

## Risk Factors Comparison 2024-11-20 to 2023-11-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Spire's, Spire Missouri's and Spire Alabama's businesses and financial results are subject to a number of risks and uncertainties, including those set forth below. The risks described below are those management considers to be material. When considering any investment in these companies' securities, investors should carefully consider the following information, as well as information contained in the caption "Forward-Looking Statements," Item 7A, and other documents Spire, Spire Missouri, and Spire Alabama file with the SEC. This list is not exhaustive, and management places no priority or likelihood based on the risk descriptions, order of presentation or grouping.

### RISKS AND UNCERTAINTIES THAT RELATE TO REGULATORY, LEGISLATIVE AND LITIGATION FACTORS

Regulatory and legislative developments in the energy industry related to climate change or in support of increased energy efficiency may adversely affect operations and financial results. There have been a number of federal, state and local legislative and regulatory initiatives proposed in recent years in an attempt to control or limit the effects of global warming and overall climate change, including greenhouse gas emissions, such as methane and carbon dioxide. Adoption of this type of legislation by Congress or similar legislation by states or localities, or the adoption of related regulations by federal, state or local governments mandating a substantial reduction in greenhouse gas emissions, restricting the use of fossil fuels, such as natural gas, or restricting the construction of infrastructure could have far-reaching and significant impacts on the energy industry. Such new legislation or regulations could result in increased compliance costs or additional operating restrictions, adversely affect the demand for natural gas and / or midstream services, or impact the prices charged to customers, potentially reducing customer growth opportunities and / or increasing the cost of doing business. In addition, legislative and regulatory initiatives by the federal, state and local governments addressing greenhouse gas emissions or restricting the use of natural gas could adversely affect customer demand. The promulgation of regulations of the emissions of greenhouse gases and efficiency for residential gas furnaces and other gas appliances or the potential enactment of congressional legislation addressing global warming and climate change may decrease customer usage, encourage fuel switching from gas to other energy forms, and may result in future additional compliance costs that could impact the Utilities' financial conditions and results of operations. At this time, we cannot predict the potential impact of such laws or regulations that may be adopted on the Company's and the Utilities' future business, financial condition or financial results.

**In March 2024, the SEC adopted climate disclosure rules to enhance and standardize climate-related disclosures by public companies for more consistent, comparable, and reliable information about the financial effects of climate-related risks on operations and how companies manage those risks. These rules have been stayed due to pending litigation but could become effective in the future. To the extent these rules become effective, the Company's efforts to comply could require significant additional expenditures.** Regulation of the Utilities' businesses may impact rates they are able to charge, costs, and profitability. The Utilities are subject to regulation by federal, state and local authorities. At the state level, the Utilities are regulated in Missouri by the ~~Missouri Public Service Commission (MoPSC)~~, in Alabama by the ~~Alabama Public Service Commission (APSC)~~, and in Mississippi by the ~~Mississippi Public Service Commission (MSPSC)~~. These state public service commissions regulate many aspects of the Utilities' distribution operations, including construction and maintenance of facilities, operations, safety, the rates the Utilities may charge customers, the terms of service to their customers, transactions with their affiliates, the rate of return they are allowed to realize, and the accounting treatment for certain aspects of their operations. For further discussion of these accounting matters, see Regulatory Accounting under Critical Accounting Estimates in Item 7. Accounting for the economics of rate regulation affects multiple financial statement line items (such as property, plant, and equipment; regulatory assets and liabilities; operating revenues; and operating expenses) and affects multiple disclosures in the Company's financial statements. There is a risk that the state public service commissions will not approve full recovery of the costs of providing utility service or recovery of all amounts invested in the utility business and a reasonable return on that investment. A material disallowance of deferred costs could adversely affect the Utilities' results of operations. The MoPSC also approves Spire Missouri's Infrastructure System Replacement Surcharge (ISRS). The ISRS allows Spire Missouri expedited recovery for its investment to upgrade its infrastructure and enhance its safety and reliability without the necessity of a formal rate case. Such investments are subject to review, and there is risk that any material disallowance of costs under ISRS could adversely affect the timing of revenues and cash flows.

