of the New York Stock Exchange at market prices, in block transactions or as otherwise agreed between Atmos Energy and the Managers. Under the terms of the Agreement, Atmos Energy may also sell Shares from time to time to a Manager as principal for its own account at a price to be agreed upon at the time of sale. The Agreement provides that each Manager, when it is acting as Atmos Energy’s sales agent, will be entitled to a commission of 1.00% of the gross offering proceeds of the Shares sold through such Manager. Atmos Energy has no obligation to offer or sell any Shares under the Agreement, and may at any time suspend offers and sales under the Agreement.

The Equity Distribution Agreement provides that, in addition to the issuance and sale of shares by Atmos Energy to or through the Managers, Atmos Energy may enter into forward sale agreements under the master forward sale confirmations (the “Master Forward Sale Confirmations”) dated March 23, 2022 between Atmos Energy and each Forward Purchaser and the related supplemental confirmations to be entered into between Atmos Energy and the relevant Forward Purchaser. In connection with each such forward sale agreement, the relevant Forward Purchaser will, at Atmos Energy’s request, borrow from third parties and, through the relevant Manager, sell a number of Shares equal to the number of Shares underlying the particular forward sale agreement to hedge the forward sale agreement (each such Manager, when acting as agent for a Forward Purchaser, a “Forward Seller”).

Atmos Energy will not initially receive any proceeds from the sale of borrowed shares of Atmos Energy’s common stock by a Forward Seller. Atmos Energy expects to receive proceeds from the sale of Shares by a Forward Seller upon future physical settlement of the relevant forward sale agreement with the relevant Forward Purchaser on dates specified by Atmos Energy on or prior to the maturity date of the relevant forward sale agreement. If Atmos Energy elects to cash settle or net share settle a forward sale agreement, Atmos Energy may not (in the case of cash settlement) or will not (in the case of net share settlement) receive any proceeds, and Atmos Energy may owe cash (in the case of cash settlement) or shares of common stock (in the case

of net share settlement) to the relevant Forward Purchaser. In connection with each forward sale agreement, the relevant Forward Seller will receive, in the form of a reduced initial forward sale price payable by the relevant Forward Purchaser under its forward sale agreement, a commission of 1.00% of the volume weighted average of the sales prices of all borrowed shares of common stock sold during the applicable period by it as a Forward Seller.

During the three months ended December 31, 2022, we executed forward sales under our ATM equity sales program with various forward sellers who borrowed and sold 1,687,190 shares of our common stock at an aggregate price of \$199.8 million. During the three months ended December 31, 2022, we also settled forward sale agreements with respect to 2,114,488 shares that had been borrowed and sold by various forward sellers under the ATM program for net proceeds of \$220.0 million. As of December 31, 2022, \$281.9 million of equity was available for issuance under our existing ATM program. Additionally, we had \$754.9 million in available proceeds from outstanding forward sale agreements. Atmos Energy intends to use the net proceeds received upon the issuance and sale of shares of Common Stock to support capital spending and for other general corporate purposes.

Atmos Energy Corporation 5.450% Senior Notes due 2052 and 5.750% Senior Notes due 2052

On September 27, 2022 Atmos Energy Corporation (“Atmos Energy”) entered into an underwriting agreement (the “Underwriting Agreement”) with Mizuho Securities USA LLC, TD Securities (USA) LLC and U.S. Bancorp Investments, Inc., as representatives of the several underwriters, with respect to the offering and sale in an underwritten public offering (the “Offering”) by Atmos Energy of \$300 million aggregate principal amount of its 5.450% Senior Notes due 2032 (the “2032 Notes”) and \$500 million aggregate principal amount of its 5.750% Senior Notes due 2052 (the “2052 Notes” and, together with the 2032 Notes, the “Notes”). The Offering has been registered under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to a registration statement on Form S-3 (Registration No. 333-257504) of Atmos Energy (the “Registration Statement”) and the prospectus supplement dated September 27, 2022, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on September 29, 2022. On October 3, 2022, Atmos Energy Corporation (“Atmos Energy”) completed a public offering of \$300 million aggregate principal amount of its 5.450% Senior Notes due 2032 (the “2032 Notes”) with an effective interest rate of 5.570%, after giving effect to the estimated offering costs, and \$500 million aggregate principal amount of its 5.750% Senior Notes due 2052 (the “2052 Notes” and, together with the 2032 Notes, the “Notes”) with an effective interest rate of 4.504%, after giving effect to the estimated offering costs and settlement of our interest rate swaps. Atmos Energy received net proceeds from the offering, after the underwriting discount and estimated offering expenses payable by it, of approximately \$789.4 million which were used for general corporate purposes. Atmos Energy also received \$197.1 million from the settlement of forward starting interest rate swaps associated with the \$500 million offering.

