

Dear Mosaic Stakeholders

Fortify. Transform. Prosper. The theme of Mosaic's 2017 State of the Business Report aptly summarizes the aggressive path forward we have charted for this company.

We have made the hard decisions to fortify our financial foundation and reduce our expense base so that Mosaic can withstand even prolonged low periods in the business cycle. We are in the midst of transforming our entire business to maximize our operating and financial efficiency so that Mosaic can be as globally competitive as possible. And despite several consecutive years of difficult market conditions, Mosaic is beginning to prosper once again.

Solid Results

A year ago, potash and phosphate prices remained near long-term lows, and the outlook was clouded by the fact that new capacity would be coming to market, mostly in 2018. Yet potash and phosphate prices entered this year up approximately \$50 and \$30 per tonne, respectively, from their August 2016 lows, and concerns about new capacity have been largely offset by producers idling or permanently closing high-cost facilities.

While we do not expect market prices for our products to increase sharply in 2018, the business environment feels more stable and the outlook more favorable than it has at any other time in my tenure as Mosaic's CEO.

However markets shift, at Mosaic, we are changing our tone, our thinking and our approach. We will no longer focus on the market's ability to improve our fortunes; rather, we will focus on our strategy and execution. This is a new era of accountability, of ownership, of aggressive competition—and we are shifting our culture around the globe to deliver on the promise we are creating.

Our results for 2017 demonstrate our still-growing and hard-earned resilience. Mosaic reported a net loss of \$0.31 per share and revenues of \$7.4 billion, compared with earnings per share of \$0.85 and revenues of \$7.2 billion in 2016. For 2017, full-year adjusted earnings per share were \$1.09, which excludes the negative impact of \$1.40

of notable items, primarily related to non-cash charges resulting from recently enacted U.S. tax reform. Our commitment to maximum efficiency contributed significant benefits to the bottom line improvements.

I want to be clear: This shift in our thinking—challenging each other and the way we do things, digging for operational improvements every day—will not change our commitment to responsible operation. This report, which, for the second consecutive year, combines our annual and sustainability reporting narratives, demonstrates this principle. We will continue to operate responsibly and safely, with integrity and the highest of ethical standards, pushing for continuous improvement, and we will remain vigilant to the voices of all our constituents—customers, shareholders, employees, our communities, governments and non-government organizations.

We define sustainability in the simplest sense of the word: as the ability to sustain our business, to prosper and deliver value to our myriad stakeholders over many years. A solid, sustainable financial base is the essential starting point, and many of the decisions we made in 2017 were intended to fortify our balance sheet and income statement. Together with important strategic growth opportunities, they signify remarkable progress and provide



a foundation from which

Mosaic can prosper.

Major Progress

In January 2018 we completed the Vale Fertilizantes acquisition, with assets based primarily in Brazil. We completed the acquisition at a reduced total consideration, and we have begun an ambitious but necessary transformation of the business. By 2020 we expect to derive \$275 million in synergies and improved efficiencies, including \$100 million in 2018 alone, at the newly formed Mosaic Fertilizantes business.

Integration work—nearly doubling our global employee count demonstrates the complexity—is well underway, with a great many Mosaic employees working very hard to ensure success. I am grateful for their efforts.

The acquisition makes Mosaic an Americas Powerhouse, with 4.5 million tonnes of phosphate production capacity in Brazil, a controlling interest in the Miski Mayo phosphate mine in Peru, and the ability to directly serve the Brazilian agricultural market, which is among the largest and fastest growing in the world.

Our priorities for the use of cash have not changed: First we seek to ensure our financial strength and maintain solid credit ratings; second, we sustain our assets; and third, we make decisions on acquisitions, joint ventures, shareholder returns and other potential investments based on the value they would bring to Mosaic. To preserve cash and serve our first priority, our Board of Directors reduced our annual dividend to \$0.10 per share, saving approximately \$300 million per year.

We also reached the difficult decision to idle our Plant City, Florida, phosphate processing plant for at least one year. Plant City is our highest-cost Florida facility, and our idling of the plant should allow us to increase our overall phosphates gross margin rate. In addition, even the temporary removal of the facility's 1.2 million tonnes of production tightened the supply and demand balance of the global phosphate market.

Our costs have continued their downward trend. Costs per tonne in the potash business unit reached near-record lows due in part to foreign exchange rates, but more importantly, because of innovative operational efficiencies at all our potash mines.