**Without legislative action, the ISRS statute related to gas utilities will expire on August 28, 2029.** The Utilities' ability to obtain and timely implement rate increases and rate supplements to maintain the current rate of return is subject to regulatory review and approval. There can be no assurance that they will be able to obtain rate increases or rate supplements or continue earning the current authorized rates of return. Spire Alabama's and Spire Gulf's rate setting process, Rate Stabilization and Equalization (RSE), is subject to regulation by the APSC and is implemented pursuant to APSC orders expiring September 30, 2025. RSE adjustments would continue after that date unless the APSC enters an order to the contrary in a manner consistent with the law. Spire Mississippi is subject to regulation by the MSPSC and utilizes the Rate Stabilization Adjustment (RSA) Rider. For further details, see Note 15, Regulatory Matters, of the Notes to Financial Statements in Item 8. The Utilities could incur additional costs if required to adjust to new laws or regulations, revisions to existing laws or regulations or changes in interpretations of existing laws or regulations. In addition, as the regulatory environment for the natural gas industry increases in complexity, the risk of inadvertent noncompliance could also increase. If the Utilities fail to comply with applicable laws and regulations, whether existing or new, they could be subject to fines, penalties, business interruption or other enforcement action by the authorities that regulate the Utilities' operations. Federal safety and integrity regulations related to pipeline and storage operators and owners of critical

infrastructure may impose significant costs and liabilities on the Company. The U. S. Pipeline and Hazardous Materials Safety Administration (PHMSA) requires pipeline and natural gas storage operators to develop integrity management programs to evaluate their pipelines comprehensively and to take additional measures to protect pipeline segments located in areas where a leak or rupture could potentially do the most harm. The Company is required to maintain programs that are intended to assess pipeline integrity. Any repair, remediation, preventative or mitigating actions may require significant capital and operating expenditures. PHMSA constantly updates its regulations to ensure the highest levels of pipeline safety. As the operator of pipelines, Spire is required to: • perform ongoing assessments of pipeline integrity; • identify and characterize applicable threats to pipelines; • improve data collection, integration and analysis; • repair and remediate the pipeline as necessary; and • implement preventative and mitigating actions. **The PHMSA amendment to the Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act of 2020 is anticipated to go into effect in 2028. This would, among other things, increase the frequency of leak detection surveys, promote advanced leak detection programs, and require accelerated repair of leaks found.** The Transportation Security Administration (TSA) requires owners and operators of specified pipeline facilities to take action to prevent disruption and degradation to their infrastructure to achieve the following security outcomes: • develop network segmentation policies and controls ; • create access control measures to secure and prevent unauthorized access to critical cyber systems; • build continuous monitoring and detection policies and procedures to detect threats and correct anomalies; and • reduce the risk of exploitation of unpatched systems in a timely manner using a risk- based methodology. As such, pipeline owners and operators are required to establish and execute a TSA- approved Cybersecurity Implementation Plan, develop and maintain a Cybersecurity Incident Response Plan, and establish a Cybersecurity Assessment Program. **To date, Spire is compliant with these requirements.** Costs to comply with these and other such future safety and integrity regulations are significant. Additionally, should the Company fail to comply with applicable statutes, rules, regulations and orders, it could be subject to significant fines, penalties, business interruption or other enforcement actions. Environmental laws and regulations may require significant expenditures or increase operating costs. The Utilities and Midstream companies are subject to federal, state and local environmental laws and regulations affecting many aspects of their present and future operations. These laws and regulations require these businesses to obtain and comply with a wide variety of environmental licenses, permits, inspections, and approvals. Failure to comply with these laws and regulations and failure to obtain any required permits and licenses may result in costs in the form of fines, penalties, business interruptions or other enforcement actions, which may be material. In addition, existing environmental laws and regulations could be revised or reinterpreted and / or new laws and regulations could be adopted or become applicable to these companies or their facilities, thereby impacting the cost of compliance. **With the overturning of the 40- year- old “ Chevron Doctrine ” on June 28, 2024, which had provided for deference to agencies’ interpretation of regulations in litigation against those agencies, there is additional uncertainty going forward regarding current and future regulatory interpretations.** The discovery of presently unknown environmental conditions, including former manufactured gas plant sites, and adverse claims under environmental laws and regulations may result in expenditures and liabilities, which could be material. To the extent environmental compliance costs are self- insured, or not fully covered by insurance or recovered in rates from customers, those costs may have an adverse effect on financial condition and results of operations. The Utilities’ liquidity may be adversely affected by delays in recovery of their costs, due to regulation. In the normal course of business, there is a lag between when the Utilities incur increases in certain of their costs and the time in which those costs are considered for recovery in the ratemaking process. Cash requirements for increased gas supply costs, operating costs, increased funding levels of defined benefit pension and postretirement costs, capital expenditures, interest expense and other increases in the costs of doing business, including inflation, can require outlays of cash prior to the authorization of increases in rates charged to customers, as approved by the MoPSC, APSC, or MSPSC. Accordingly, the Utilities’ liquidity can be adversely impacted to the extent higher costs are not timely recovered from their