Potash Industry Update

a webinar presentation for

Saskatchewan Mining Week

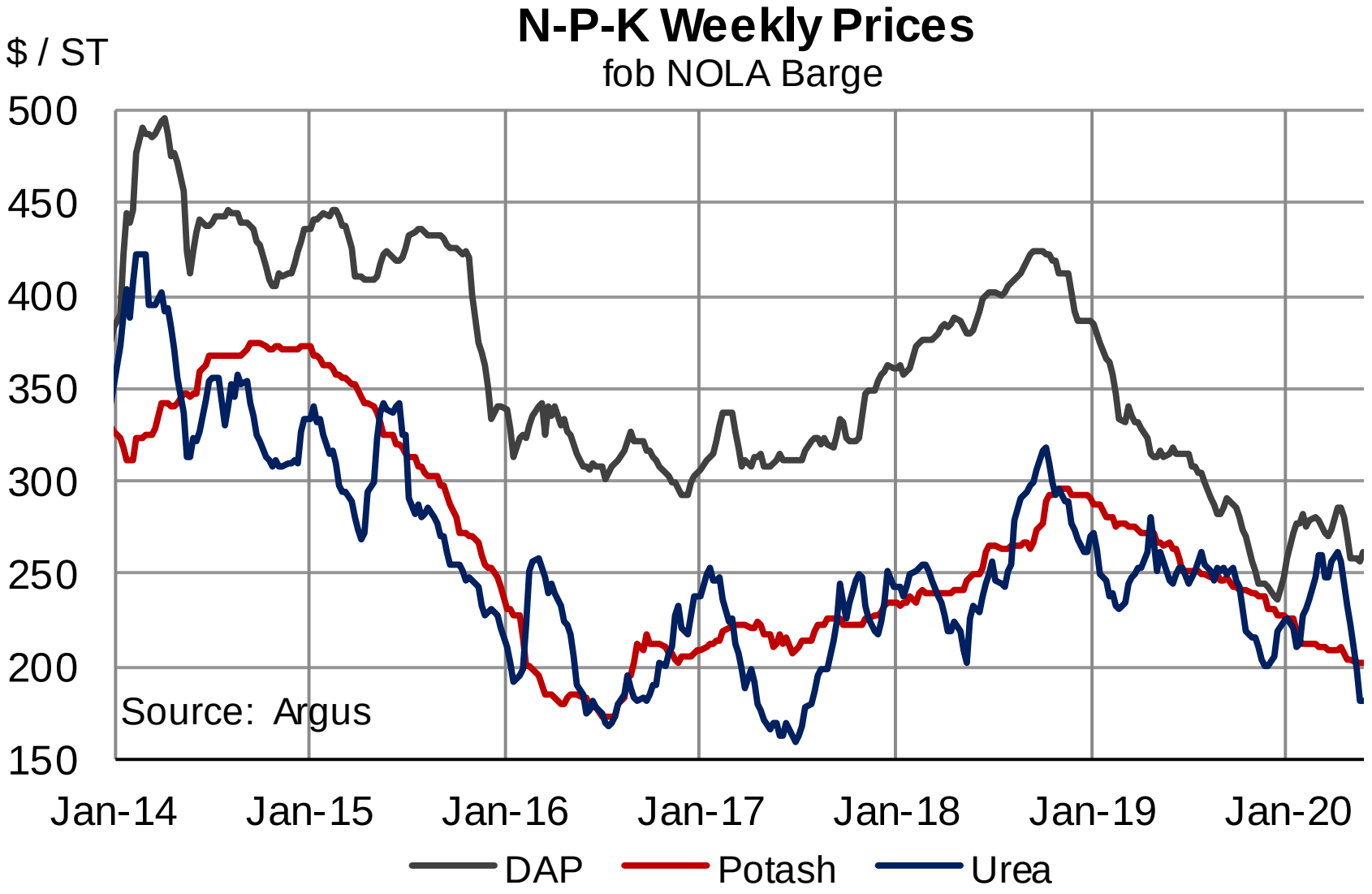
Presenter: Andy J. Jung
Vice President, Market and Strategic Analysis