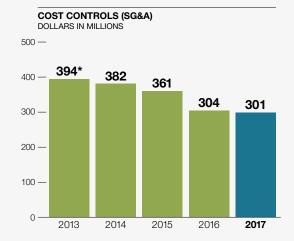
The Vale Fertilizantes acquisition makes Mosaic an Americas Powerhouse, with 4.5 million tonnes of phosphate production capacity in Brazil.

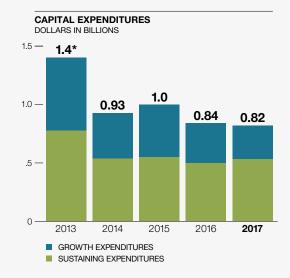
Costs in the phosphates business also were well controlled, and the Plant City idling as well as organizational restructuring promise to drive expenses down further.

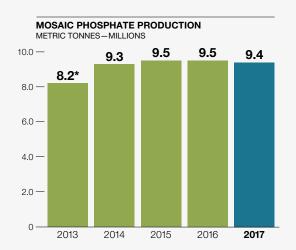
Our selling, general and administrative expenses were \$301 million for the year, an 8-year low—even with two acquisitions and steady inflation since then.

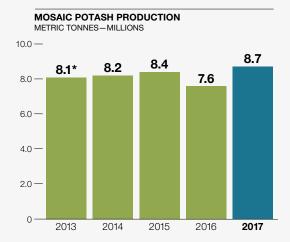
Finally, we issued \$1.25 billion of debt to finance the cash portion of the Vale Fertilizantes acquisition, raising our leverage ratio above our targeted range. To return to our target ratio, we have put in place a plan to pay down \$700 million of debt by 2020; in fact, we retired \$200 million of debt early this year.

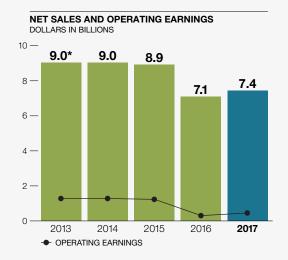












NET CASH PROVIDED BY OPERATING ACTIVITIES DOLLARS IN BILLIONS 2.5 — 2.1 2.0 2.0* 2.0 -1.5 — 1.3 0.94 1.0 -.5 0 -2013 2014 2015 2016 2017

 $^{^{\}star}\mbox{Unaudited}$ due to change of year end from May 31 to December 31 in 2013.



Continuing to Operate Responsibly

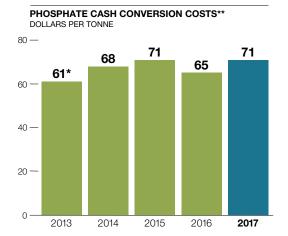
Mosaic's mission is to help the world grow the food it needs. It is noble, it is authentic, and our employees take great pride in it. For us to fulfill our mission, we must operate responsibly and meet the needs of all our constituents, regardless of business conditions.

Employee safety is our first priority. We think about our safety performance as more than just numbers—it's about people. We delivered another good year of safety performance in 2017, but we fell just short of our record 2016 safety performance. We are redoubling our efforts to ensure every worker on every Mosaic site is focused on his or her safety, as well as the safety of peers, every single day.

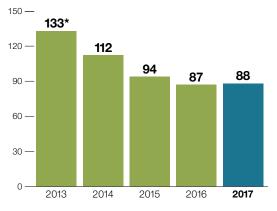
As signatories to the United Nations Global Compact, we take environmental stewardship seriously. In 2015 we established targets to reduce greenhouse gas emissions, as well as water and energy use, by 10 percent per unit of production by 2020. While we have made progress toward our greenhouse gas and energy targets, our water performance has fallen short; we address those issues in this report. Looking ahead, our current 2020 targets are no longer adequate long-term measures of our progress with the addition of major mines and production facilities in Brazil. We intend to use 2018 to analyze the environmental footprint of the Mosaic Fertilizantes business, and thereafter we plan to issue new targets that more appropriately reflect the entire enterprise.

Despite difficult times in agriculture, Mosaic continues to support the communities in which we operate. In 2017 our potash business partnered with the Regina Food Bank to launch an urban agriculture project whose aim is to help students understand how their food is grown and produced and where it comes from. In Central Florida, the muchanticipated Mosaic Arena, which The Mosaic Company Foundation supported with a \$3 million investment, recently opened as a cultural hub for DeSoto County and home to the Arcadia All-Florida Championship Rodeo. In Brazil, we strengthen local communities through educational programs that improve reading skills of primary students as well as professional and technical skills of adults. At the corporate office, we continue to support national programs to help educate farmers about responsible use of fertilizer, as well as initiatives to increase global food security.

