

COMMONWEALTH OF KENTUCKY
CASE NO: 2021-00193

REPORT OF ACTION
Prepared May 11, 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") 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.

On March 31, 2023, we filed a prospectus supplement under the shelf registration statement relating to an at-the-market (ATM) equity sales program under which we may issue and sell shares of our common

stock up to an aggregate offering price of \$1.0 billion through March 31, 2026 (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 March 23, 2022.

During the six months ended March 31, 2023, we executed forward sales under our ATM equity sales program with various forward sellers who borrowed and sold 2,177,143 shares of our common stock at an aggregate price of \$257.0 million. During the six months ended March 31, 2023, we also settled forward sale agreements with respect to 3,394,919 shares that had been borrowed and sold by various forward sellers under the ATM program for net proceeds of \$359.7 million. As of March 31, 2023, \$1.0 billion of equity was available for issuance under our existing ATM program. Additionally, we had \$673.2 million in available proceeds from outstanding forward sale agreements, as detailed below.

Maturity	Shares Available	Net Proceeds Available (In thousands)	Forward Price
September 29, 2023	1,157,238	\$ 132,198	\$ 114.24
December 29, 2023	919,898	105,843	\$ 115.06
March 28, 2024	2,744,502	319,894	\$ 116.56
June 28, 2024	927,939	108,491	\$ 116.92
September 30, 2024	58,807	6,792	\$ 115.49
Total	5,808,384	\$ 673,218	\$ 115.90

Atmos Energy Corporation Forward Starting Interest Rate Swaps

We manage interest rate risk by periodically entering into financial instruments to effectively fix the Treasury yield component of the interest cost associated with anticipated financings. In March 2023, we entered into forward starting interest rate swaps to effectively fix the Treasury yield component associated with \$150 million of planned issuances of unsecured senior notes in fiscal 2024.

The following table summarizes our existing forward starting interest rate swaps as of March 31, 2023.

Planned Debt Issuance Date	Amount Hedged (In thousands)
Fiscal 2024	600,000
Fiscal 2025	600,000
Fiscal 2026	300,000
	<u>\$1,500,000</u>

Additionally, in April 2023, we entered into a forward starting interest rate swap to effectively fix the Treasury yield component associated with \$100 million of planned issuances of unsecured senior notes in fiscal 2024. These swaps were designated as cash flow hedges at the time the agreements were executed.

\$5B Shelf Registration

On March 31, 2023, 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 March 31, 2026. This shelf registration statement replaced our previous shelf registration statement which was filed on June 29, 2021. At March 31, 2023, \$4.0 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

A handwritten signature consisting of two stylized, overlapping capital letters 'R' and 'R'.

Rebecca Reneau
Manager Treasury Services