Date: June 4, 2020

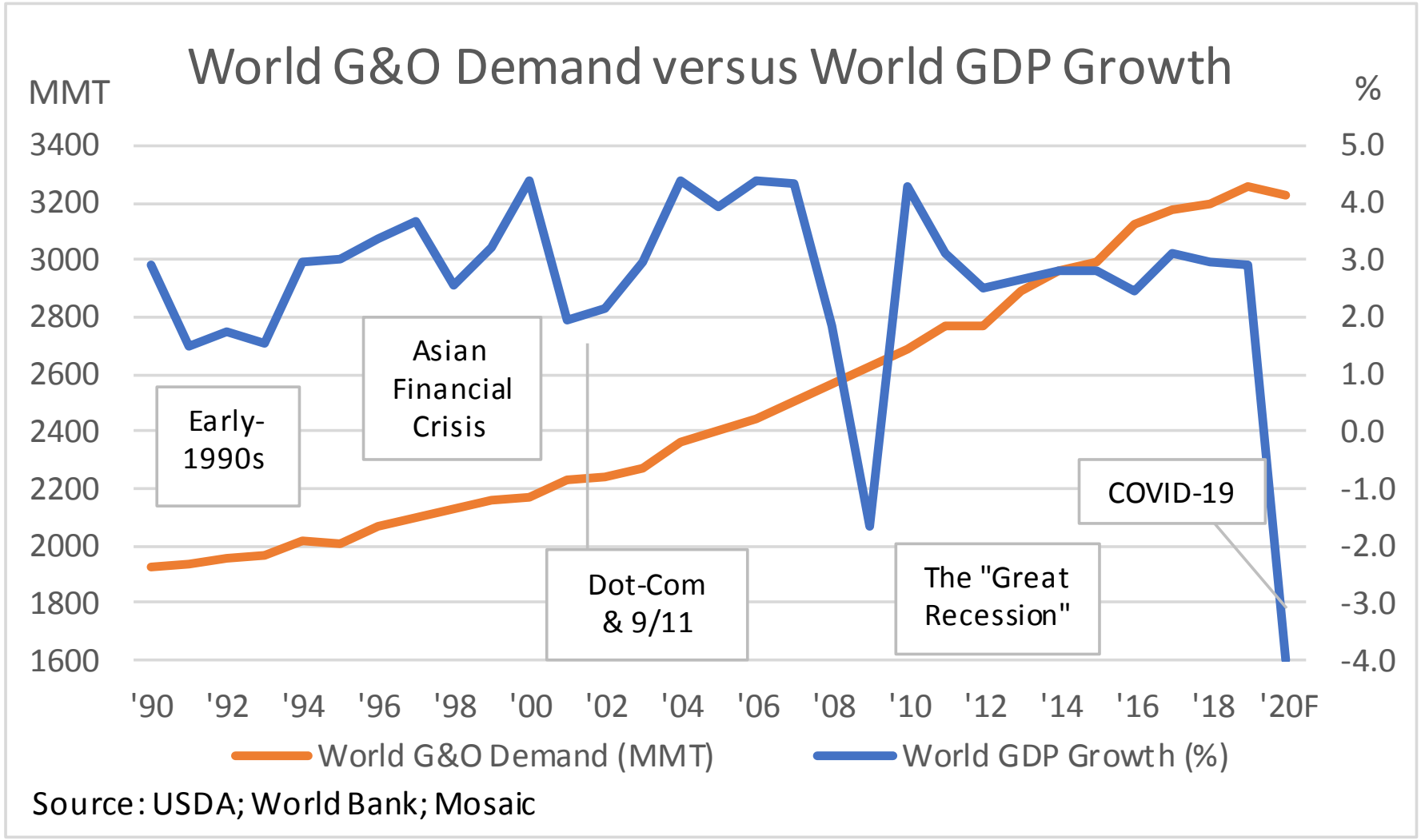
Safe Harbor

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the anticipated benefits and synergies of our acquisition of the global phosphate and potash operations of Vale S.A. conducted through Vale Fertilizantes S.A. (now known as Mosaic Fertilizantes P&K Ltda) (the "Transaction"), other proposed or pending future transactions or strategic plans and other statements about future financial and operating results, fall fertilizer application estimates and the benefits of the curtailment of potash and phosphates production. Such statements are based upon the current beliefs and expectations of The Mosaic Company's management and are subject to significant risks and uncertainties. These risks and uncertainties include, but are not limited to: difficulties with realization of the benefits and synergies of the Transaction, including the risks that the acquired business may not be integrated successfully or that the anticipated synergies or cost or capital expenditure savings from the Transaction may not be fully realized or may take longer to realize than expected, including because of political and economic instability in Brazil or changes in government policy in Brazil, such as higher costs associated with the new mining rules and remediation efforts, or the implementation of new freight tables; the predictability and volatility of, and customer expectations about, agriculture, fertilizer, raw material, energy and transportation markets that are subject to competitive and other pressures and economic and credit market conditions; the level of inventories in the distribution channels for crop nutrients; the effect of future product innovations or development of new technologies on demand for our products; changes in foreign currency and exchange rates; international trade risks and other risks associated with Mosaic's international operations and those of joint ventures in which Mosaic participates, including the performance of the Ma'aden Wa'ad Al Shamal Phosphate Company (also known as MWSPC), the ability of MWSPC to obtain additional planned funding in acceptable amounts and upon acceptable terms, the timely development and commencement of operations of production facilities in the Kingdom of Saudi Arabia, and the future success of current plans for MWSPC and any future changes in those plans; the risk that protests against natural resource companies in Peru extend to or impact the Miski Mayo mine, which is operated by an entity in which we are the majority owner; difficulties with realization of the benefits of our long term natural gas based pricing ammonia supply agreement with CF Industries, Inc., including the risk that the cost savings initially anticipated from the agreement may not be fully realized over its term or that the price of natural gas or ammonia during the term are at levels at which the pricing is disadvantageous to Mosaic; customer defaults; the effects of Mosaic's decisions to exit business operations or locations; changes in government policy; changes in environmental and other governmental regulation, including expansion of the types and extent of water resources regulated under federal law, carbon taxes or other greenhouse gas regulation, implementation of numeric water quality standards for the discharge of nutrients into Florida waterways or efforts to reduce the flow of excess nutrients into the Mississippi River basin, the Gulf of Mexico or elsewhere; further developments in judicial or administrative proceedings, or complaints that Mosaic's operations are adversely impacting nearby farms, business operations or properties; difficulties or delays in receiving, increased costs of or challenges to necessary governmental permits or approvals or increased financial assurance requirements; resolution of global tax audit activity; the effectiveness of Mosaic's processes for managing its strategic priorities; adverse weather conditions affecting operations in Central Florida, the Mississippi River basin, the Gulf Coast of the United States, Canada or Brazil, and including potential hurricanes, excess heat, cold, snow, rainfall or drought; actual costs of various items differing from management's current estimates, including, among others, asset retirement, environmental remediation, reclamation or other environmental regulation, Canadian resources taxes and royalties, or the costs of the MWSPC, its existing or future funding and Mosaic's commitments in support of such funding; reduction of Mosaic's available cash and liquidity, and increased leverage, due to its use of cash and/or available debt capacity to fund financial assurance requirements and strategic investments; brine inflows at Mosaic's Esterhazy, Saskatchewan, potash mine or other potash shaft mines; other accidents and disruptions involving Mosaic's operations, including potential mine fires, floods, explosions, seismic events, sinkholes or releases of hazardous or volatile chemicals; and risks associated with cyber security, including reputational loss; as well as other risks and uncertainties reported from time to time in The Mosaic Company's reports filed with the Securities and Exchange Commission. Actual results may differ from those set forth in the forward-looking statements.