These are a few examples of our many mutually beneficial community partnerships. We understand that the sustainability of our business and our communities are indelibly linked.



MURIATE OF POTASH CASH COSTS OF PRODUCTION*** DOLLARS PER TONNE



^{*}Unaudited due to change of year end from May 31 to December 31 in 2013.

^{**} Phosphate cash conversion costs are reflective of actual costs, excluding realized mark-to-market gains and losses.

These costs are captured in inventory and are not necessarily reflective of costs included in costs of goods sold for the period.

^{****}MOP cash costs including brine management costs and royalties, excluding taxes and realized derivative gains/(losses).

These costs are captured in inventory and are not necessarily reflective of costs included in costs of goods sold for the period.



Fortifying and transforming our business is about more than our operations and assets. It is also about our conviction to make a positive difference among our stakeholders.

Our mission is to help the world grow the food it needs, and we are answering that economic and social call with sustainable action: We are transforming to serve the world's most promising agricultural areas so we remain competitive, supporting the communities in which we live and work so we are all stronger, and sharing agronomic expertise so crops from Indiana to India—and the environment around them—thrive.

We define sustainability in the simplest sense of the word: as the ability to sustain our business, to prosper and deliver value to our myriad stakeholders over many years.

Joc O'Rourke - President & CEO



GEOGRAPHIC DIVERSITY

Geographic diversity increases our ability to compete in key markets. With long-lived reserves and strategically placed, cost-competitive production assets, we have created tremendous future earnings leverage with even small improvements in business conditions.

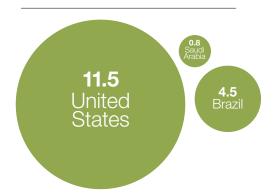
MOSAIC FERTILIZANTES

Immediate delivered-cost advantage by eliminating the expense to ship phosphate fertilizer from Brazil's ports to its **65.4 million hectares** of croplands.

A POWERHOUSE OF THE AMERICAS, AND BEYOND

PHOSPHATE PRODUCTION CAPACITY

16.8
MILLION TONNES



POTASH PRODUCTION CAPACITY

10.4
MILLION TONNES



ESTERHAZY K3 POTASH MINE IN CANADA

On track to begin producing tonnes this year, and expected to be the largest and among the lowest cost, highest quality potash mines in the world.

- POTASH
- PHOSPHATE
- DISTRIBUTION CENTER
- JOINT VENTURE
- OFFICE
- **GLOBAL FOOTPRINT**

MA'ADEN WA'AD AL SHAMAL PHOSPHATE COMPANY JOINT VENTURE IN SAUDI ARABIA

Low-cost phosphate production with strategic proximity to croplands in Asia, including India's 179 million hectares.

MOSAIC VILLAGES PROJECT IN INDIA

In 2008, the Sehgal Foundation, The Mosaic Company, and The Mosaic Company Foundation recognized an opportunity to collaborate with village communities through the Krishi Jyoti Project.

In just 10 years, this cross-sector collaboration has increased farmer yield and water storage capacity, while expanding from two village communities to reach 60 villages, 46,000 people and 17,000 acres of land.

20-30% TOTAL YIELD INCREASE Nuh and Alwar participating farmers have increased yields by 20 to 30 percent in all three major crops—mustard, wheat and pearl millet.



Six new check dams used to capture and store rainwater and recharge groundwater funded by the project now provide a total reservoir capacity of 30 million gallons.



NUTRIENT STEWARDSHIP



4R NUTRIENT STEWARDSHIP

We want farmers to achieve maximum plant nutrition and yield benefits from their fertilizer investments. That includes reducing nutrient loss to the environment, which can contribute to impaired water quality, such as algal blooms. That is why we actively partner with organizations to support and promote science-based best practices, especially the 4R Nutrient Stewardship framework.

RIGHT SOURCE RIGHT RATE RIGHT TIME RIGHT PLACE



THE NATURE CONSERVANCY

Since 2013, The Mosaic Company has been partnering with The Nature Conservancy to promote 4R Nutrient Stewardship throughout North America, including in Florida and the 5-million-acre Western Lake Erie Basin (WLEB). We bring together both farmers and retailers to implement best practices that help reduce nutrient loss and improve water quality in Florida and within the WLEB in Indiana, Michigan and Ohio.