customers. Changes to income tax policy, certain tax elections, tax regulations and future taxable income could adversely impact the Company’ s financial condition and results of operations. The Company has significantly reduced its current federal and state income tax obligations over the past few years through tax planning strategies and application of tax rules which included the use of bonus depreciation deductions for certain expenditures for property. As a result, the Company generated large annual taxable losses that have resulted in significant federal and state net operating losses. The Company plans to utilize these net operating losses in the future. The value of these net operating losses could be reduced if the Company cannot generate enough taxable income in the future to utilize all of the net operating losses generated prior to the Tax Cuts and Jobs Act of 2017 **(TCJA)** before they expire due to income tax policy changes, lower- than- expected financial performance and / or regulatory actions. **The major provisions of the TCJA will expire on December 31, 2025, unless Congress extends them.** Changes to income tax policy, laws and regulations, including but not limited to changes in tax rates, ~~the deductibility of certain expenses including interest and / or changes in the deductibility of certain expenditures for property,~~ could adversely impact the Company. Those impacts could include reducing the value of its net operating losses and could result in material charges to earnings. Further, the Company’ s financial condition and results of operations may be adversely impacted. ~~Notably, the Inflation Reduction Act became effective on August 16, 2022. This new law provides various tax credits and incentives with respect to clean energy. The Company is still evaluating the impact and applicability of these programs to its operations, but they are not expected to have a material impact on the Company~~. The Company may be involved in legal or administrative proceedings before various courts and governmental bodies that could adversely affect its results of operations and financial condition. The Company may be involved in legal or administrative proceedings before various courts and governmental bodies with respect to general claims, rates, environmental issues, gas cost prudence reviews and other matters. For further details, see Contingencies in Note 16 to the financial statements in Item 8. Adverse decisions regarding these matters, to the extent they require the Company to make payments in excess of amounts provided for in its financial statements, or to the extent they are self- insured or not covered by insurance, could adversely affect the results of operations and financial condition. Commodity markets and derivative instruments are regulated by federal

agencies, and new developments in this area may adversely impact Spire Marketing's results of operations and financial condition. As a participant in the natural gas market, Spire Marketing is subject to applicable statutes, rules, regulations and orders administered by FERC and the Commodity Futures Trading Commission (CFTC), including those directed generally to prevent fraud or manipulation involving natural gas transactions (physical or financial transactions). Spire Marketing could be subject to fines, penalties, business interruption or other enforcement actions by the FERC or CFTC, or both, for failure to comply with such rules. New regulatory and legislative actions may adversely impact Spire Marketing's results of operations and financial condition by potentially reducing customer growth opportunities and / or increasing the costs of doing business. Spire Marketing uses bilateral contracts and derivative instruments such as futures contracts, options and swaps to hedge or mitigate ongoing commercial risks. Most standardized swaps, under the Dodd- Frank Act and regulations from the CFTC, are required to be cleared through a registered clearing facility and traded on a designated exchange or swap execution facility, subject to certain exceptions. These regulations may also require compliance with certain margin requirements for over-the-counter derivative contracts with certain regulated entities, which could adversely affect liquidity and ability to use derivatives to hedge risks. In addition, the CFTC's rules require companies, including Spire Marketing, to maintain regulatory records of swap transactions, and to report swaps to centralized swap data repositories, among other compliance obligations. Although Spire Marketing may qualify for exceptions to certain of these CFTC rules, its derivatives counterparties are likely subject to capital, margin, documentation and business conduct requirements imposed as a result of the Dodd- Frank Act. These obligations may increase transaction costs and may make it more difficult for Spire Marketing to enter into hedging transactions on favorable terms or affect the number and / or creditworthiness of available swap counterparties. In that event, Spire Marketing's inability to enter into derivatives instruments or other commercial risk hedging transactions on favorable terms, or at all, could increase operating expenses and expose it to unhedged commercial risks, including potential adverse changes in commodity prices. ~~In October 2020, the CFTC finalized its rules that modify and expand the applicability of speculative position limits on the amounts of certain futures contracts (including options thereon), cash-settled "lookalike" contracts for or linked to the commodities underlying the foregoing futures contracts, as well as economically equivalent swaps containing "identical material" contractual specifications, terms and conditions as the foregoing contracts. While Spire Marketing anticipates qualifying for a bona fide hedging exemption from such limits, the CFTC's final rules and earlier adopted aggregation rules may cause Spire Marketing's hedging strategies described above to be limited if Spire Marketing is unable to qualify for an exemption.~~