All fertilizer prices moved lower in 2019; signs of stabilizing/recovery in early-2020; then COVID-19



Grain & Oilseed demand has historically been seen as “recession-proof”



Source: USDA; World Bank; Mosaic

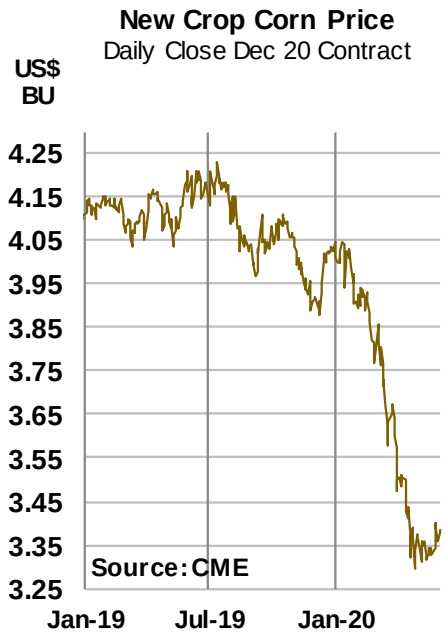
2020 Forecast:

World GDP: ↓ ~4%

World G&O: ↓ ~1%

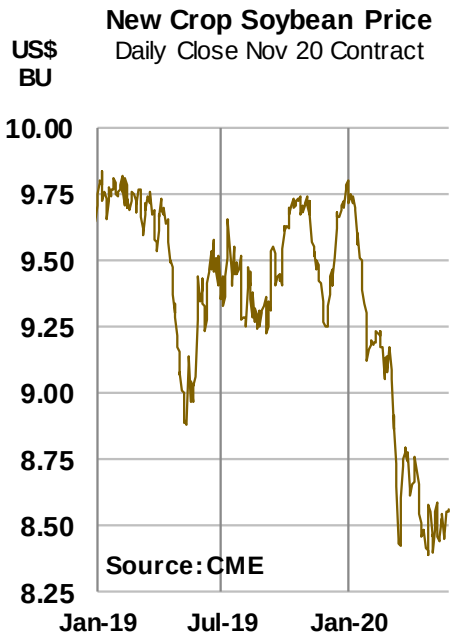
The -1% G&O change is ~32mmt (or about 1.25 billion bushels of corn-equivalent)

Many ag commodity prices under pressure in 2020, but now stabilizing (and notable improvements in a few instances)