DUCKS UNLIMITED

We partner with Ducks Unlimited, USA Rice, and others on the Rice Stewardship Partnership in the Mississippi Alluvial Region. The partnership teaches 4R Nutrient Stewardship practices to farmers to help them conserve wildlife habitat, including water fowl, while staying productive and profitable.

By 2020, the Partnership is expected to enroll over 400,000 rice acres—12.5 percent of all acres of rice grown in the United States.

19M DOLLARS

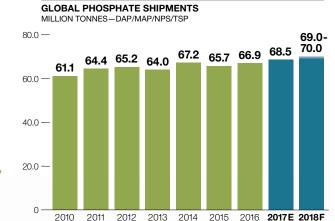
Since 2004, The Mosaic Company and The Mosaic Company Foundation have invested more than \$19 million in water-focused actions that promote nutrient stewardship, habitat conservation and watershed restoration.

Looking Forward

Our transformation is ongoing, and you can expect more moves to drive value for the company and its stakeholders. In 2018, we will be focused on executing the integration of Mosaic Fertilizantes, as well as further efficiency efforts across our business units. We are forging a new Mosaic—leaner, more confident and more nimble—so that we can prosper now and in the promising years ahead. Our future is bright, and we are highly motivated to bring our potential to fruition.

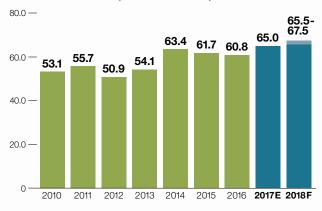
It is important that we do so. The demand for food around the world will continue to grow as the population increases, and many forces will limit the expansion of land committed to agriculture. That means fertilizer—which accounts for half of all crop yields—is an essential element of meeting future demand.

Make no mistake: Demand is here now. The globe's farmers, armed with ever-better input and machinery technology, have produced four consecutive huge crops. High stocks of grains and oilseeds have lowered agricultural commodity prices, but farmers are still farming, and their mandate is to wring as much productivity as possible from every acre and hectare. Yields are rising around the world—and taking nutrients from the soil with them. This is the nexus of fertilizer demand: The need to replenish nutrients plus the drive for higher yields equals tremendous opportunity for Mosaic. We intend to be here to fulfill that demand, and to reap value for all our stakeholders.



FORECASTED RANGE SOURCE: CRU AND MOSAIC

GLOBAL POTASH SHIPMENTS MILLION TONNES—KCI (POTASSIUM CHLORIDE)



■ FORECASTED RANGE SOURCE: IFA, CRU, MOSAIC AND COMPANY REPORTS

To the thousands of new workers joining Mosaic in Brazil, I say bem-vindo à família! We look forward to working with you to build a foundation for decades of success in South America.

Joc O'Rourke - President & CEO

Gratitude, and Welcome

The decisions we executed in 2017 set Mosaic on a path to prosperity, and they all required extraordinary diligence and commitment from our talented global workforce. I am proud to call you colleagues, and I would like to express my deep gratitude to all of you.

In early 2018, Rich Mack stepped down from his role as Executive Vice President and Chief Financial Officer. I would like to acknowledge the many contributions Rich made to Mosaic, from the company's formation through the Vale Fertilizantes acquisition. We wish him only the best in his future endeavors.

To the thousands of new workers joining Mosaic in Brazil, I say bem-vindo à família! We look forward to working with you to build a foundation for decades of success in South America.

I would also like to acknowledge our many external partners—from environmental non-government organizations to our vendors, from our communities to our shareholders. Our ability to thrive depends upon wide collaboration, and I am grateful to all of you.

Finally, to our customers far and wide: We are here to meet your needs, and we will continue to work hard to earn your trust and loyalty. We greatly appreciate your business.

I am excited to lead this company into its next phase, which is dawning now. We are fortified, we are transforming, and we are ready to prosper.

Sincerely,

Joc O'Rourke

President & Chief Executive Officer March 2018

View online.

mosaicco.com/2017StateOfTheBusinessReport

Learn more.

TheMosaicStory.com



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© 2018 The Mosaic Company We support and promote 4R Nutrient Stewardship: Right Source, Right Rate, Right Time, Right Place.

