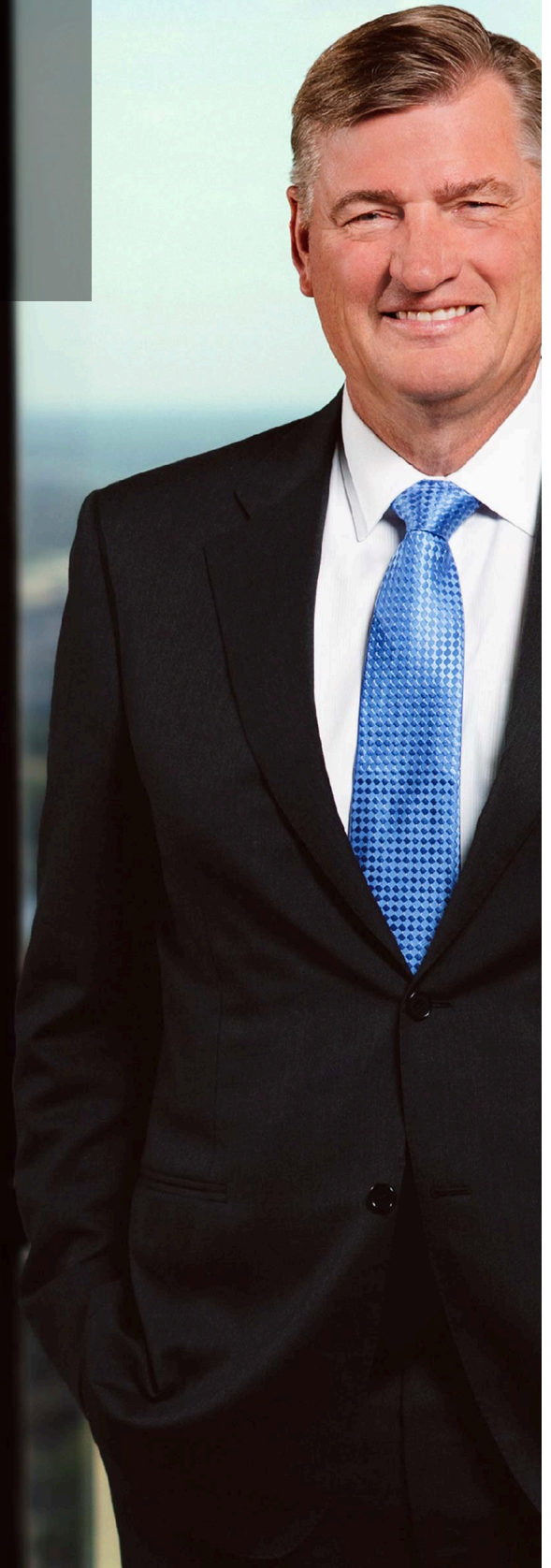




CEO MESSAGE

2018 STATE OF THE BUSINESS REPORT

A view to the future from Mosaic's new headquarters in Tampa, Florida
Overlooking Port Tampa Bay and Mosaic's Riverview Phosphates facility





I AM PLEASED TO REPORT THAT MOSAIC IS A LARGER, STRONGER, SAFER AND MORE EFFICIENT COMPANY THAN AT ANY PREVIOUS POINT IN OUR 15-YEAR HISTORY. Market conditions turned upward in mid-2017, and prices for our products continued to rise modestly throughout 2018. The long-awaited cyclical improvement finally arrived. But the markets accounted for only part of Mosaic's accelerating momentum. We have made major strategic progress, including important accomplishments in 2018, and our work to win in our core businesses and grow the company led to strong results.

Our business began to demonstrate the earnings leverage we have created. For the year, Mosaic generated net earnings of \$470 million and adjusted EBITDA* of \$2.0 billion, a 68 percent increase over a year ago. Net earnings per share were \$1.22, compared with a loss in 2017, and adjusted earnings per share increased by 92 percent, to \$2.12. Mosaic is delivering meaningful value, to all our stakeholders.

We advanced significantly in 2018:

- We completed and integrated our largest acquisition to date, and we undertook an ambitious transformation of the new Mosaic Fertilizantes business in Brazil. We reached a run rate of \$280 million in synergies by year-end, and we expect to achieve our synergy target by the end of 2019, a full year ahead of schedule. As a result of the Brazil team's remarkable efforts, along with some help from improving markets, Mosaic Fertilizantes delivered \$227 million in operating earnings and \$410 million in adjusted EBITDA for the year, compared with pro forma adjusted EBITDA of \$81 million in 2017.
- Our potash business delivered record production.



- The transformation of our Phosphates business delivered substantial financial and operational benefits. Like all of our businesses, the Phosphates unit has become much more efficient while improving its safety performance and maintaining the mechanical integrity of our assets.
- Our premium MicroEssentials[®] products continued their rapid growth. Mosaic shipped a record 3 million tonnes of MicroEssentials in 2018, and sales have grown at a compound rate of 18 percent per year for the past 10 years. MicroEssentials sales have grown even faster in Brazil, and we reached 1 million tonnes of sales there in 2018. The growth of the industry's most successful product innovation in decades highlights the value MicroEssentials delivers—for farmers, retailers and Mosaic.
- Late in the year, we received the final permit for our Ona phosphate mine in Central Florida. The site will help Mosaic extend Florida phosphate mining for decades to come.
- Most important, across the company we produced record setting safety performance and a 70 percent decrease in recordable injury frequency rate since 2011. Our first priority is and always will be to ensure that each of our workers returns home uninjured, and we are proud of our safety progress.

“We have made major strategic progress, including important accomplishments in 2018, and our work to win in our core businesses and grow the company led to strong results.”



While the company was generating strong financial and operational results, we also delivered value to our full range of stakeholders. Our external recognition—including our first year on FTSE4Good Index and our ninth consecutive year on the Corporate Responsibility Magazine's 100 Best Corporate Citizens list—validates our commitment to responsible operation.

We constantly push forward in our approach to corporate responsibility, whether we're adapting to new standards of sustainability reporting, improving our operating performance, seeking new ways to contribute to the vitality of our communities, or helping to educate our customers and farmers on responsible use of fertilizers. In fact, we plan to drive further evolution in 2019 by defining our commitments, impacts and targets under a broad definition of environmental, social and governance performance. You can expect to learn more about our accomplishments in this regard a year from now.

At Mosaic, we mine, manufacture, sell and distribute fertilizer. I realize that on first glance our daily work may seem uninspiring. But we are impelled by a noble and critical social mission: We help the world grow the food it needs. Fertilizer accounts for half of all crop yields around the world, and Mosaic is a key global supplier of potash and phosphate fertilizers. We understand that the world's farmers need Mosaic to thrive so that they can meet their responsibility of feeding an ever-hungrier world.

We have a vision to meet that promising challenge; we are demonstrating the high standard of performance required to achieve our vision; and we are delivering strong results.

Thank you, to all our stakeholders, for your ongoing partnership and support. All of us at Mosaic look forward to many abundant years ahead.

Sincerely,



James "Joc" C. O'Rourke
President and Chief Executive Officer
April 2019

*Adjusted EBITDA and adjusted earnings per share are financial measures that are not prepared in accordance with generally accepted accounting principles, or GAAP. Please see our [earnings release for the fourth quarter and full-year of 2018](#) for additional information and a reconciliation.



2018 ANNUAL REPORT

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