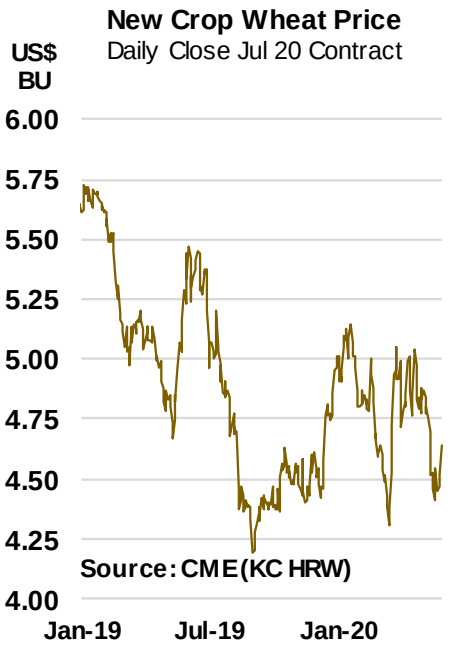
-16% YTD

-23% y-o-y



-12% YTD

-4% y-o-y



-9% YTD

-6% y-o-y



+56% YTD

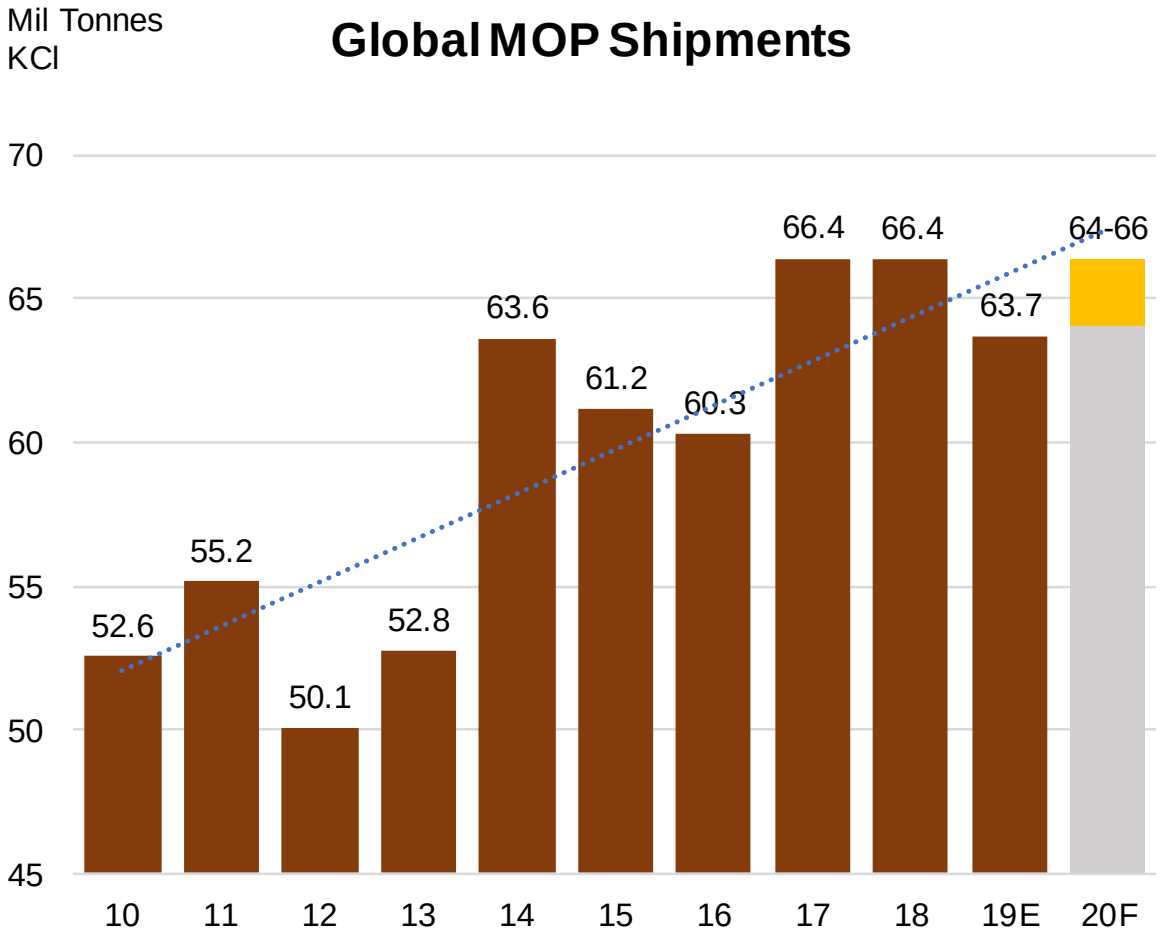
+76% y-o-y



-21% YTD

+24% y-o-y

2020 MOP demand rebound has been pared back

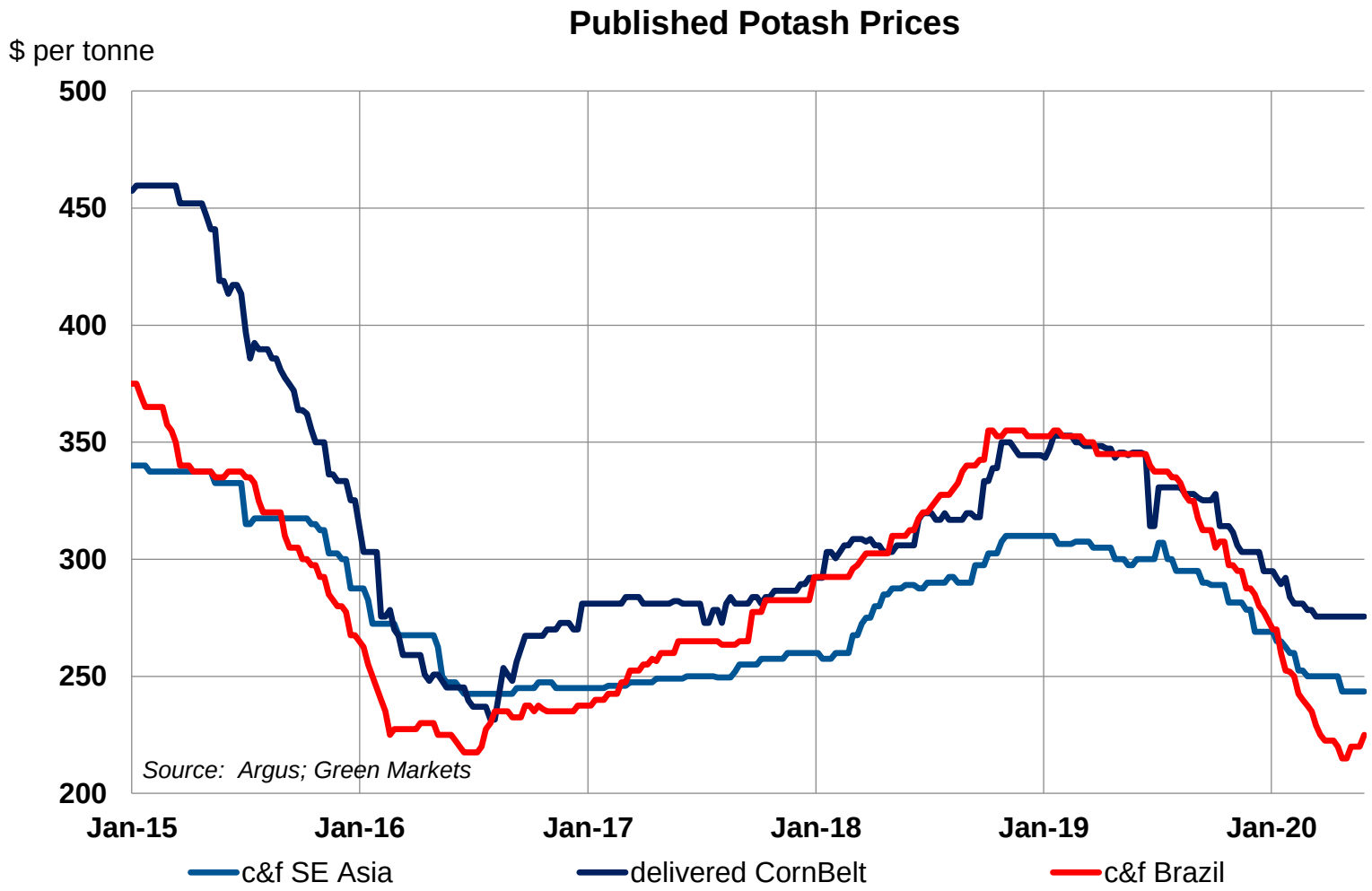


Source: IFA, CRU and Mosaic
(Investor Information May 2020)

- Previous (Feb) forecast: 67.3mmt
- Current (May) forecast: 64.9mmt

- Note the demand response to lower prices in 2017 (following “the bottom is in” China contract settlement in July 2016).
  - Shipments rose ~10% y-o-y in 2017