**RISKS THAT RELATE TO OPERATIONAL FACTORS** The Company's ability to meet its customers' natural gas requirements may be impaired if contracted gas supplies, interstate pipeline and / or storage services are not available or delivered in a timely manner. In order to meet their customers' annual and seasonal natural gas demands, the Utilities must obtain sufficient supplies, interstate pipeline capacity, and storage capacity. If they are unable to obtain these, either from their suppliers' inability to deliver the contracted commodity or the inability to secure replacement quantities, to the extent not mitigated by tariffs, contractual indemnification or insurance, the Utilities' financial condition and results of operations may be adversely impacted. If a substantial disruption in interstate natural gas pipelines' transmission and storage capacity were to occur during periods of heavy demand, the Utilities' financial results could be adversely impacted. Spire Marketing's ability to deliver natural gas to its customers is contingent upon the performance of its suppliers and capability of pipeline and storage operators to fulfill delivery obligations to Spire Marketing under firm contracts. To the extent that it is unable to obtain the necessary supplies, Spire Marketing's financial position and results of operations may be adversely impacted. Midstream is dependent upon third-party pipelines and other facilities to provide delivery options to and from its facilities. If any pipeline connection were to become unavailable for volumes of natural gas due to repairs, damage to the facility, lack of capacity or any other reason, the ability to continue receiving or delivering natural gas could be restricted, and to the extent not mitigated by contractual indemnification, insurance or tariffs, would thereby reduce its revenues. Any permanent interruption that causes a material reduction in volumes could result in an impairment loss that could have a material adverse effect on the financial condition and results of operations. Transporting, distributing, and storing natural gas and propane involves numerous risks that may result in accidents and other operating risks. Natural gas transportation, distribution and storage activities inherently involve a variety of integrity issues, hazards and operations risks, such as leaks, accidental explosions, blowouts, damage caused by third parties, **activities of contractors**, and mechanical problems, which could cause substantial financial losses. In addition, these risks could result in serious injury to employees and non-employees, loss of human life, significant damage to property, environmental pollution, impairment of operations, and substantial losses to the Company and its subsidiaries. The location of pipelines and storage facilities near populated areas, including residential areas, commercial business centers, and industrial sites, could increase the level of damages resulting from these risks. Similar risks also exist for Spire Missouri's propane storage, transmission and minor distribution operations. These activities may subject the Company to litigation or administrative proceedings. Such litigation or proceedings could result in substantial monetary judgments, fines, penalties, business interruption or other enforcement actions against the Company and its subsidiaries or be resolved on unfavorable terms. In accordance with customary industry practices, the Utilities and other Spire businesses maintain insurance against a significant portion, but not all, of these risks and losses. To the extent the occurrence of any of these events is self-insured or not fully covered by insurance, it could adversely affect the financial condition and results of operations of the Company and its subsidiaries. Because of competition, the Company may not be able to retain existing customers or acquire new customers, or may be unsuccessful in retaining or acquiring contractual assets on favorable terms, which could have an adverse impact on its business, results of operations and financial condition. The Utilities face the risk that larger commercial or industrial customers may bypass gas distribution services by directly connecting with interstate pipelines or, in the case of Spire Alabama and Spire Gulf, also from municipally or publicly owned gas distributors located adjacent to its service territory. The Utilities cannot provide any assurance that increased competition will not have a material adverse effect on their business, financial condition or results of operations. The Utilities compete with distributors offering a broad range of services and prices, from full-service

distributors to those offering delivery only. The Utilities also compete for retail customers with suppliers of alternative energy products, principally propane and electricity, and to a growing extent, distributed sources of renewable energy. If they are unable to compete effectively, the Utilities may lose existing customers and / or fail to acquire new customers, which in the aggregate could have a material adverse effect on their business, results of operations and financial condition. Along those lines, changes in wholesale natural gas prices compared with prices for electricity, fuel oil, coal, propane, or other energy sources can significantly impact the cost of delivered natural gas, which may affect the Utilities' retention of natural gas customers and may adversely impact their financial condition and results of operations. Spire Storage is subject to competition from similar services provided by pipelines and from competing independent storage providers capable of serving its customers. Natural gas storage is a competitive business, with competitors having the ability to expand storage capacity. Increased competition in the natural gas storage business could reduce the demand and drive rates down for the Company' s natural gas storage services. Also, Spire Marketing profitability may be impacted by the effects of the expiration, in the normal course of business, of certain of its natural gas supply, sales, transportation and storage contracts if, because of competition or other reasons, those contracts cannot be replaced and / or renewed with arrangements with similar terms and pricing. Significantly warmer- than- normal weather conditions and the effects of climate change may affect the Utilities' sale of heating energy and adversely impact their financial position and results of operations. The Utilities' earnings are primarily generated by the sale of heating energy. Spire Missouri and Spire Mississippi each have a Weather Normalization Adjustment rider, Spire Alabama has a Temperature Adjustment Rider, and Spire Gulf has a Weather Impact Normalization Factor. These mechanisms, approved by the respective state regulatory body, provide better assurance of the recovery of fixed costs and margins during winter months despite variations in sales volumes due to the impacts of weather, while the annual rate designs of Alabama and Mississippi help adjust for other factors that affect customer usage. However, significantly warmer- than- normal weather conditions in the Utilities' service areas and other factors, such as climate change, alternative energy sources and increased efficiency of gas furnaces and other appliances, may result in reduced profitability and decreased cash flows attributable to lower gas sales. Furthermore, these