

COMMONWEALTH OF KENTUCKY
CASE NO: 2021-00193

REPORT OF ACTION
Prepared May 10, 2022

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 June 29, 2021, 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”) 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 (including shares of common stock that may be sold pursuant to the forward sale agreements described below, the “Shares”). This ATM equity sales program (June 2021 ATM), which expires June 29, 2024, replaced our previous ATM equity sales program, filed on February 12, 2020 (February 2020 ATM). 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 June 29, 2021, 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 six months ended March 31, 2022, we executed forward sales under our ATM equity sales program with various forward sellers who borrowed and sold 7,381,043 shares of our common stock at an aggregate price of \$759.8 million. During the six months ended March 31, 2022, we also settled forward sale agreements with respect to 6,162,269 shares that had been borrowed and sold by various forward sellers under the ATM program for net proceeds of \$594.3 million.

On March 23, 2022, we filed a prospectus supplement under the shelf registration statement relating to an at-the-market (ATM) equity sales program (March 2022 ATM) under which we may issue and sell shares of our common stock up to an aggregate offering price of \$1.0 billion through June 29, 2024 (including shares of common stock that may be sold pursuant to forward sale agreements entered into concurrently with the ATM equity sales program). This ATM equity sales program replaced our previous ATM equity sales program, filed on June 29, 2021 (June 2021 ATM), which was exhausted during our second fiscal quarter. As of March 31, 2022, \$1.0 billion of equity was available for issuance under the March 2022 ATM equity sales program. Additionally, as of March 31, 2022, we had \$451.3 million in proceeds from executed forward sale agreements available through September 29, 2023. Atmos Energy intends to use the net proceeds received upon the issuance and sale of shares of Common Stock to fund capital spending primarily to enhance the safety and reliability of our system and for general corporate purposes.

Atmos Energy Corporation 2.625% Senior Notes due 2029

On January 11, 2022 Atmos Energy Corporation (“Atmos Energy”) entered into an underwriting agreement (the “Underwriting Agreement”) with BNP Paribas Securities Corp., CIBC World Markets Corp., Credit Agricole Securities (USA) Inc., 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 \$200 million aggregate principal amount of its 2.625% Senior Notes due 2029 (the “Notes”), with a re-offer yield of 2.428%. On January 14, 2022, Atmos Energy Corporation (“Atmos Energy”) completed a public offering of \$200,000,000 aggregate principal amount of its 2.625% Senior Notes due 2029 (the “Notes”) with an effective interest rate of 2.54%, after giving effect to the offering costs. 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 and the Prospectus Supplement dated January 11, 2022, which was filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on January 13, 2022. The net proceeds from the offering, after the underwriting discount

and offering expenses, of \$200.8 million were used to repay our \$200 million floating-rate term loan on January 18, 2022.


The Notes were an additional issuance of the existing \$300,000,000 2.625% Senior Notes due 2029 and 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”). The Notes are represented by a global security executed by Atmos Energy on January 14, 2022 (the “Global Security”) and are unsecured senior obligations that rank equally in right of payment with all of Atmos Energy’s other existing and future unsubordinated debt. The Notes bear interest at an annual rate of 2.625%, payable by Atmos Energy on March 15 and September 15 of each year, beginning on March 15, 2022, and mature on September 15, 2029. The interest payment on March 15, 2022 will include interest from and including September 15, 2021.

<u>Underwriters</u>	<u>Principal Amount of the New Notes</u>
BNP Paribas Securities Corp.	\$50,000,000.00
CIBC World Markets Corp.	\$50,000,000.00
Credit Agricole Securities (USA) Inc.	\$50,000,000.00
U.S. Bancorp Investments, Inc.	\$50,000,000.00
Total	<u>\$200,000,000.00</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. This shelf registration statement replaced our previous shelf registration statement which was filed on February 11, 2020. As of March 31, 2022, \$2.2 billion of securities were available for issuance under this shelf registration statement. 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