China/India Contract Settlements To Provide Baseline Support to Potash Prices

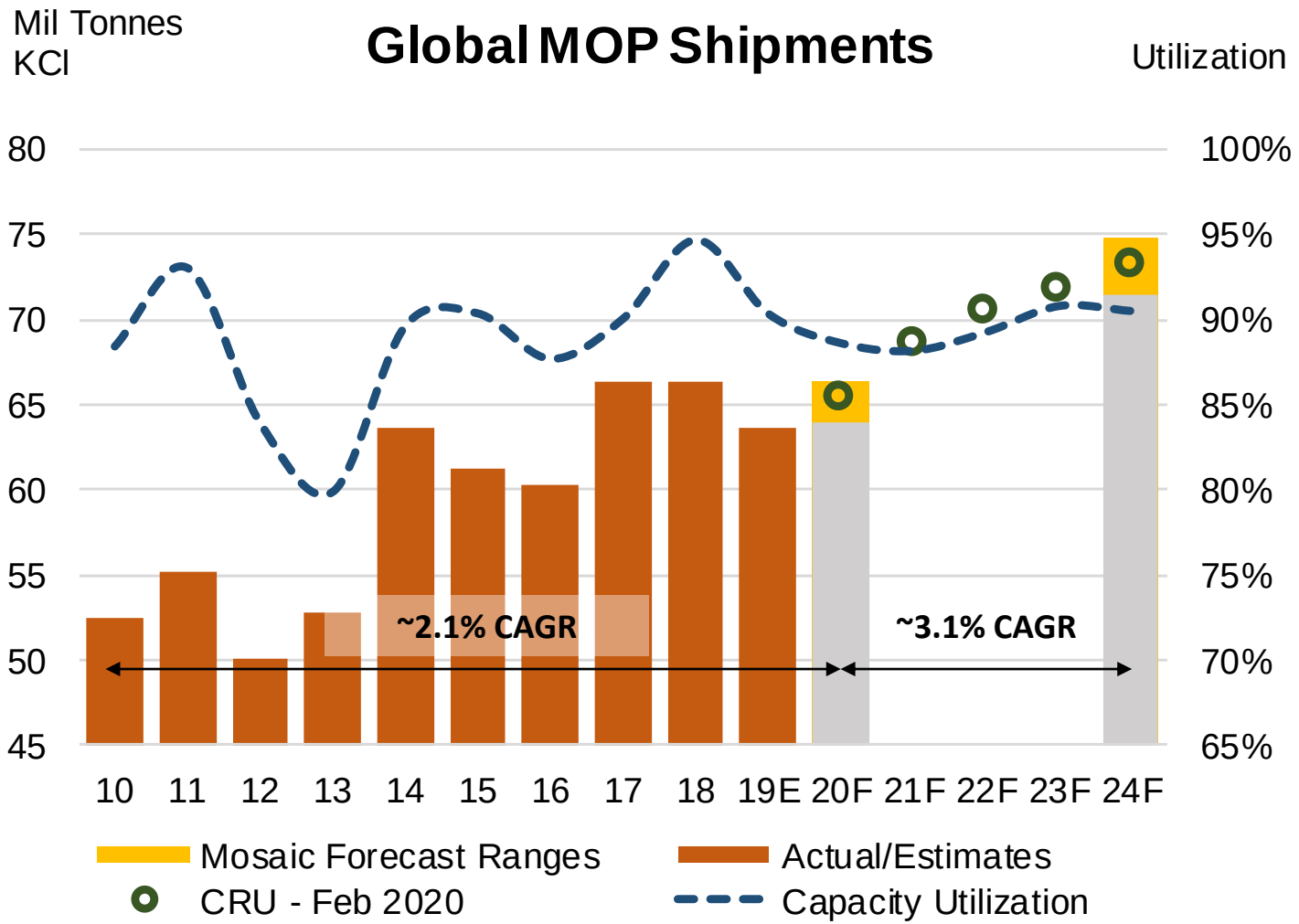


2016 Analog:

- After protracted negotiations, the annual India and China contracts were settled mid-year
- The China contract settled at $219/tonne (compared to $220 this year)
- Those settlements set the market 'bottom'
- Prices moved steadily higher over the next two-and-a-half years

**average reported spot pricing for prompt delivery*

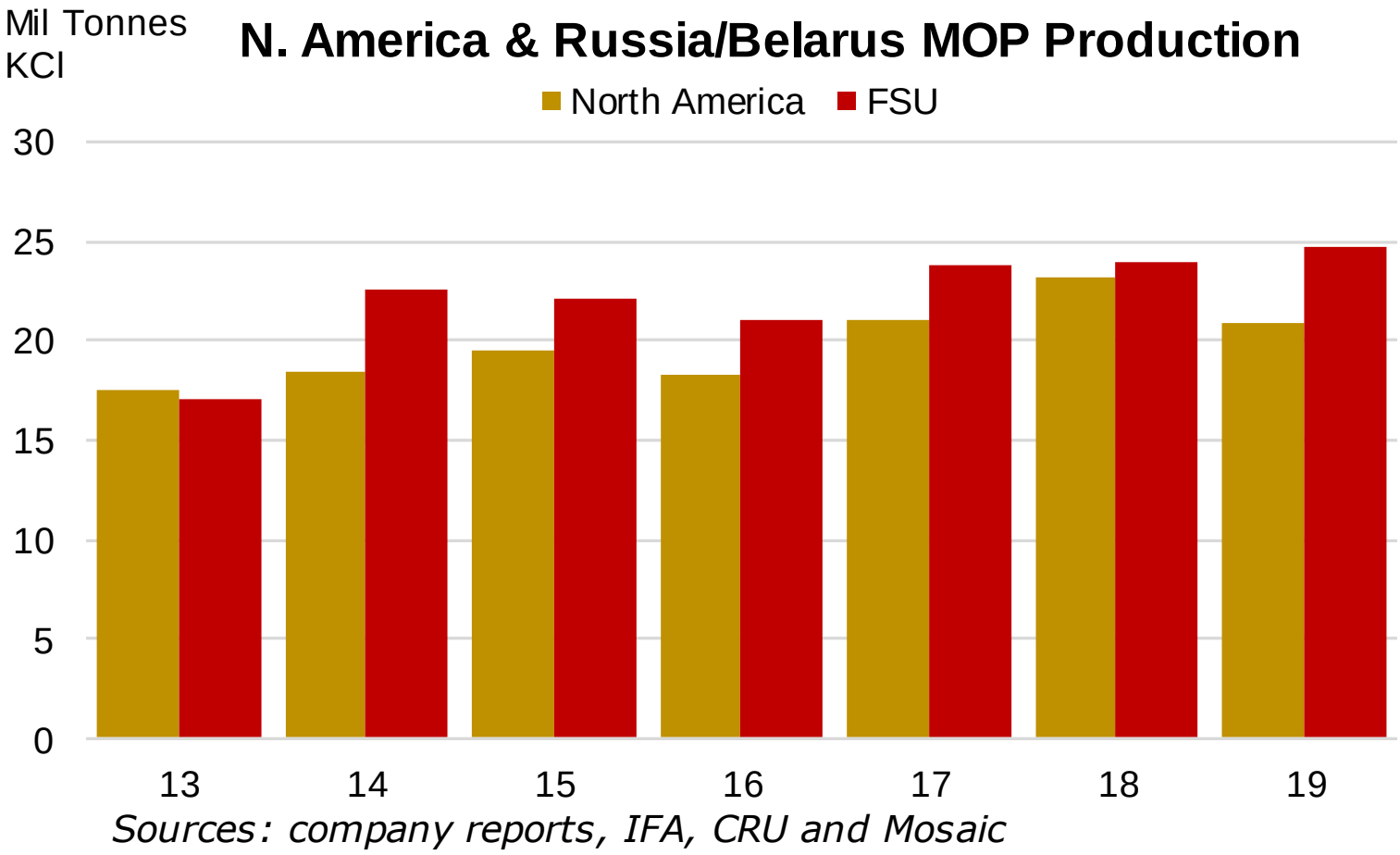
Potash Outlook: New supply expected to closely align with demand growth, leading to stable industry operating rate