mechanisms do not fully mitigate the impact of warmer weather and continuation of these adjustment factors is subject to regulatory discretion. To the extent climate change results in warmer temperatures, financial results could be adversely affected through lower gas volumes and revenues and reduced marketing opportunities. Management believes it is likely that any such resulting impacts would occur over a long period of time and thus would be difficult to quantify with any degree of specificity. Another possible impact of climate change may be more frequent and more severe weather events, such as significant wind or flooding events, which could increase costs to repair damaged facilities and restore service to customers or result in lost revenues if the Company were unable to deliver natural gas to customers. Such weather events could also disrupt our usual gas supplies and make it impossible or extremely costly to find replacement gas for our customers. To the extent such impacts are self- insured, or not covered by insurance or recovered in rates, the foregoing events could have a material adverse effect on the Company' s financial condition and results of operations. The Company' s natural gas storage business includes inherent geologic and operational risks. The Company plans to continue to increase capacity, improve operating performance, and improve the integrity of its storage fields and associated above- ground facilities of Spire Storage. Construction of such assets is subject to various risks and uncertainties, including supply chain and labor disruptions, weather conditions during construction, equipment failures and construction quality issues. Any such disruptions, as well as any negative effects from the risks discussed below, could result in an impairment of Spire' s investment in the project, and such impairment could have a material adverse effect on the Company' s financial condition and results of operations. Any damage to the Spire Storage facilities or pipelines, or lack of integrity to its storage fields, including damages caused by a blow- out, to the extent such impacts are self- insured or not covered by insurance, could have a material adverse effect on the Company' s financial condition and results of operations. The Company does not own all the land on which its storage facilities were constructed, and it is, therefore, subject to the possibility of more onerous terms or increased costs to retain necessary land use, if and when applicable property rights expire or are renewed. Changes in the terms of such land use could have an adverse impact on the financial condition and results of operations of the Company' s storage business. Increased dependence on technology may hinder the Company' s business operations and adversely affect their financial condition and results of operations if such technologies fail. The Company has implemented or acquired a variety of technological tools including both Company- owned information technology and technological services provided by outside parties. These tools and systems support critical functions including the Company' s integrated planning, scheduling and dispatching of field resources, its automated meter reading system, customer care and billing, procurement and accounts payable, operational plant logistics, management reporting, and external financial reporting. The failure of these or other similarly important technologies, or the Company' s inability to have these technologies supported, updated, expanded, or integrated into other technologies, could hinder its business operations and, to the extent such impacts are self- insured or not covered by insurance, could adversely impact its financial condition and results of operations. Although the Company has, when possible, developed alternative sources of technology and built redundancy into its computer networks and tools, there can be no assurance these efforts to date would protect against all potential issues related to the loss of any such technologies or the Company' s use of such technologies. **While the Company assesses the cyber protection of its vendors, the Company' s use of an outside party presents a cyber exposure that must also be carefully managed.** A cyberattack may disrupt the Company' s operations or lead to a loss or misuse of confidential and proprietary information or potential liability. The Company is subject to cybersecurity risks primarily related to breaches of security pertaining to sensitive customer, employee, and vendor information maintained by the Company, its subsidiaries, or its third- party vendors in the normal course of business, as well as breaches in the technology that manages natural gas supply and control operations and other business processes. A loss of confidential or proprietary data or security breaches of technology for operations or business processes could adversely affect the Company' s reputation, diminish customer confidence, disrupt operations, and subject the Company to possible financial liability, any of which could have a material effect on its financial condition and results of operations .

**Despite Company policy restrictions on artificial intelligence (AI), whitelisting of sites, and contractual limitations on vendors' use of AI, there is also a risk of inadvertent sharing of confidential or proprietary data through the inappropriate use of open AI tools.** The Company acknowledges increased dependence on technology increases its exposure to cyberattack. The Company closely monitors both preventive and detective measures to manage these risks and maintain cyber risk insurance to mitigate a significant portion, but not all, of these risks and losses. To the extent that the occurrence of any of these cyber events is self-insured or not covered by insurance, it could adversely affect the Company's financial condition and results of operations. **On July 26, 2023, the SEC adopted its final rule on Cybersecurity Risk Management, Strategy, Governance and Incident Disclosure to provide investors information on how public companies manage their cyber risks (see Item 1C) and to require timely disclosure of material cyber events, which increases compliance risk.** The Company's business activities are concentrated in a few states and regions. The Utilities provide natural gas distribution services to customers in Alabama, Mississippi, and Missouri. Midstream is focused on the Rocky Mountain / Western and Midcontinent regions. Changes in the regional economies, politics, regulations and weather patterns of these states could negatively impact growth opportunities and the usage patterns and financial condition of customers and could adversely affect earnings, cash flows, and financial position.