The Notes were issued pursuant to an indenture dated as of March 26, 2009 (the “Base Indenture”) between Atmos Energy and U.S. Bank National Association, as trustee (the “Trustee”), and an officers’ certificate delivered to the Trustee pursuant to Section 301 of the Base Indenture (the “Officers’ Certificate,” and the Base Indenture, as modified by the Officers’ Certificate, is referred to herein as the “Indenture”). Each series of Notes is represented by a global security executed by Atmos Energy on October 3, 2022 (together, the “Global Securities”). The Notes are unsecured senior obligations that rank equally in right of payment with all of Atmos Energy’s other existing and future unsubordinated debt. The 2032 Notes bear interest at an annual rate of 5.450%, payable by Atmos Energy on April 15 and October 15 of each year, beginning on April 15, 2023, and mature on October 15, 2032. The 2052 Notes bear

interest at an annual rate of 5.750%, payable by Atmos Energy on April 15 and October 15 of each year, beginning on April 15, 2023, and mature on October 15, 2052.

<u>Underwriters</u>	<u>Principal Amount of the 2032 Notes</u>	<u>Principal Amount of the 2052 Notes</u>
Mizuho Securities USA LLC	\$51,750,000.00	\$86,250,000.00
TD Securities (USA) LLC	\$51,750,000.00	\$86,250,000.00
U.S. Bancorp Investments, Inc.	\$51,750,000.00	\$86,250,000.00
Credit Agricole Securities (USA) Inc.	\$27,000,000.00	\$45,000,000.00
J.P. Morgan Securities LLC	\$27,000,000.00	\$45,000,000.00
MUFG Securities Americas Inc.	\$27,000,000.00	\$45,000,000.00
Truist Securities, Inc.	\$27,000,000.00	\$45,000,000.00
Regions Securities LLC	\$18,750,000.00	\$31,250,000.00
BOK Financial Securities, Inc.	\$9,000,000.00	\$15,000,000.00
Fifth Third Securities, Inc.	\$9,000,000.00	\$15,000,000.00
	<u>\$300,000,000.00</u>	<u>\$500,000,000.00</u>

\$5B Shelf Registration

On June 29, 2021, we filed a shelf registration statement with the Securities and Exchange Commission (SEC) that allows us to issue up to \$5.0 billion in common stock and/or debt securities, which expires June 29, 2024. At December 31, 2022, \$1.4 billion of securities were available for issuance under this shelf registration statement. Please reference our prior report dated November 22, 2022 for copies of the interest rate management agreements along with a list of estimated fees and expenses related to the debt offering. Please refer to the SEC website for confirmed copies of the registration statement and prospectus supplements to complete our filing requirements.

Atmos Energy Corporation



Jason Schneider
Assistant Treasurer

Managers

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

BofA Securities, Inc.
One Bryant Park
New York, NY 10036

CIBC World Markets Corp.
300 Madison Avenue, 5th Floor
New York, NY 10017

Credit Agricole Securities (USA) Inc.
1301 Avenue of the Americas
New York, NY 10019

Fifth Third Securities, Inc.
424 Church Street, Suite 600
Maildrop: UTFC6B
Nashville, TN 37219

Goldman Sachs & Co. LLC
200 West Street
New York, NY 10282

J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY, 10179

Mizuho Securities USA LLC
1271 Avenue of the Americas
New York, NY 10020

MUFG Securities Americas Inc.
1221 Avenue of the Americas, 6th Floor
New York, NY 10020

Regions Securities LLC
615 South College Street, Suite 600
Charlotte, NC 28202

Truist Securities, Inc.
3333 Peachtree Road NE, 11th Floor
Atlanta, GA 30326

TD Securities (USA) LLC
1 Vanderbilt Avenue
New York, NY 10017

Wells Fargo Securities, LLC
500 West 33rd Street, 14th Floor
New York, New York 10001

Forward Purchasers

BNP Paribas
787 Seventh Avenue
New York, NY 10019

Bank of America, N.A.
One Bryant Park
New York, NY 10036

Canadian Imperial Bank of Commerce
300 Madison Avenue, 5th Floor
New York, NY 10017

Crédit Agricole Corporate and
Investment Bank c/o Credit Agricole
Securities (USA) Inc., as Agent
1301 Avenue of the Americas
New York, NY 10019

Goldman Sachs & Co. LLC
200 West Street
New York, NY 10282

JPMorgan Chase Bank, National
Association, New York Branch
383 Madison Avenue
New York, NY 10179

Mizuho Markets Americas LLC
c/o Mizuho Securities USA LLC
1271 Avenue of the Americas
New York, NY 10020

MUFG Securities EMEA plc
Ropemaker Place, 25 Ropemaker Street
London EC2Y 9AJ, United Kingdom

Schedule A

The Toronto-Dominion Bank
c/o TD Securities (USA) LLC, as agent
1 Vanderbilt Avenue
New York, NY 10017

Truist Bank
3333 Peachtree Road NE, 11th Floor
Atlanta, GA 30326

Wells Fargo Bank, National Association
c/o Wells Fargo Securities, LLC
500 West 33rd Street, 14th Floor
New York, New York 10001