Source: IFA, CRU and Mosaic (Investor Information May 2020)

- Our base case demand forecast features a return to the 2010-2018 growth rate (prior to the step down in 2019).

Russia/Belarus expected to continue to expand…

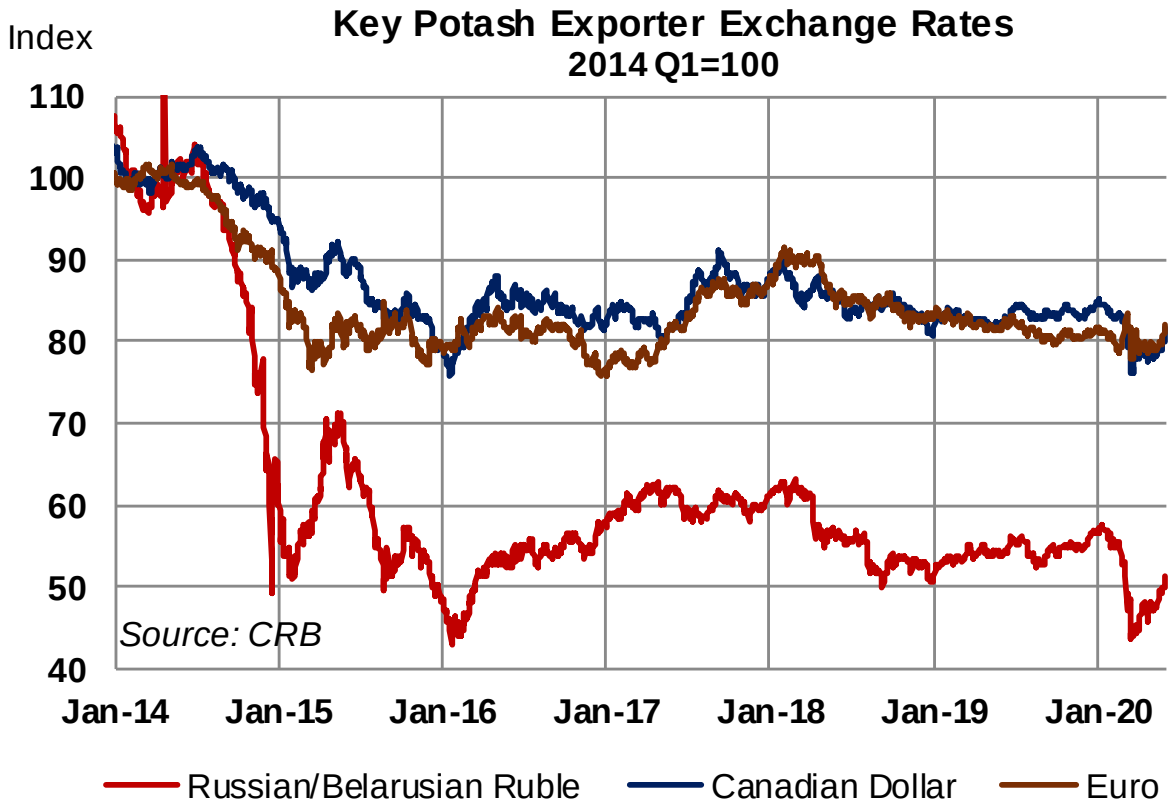


Sources: company reports, IFA, CRU and Mosaic

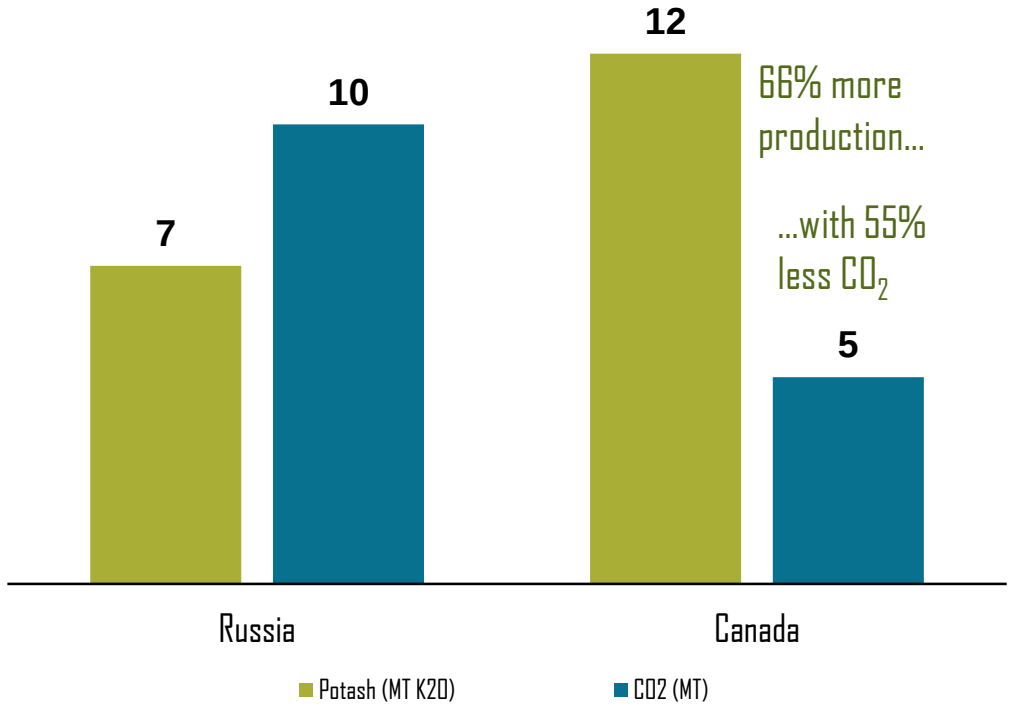
- Russia/Belarus MOP production increased by ~7.6mmt (44%) from 2013-2019
- N. America MOP production up 3.3mmt (19%) over the period

Russia/Belarus benefit from FX and ESG tailwinds

Russian and Belarusian Currencies Have Remained Weak for 5 Years