**RISKS THAT RELATE TO FINANCIAL, ECONOMIC AND MARKET FACTORS** As a holding company, Spire depends on its operating subsidiaries to meet its financial obligations. Spire is a holding company with no significant assets other than the stock of its operating subsidiaries and cash investments. Spire, and Spire Missouri prior to the holding company's formation in 2000, has paid common stock dividends continuously since 1946. Spire's ability to pay dividends to its shareholders is dependent on the ability of its subsidiaries to generate sufficient net income and cash flows to pay upstream dividends and make loans or loan repayments. A downgrade in Spire's and / or its subsidiaries' credit ratings and / or reduced access to credit and capital markets may negatively affect its cost of capital or prevent it from executing operating strategies. Currently, Spire, Spire Missouri, and Spire Alabama have investment-grade credit ratings. There is no assurance such credit ratings for any of these companies will remain in effect for any given period of time or such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Spire has a working capital line of credit to meet its short-term liquidity needs. Spire's line of credit may be used to meet the liquidity needs of any of its subsidiaries, subject to sublimits. If the rating agencies lowered the credit rating at any of these entities, particularly below investment grade, it might significantly limit that entity's ability to secure new or additional credit facilities and would increase its costs of borrowing. Spire's and the Utilities' ability to borrow under current or new credit facilities and costs of that borrowing have a direct impact on their ability to execute their operating strategies. Spire Marketing relies on its cash flows, ability to effect net settlements with counterparties, parental guaranties, and access to Spire's liquidity resources to satisfy its credit and working capital requirements. Spire Marketing's ability to rely on parental guaranties is dependent upon Spire's financial condition and credit ratings. If Spire's credit ratings were lowered, particularly below investment grade, counterparty acceptance of parental guaranties may diminish, resulting in decreased availability of credit. Additionally, under such circumstances, certain counterparties may require Spire Marketing to provide prepayments or cash deposits, amounts of which would be dependent upon natural gas market conditions. Reduced access to credit or increased credit requirements, which may also be caused by factors such as higher overall natural gas prices, may limit Spire Marketing's ability to enter into certain transactions. In addition, Spire Marketing has concentrations of counterparty credit risk in that a significant portion of its transactions are with (or are associated with) utility companies and their marketing affiliates. The concentration of counterparties has the potential to affect the Company's overall exposure to credit risk, either positively or negatively, in that customers in this group may be affected similarly by changes in economic, industry, or other conditions. Spire Marketing also has concentrations of credit risk in certain individually significant counterparties. Spire Marketing closely monitors its credit exposure and, although uncollectible amounts have not been significant, increased counterparty defaults are possible and may result in financial losses and / or capital limitations. Regional supply / demand imbalances, fluctuations in natural gas commodity prices, changes in the terms and rates charged by midstream facilities, and infrastructure projects may adversely impact the future profitability of the Company. Competition in the marketplace and fluctuations in natural gas commodity prices have a direct impact on Spire Marketing. Changing market conditions and prices, the narrowing of regional and seasonal price differentials and limited future price volatility may adversely impact its sales margins or affect its ability to procure gas supplies and / or to serve certain customers, which may reduce sales profitability and / or increase certain credit requirements caused by reductions in netting capability. Although the FERC regulates the interstate transportation of natural gas and establishes the general terms and conditions under which Spire Marketing may use interstate gas pipeline capacity to purchase and transport natural gas, Spire Marketing must occasionally renegotiate its transportation agreements with a concentrated group of pipeline companies. Renegotiated terms of new agreements, or increases in FERC-authorized rates of existing agreements, may impact Spire Marketing's future profitability. Profitability may also be adversely impacted if pipeline capacity or future storage capacity secured is not fully utilized. Storage businesses are affected by various gas market fundamentals which impact the level of demand for storage services and the rates that can be charged for these services. These market fundamentals include: seasonal price spread; monthly, daily and hourly price volatility; locational basis for pricing points on pipelines connected to a storage facility; seasonal, daily and hourly weather; and operational impacts in supply and market areas served by a storage facility and its connected pipelines. These fundamentals have varying and potentially material adverse impacts on the various services offered by storage facilities and the rates that can be charged for these services in the market. These services include long-term firm storage, short-term park and loan, wheeling, and optimization. Rates below the variable costs to operate a storage facility could result in a decision to not operate all the capacity in the facility or to operate the facility at a loss if required to fulfill firm customer contract obligations. A sustained decline in these rates or a shut-in of all or a portion of one or more facilities' capacity could have an adverse impact on the Company's financial condition and results of operations. Spire Missouri's and Spire Alabama's income from off-system sales and capacity release is subject to fluctuations in market conditions and changing

supply and demand conditions in areas the Utilities hold pipeline capacity rights. Specific factors impacting the Utilities' income from off- system sales and capacity release include the availability of attractively priced natural gas supply, availability of pipeline capacity, and market demand. Income from off- system sales and capacity release is shared with customers. Spire Missouri and Spire Alabama are allowed to retain 25 % of the net margins achieved as a result of such off- system sales and capacity release. The Utilities' ability to retain such income in the future is also subject to regulatory discretion. Rapid significant increases in natural gas prices may adversely affect the Utilities' liquidity and, in certain circumstances, results of operations. The tariff rate schedules of Spire Missouri, Spire Gulf and Spire Mississippi contain Purchased Gas Adjustment (PGA) clauses and Spire Alabama's tariff rate schedule contains a Gas Supply Adjustment (GSA) rider that permit the Utilities to file for rate adjustments to recover the cost of purchased gas. Changes in the cost of purchased gas are flowed through to customers and may affect uncollectible amounts and cash flows and can therefore impact the amount of capital resources. Currently, Spire Missouri is allowed to adjust the gas cost component of rates up to four times each year while Spire Alabama and Spire Gulf (collectively, the "Alabama Utilities") and Spire Mississippi may adjust the gas cost component of their rates on a monthly basis. Spire Missouri must make a mandatory gas cost adjustment at the beginning of the winter, in November, and during the next twelve months may make up to three additional discretionary gas cost adjustments, so long as each of these adjustments is separated by at least two months. The MoPSC typically approves the Spire Missouri PGA changes on an interim basis, subject to refund and the outcome of a subsequent audit and prudence review. Due to such review process, there is a risk of a disallowance of full recovery of these costs. Any material disallowance of purchased gas costs would adversely affect results of operations. The Alabama Utilities' gas supply charges are submitted for APSC review on a monthly basis, regardless of whether there is a request for a change, so prudence review occurs on an ongoing basis. Spire Mississippi's PGA is adjusted on a monthly basis for the most recent charges and is filed at the MSPSC on a monthly basis. Increases in the prices the Utilities charge for gas may also adversely affect revenues because they could lead customers to reduce usage and cause some customers to have trouble paying the resulting higher bills. These higher prices may increase bad debt expenses and ultimately reduce earnings. Rapid increases in the price of purchased gas may result in an increase in short- term debt. To lower financial exposure to commodity price fluctuations, Spire Missouri enters into contracts to hedge the forward commodity price of its natural gas supplies. As part of this strategy, Spire Missouri may use fixed- price forward physical purchase contracts, swaps, futures, and option contracts. However, Spire Missouri does not hedge the entire exposure of energy assets or positions to market price volatility, and the coverage will vary over time. Any costs, gains, or losses experienced through hedging procedures, including carrying costs, generally flow through the PGA clause, thereby limiting Spire Missouri's exposure to earnings volatility. However, variations in the timing of collections of such gas costs under the PGA clause and the effect of cash payments for margin deposits associated with Spire Missouri's use of natural gas derivative instruments may cause short- term cash requirements to vary. These procedures remain subject to prudence review by the MoPSC. Other than fixed- price forward physical purchase contracts, Spire Alabama, Spire Gulf, and Spire Mississippi currently do not utilize risk mitigation strategies that incorporate commodity hedge instruments, but Spire Alabama has the ability to do so through its GSA. Risk management policies, including the use of derivative instruments, may not fully protect Spire Marketing's sales and results of operations from volatility and may result in financial losses. In the course of its business, Spire Marketing enters into contracts to purchase and sell natural gas at fixed prices and index- based prices. Commodity price risk associated with these contracts has the potential to impact earnings and cash flows. To minimize this risk, Spire Marketing has a risk management policy that provides for daily monitoring of a number of business measures, including fixed price commitments. Spire Marketing currently manages the commodity price risk associated with fixed- price commitments for the purchase or sale of natural gas by either closely matching the offsetting physical purchase or sale of natural gas at fixed prices or through the use of natural gas futures, options, and swap contracts traded on or cleared through the New York Mercantile Exchange, Inc. and / or the Intercontinental Exchange to lock in margins. These exchange- traded / cleared contracts may be designated as cash flow hedges of forecasted transactions. However, market conditions and regional price changes may cause ineffective portions of matched positions to result in financial losses. Additionally, to the extent that Spire Marketing's natural gas contracts are classified as trading activities or do not otherwise qualify for the normal purchases or normal sales designation (or the designation is not elected), the contracts are recorded as derivatives at fair value each period. Accordingly, the associated gains and losses are reported directly in earnings and may cause volatility in results of operations. Gains or losses (realized and unrealized) on certain wholesale purchase and sale contracts, consisting of those classified as trading activities, are required to be presented on a net basis (instead of a gross basis) in the statements of consolidated income. Such presentation could result in volatility in the Company's operating revenues. Spire's pension and other postretirement benefit plans are subject to investment and interest rate risk that could negatively impact its financial condition. Spire and its subsidiaries have pension and other postretirement benefit plans that provide benefits to many of their employees and retirees. Costs of providing benefits and related funding requirements of these plans are subject to changes in the market value of the assets that fund the plans. The funded status of the plans and the related costs reflected in the Company's financial statements are affected by various factors, which are subject to an inherent degree of uncertainty, including economic conditions, financial market performance, interest rates, life expectancies and demographics. Recessions and volatility in the domestic and international financial markets have negatively affected the asset values of the Company's pension plans at various times in the past. Poor investment returns or lower interest rates may necessitate accelerated funding of the plans to meet minimum federal government requirements, which could have an adverse impact on the Company's financial condition and results of operations. For more information, including regulatory provisions affecting the Utilities' plans, see Note 13, Pension Plans and Other Postretirement Benefits, of the Notes to Financial Statements in Item 8. In connection with acquisitions, Spire and Spire Missouri recorded goodwill and long- lived assets that could become impaired and adversely affect its financial condition and results of operations. Spire and Spire Missouri assess goodwill for impairment annually or more frequently if events or circumstances occur that would more likely than not reduce the fair value of a reporting

unit below its carrying value. The Company and Spire Missouri assess their long-lived assets for impairment whenever events or circumstances indicate an asset's carrying amount may not be recoverable. To the extent the value of goodwill or long-lived assets becomes impaired, the Company and Spire Missouri may be required to incur impairment charges that could have a material impact on their results of operations. Since interest rates are a key component, among other assumptions, in the models used to estimate the fair values of the Company's reporting units, rises in interest rates would generally decrease the calculated fair values and future impairments may occur. Due to the subjectivity of the assumptions and estimates underlying the impairment analysis, Spire and Spire Missouri cannot provide assurance that future analyses will not result in impairment. These assumptions and estimates include projected cash flows, current and future rates for contracted capacity, growth rates, weighted average cost of capital and market multiples.