Canada Produces More Potash than Russia While Emitting Less CO_2e

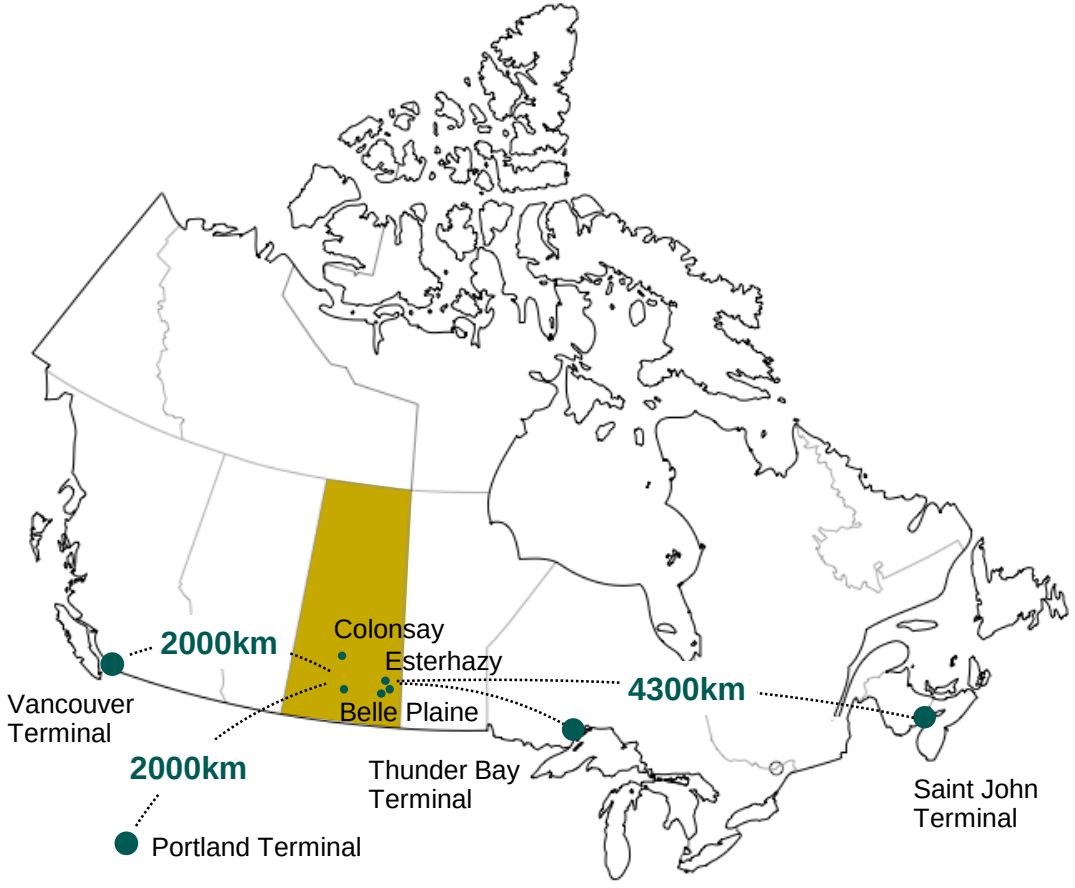


Note: Only Russian volumes are shown in the graphic above, though production in Belarus is understood to have a similar carbon footprint per unit of K2O production.

Port and Rail Infrastructure Crucial to Reach Global Markets

Top 5
exporter to countries such as China, India, South Korea and Japan

Leading
exporter to Brazil, Vietnam and Malaysia



95%
Mosaic Product Shipped by Rail

95%
Percentage of Mosaic's Production Exported

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