**GENERAL RISK FACTORS** Resources expended to pursue or integrate business acquisitions, investments or other business arrangements may adversely affect Spire's financial position and results of operations and return on investments made may not meet the Company's expectations. From time to time, Spire may seek to grow through strategic acquisitions, investments or other business arrangements. Attractive acquisition and investment opportunities may be difficult to complete on economically acceptable terms. It is possible for Spire to expend considerable resources pursuing acquisitions and investments that for a variety of reasons do not move forward. Similarly, investment opportunities may be hindered or halted by regulatory or legal actions. To the extent acquisitions or investments are made, such transactions involve a number of risks, including but not limited to, the assumption of material liabilities, the diversion of management's attention from daily operations, difficulties in assimilation and retention of employees, securing adequate capital to support the transaction, and obtaining regulatory approval. Uncertainties exist in assessing the value, risks, profitability, and liabilities associated with certain businesses or assets and there is a possibility that anticipated operating and financial efficiencies expected to result from an acquisition or investment do not develop. Additionally, there are no assurances resources expended will achieve their intended result. The failure to complete an acquisition successfully or to integrate acquisitions or investments it may undertake could have an adverse effect on the Spire's financial condition and results of operations and the market's perception of the Company's execution of its strategy. To the extent Spire engages in any of the above activities together with or through one or more of its subsidiaries, including the Utilities, such subsidiaries may face the same risks. Unexpected losses may adversely affect Spire's or its subsidiaries' financial condition and results of operations. As with most businesses, there are operations and business risks inherent in the activities of Spire's subsidiaries **or even the activities of its vendors**. If, in the normal course of business, Spire or any of its subsidiaries becomes a party to litigation, such litigation could result in substantial monetary judgments, fines, penalties, business interruption or other enforcement actions or be resolved on unfavorable terms. In accordance with customary practice, Spire and its subsidiaries **secure strong contractual indemnification requirements where available and** maintain insurance against a significant portion of, but not all, risks and losses, though it does reinsure a portion of the risk from certain of Spire's insurers through its captive insurance company. Spire and its operating companies employ many strategies to gain assurance such risks are appropriately managed, mitigated, or insured, as appropriate. To the extent a loss is self-insured or not fully covered by insurance or other risk mitigation strategies, that loss could adversely affect Spire's and / or its subsidiaries' financial condition and results of operations. Catastrophic events may adversely affect the Company's facilities and operations. Catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes, tropical storms, winter storms, terrorist acts, acts of civil unrest, pandemic illnesses or other similar occurrences could adversely affect the Utilities' facilities and operations, as well as those of Midstream. Emergency planning and training programs are in place to respond to events that could cause business interruptions; however, unanticipated events or a combination of events, failure in resources needed to respond to events, or slow or inadequate response to events may have an adverse impact. To the extent the impacts of such catastrophic events are not covered by insurance or recovered in rates, this could have a material adverse effect on the Company's financial condition and results of operations. Workforce risks may affect the Company's financial results. The Company and its subsidiaries are subject to various workforce risks, including, but not limited to, the risk that it will be unable to attract and retain qualified personnel; that it will be unable to effectively transfer to new personnel the knowledge and expertise of an aging workforce as those workers retire; and that it will be unable to reach collective bargaining arrangements with the unions that represent certain of its workers, which could result in work stoppages. The Company may be adversely affected by economic conditions. Periods of slowed economic activity generally result in decreased energy consumption, particularly by industrial and large commercial companies, a loss of existing customers, and fewer new customers. As a consequence, national or regional recessions or other downturns in economic activity could adversely affect revenues and cash flows or restrict future growth. Economic conditions in the Utilities' service territories may also adversely impact the Utilities' ability to collect accounts receivable, resulting in an increase in bad debt expense. Changes in accounting standards may adversely impact the Company's financial condition and results of operations. Spire and its subsidiaries are subject to changes in U. S. generally accepted accounting principles (GAAP), SEC regulations and other interpretations of financial reporting requirements for public utilities. Neither the Company nor any of its subsidiaries have any control over the impact these changes may have on their financial condition or results of operations nor the timing of such changes. The potential issues associated with rate-regulated accounting, along with other potential changes to GAAP that the U. S. Financial Accounting Standards Board (FASB) continues to consider may be significant.