NUTRIEN LTD.

MANAGEMENT’S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTHS ENDED

MARCH 31, 2020

Management’s Discussion and Analysis

The following management’s discussion and analysis (“MD&A”) is the responsibility of management and is dated as of May 6, 2020. The Board of Directors (“Board”) of Nutrien carries out its responsibility for review of this disclosure principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication approves this disclosure pursuant to the authority delegated to it by the Board. The term “Nutrien” refers to Nutrien Ltd. and the terms “we,” “us,” “our,” “Nutrien” and “the Company” refer to Nutrien and, as applicable, Nutrien and its direct and indirect subsidiaries on a consolidated basis. Additional information relating to Nutrien (which, except as otherwise noted, is not incorporated by reference herein), including our 2019 Annual Report dated February 19, 2020, which includes our consolidated financial statements and management’s discussion and analysis and our Annual Information Form, each for the year ended December 31, 2019, can be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. No update is provided to the disclosure in our annual MD&A except for material information since the date of our annual MD&A. The Company is a foreign private issuer under the rules and regulations of the US Securities and Exchange Commission (“SEC”).

This MD&A is based on the Company’s unaudited interim condensed consolidated financial statements as at and for the three months ended March 31, 2020 (“interim financial statements”) based on International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” unless otherwise stated. This MD&A contains certain non-IFRS financial measures and forward-looking statements which are described in the “Non-IFRS Financial Measures” section and the “Forward-Looking Statements” section respectively.

Market Outlook

Agriculture and Retail

- The global economic downturn has created increased market volatility and uncertainty, however, crop prices have been less impacted than other commodities that are more fundamentally tied to economic growth. Historically, there has been minimal direct correlation between global food consumption and economic growth. Nonetheless, we expect some negative impacts resulting from lower non-food consumption, in particular reduced corn use for ethanol production.

- We continue to expect strong crop input demand in our core markets, all of which have declared agriculture an essential service. The US Department of Agriculture’s (USDA) March 2020 Prospective Plantings report projected a 15 million acre increase in major crop acreage, which we expect to support a 1 to 3 percent increase in total crop input expenditures in the US.

- Brazilian soybean and corn prices are at near historical highs, which we expect will support higher soybean acreage in its 2020 planting season. Despite the recent devaluation of the Brazilian real versus the US dollar, grower economics are naturally hedged as they sell their crops and buy inputs in US dollars.

- In Australia, soil moisture levels have improved significantly after several years of drought conditions which is supporting the outlook for crop input demand in 2020. We expect a delayed start to the spring application season in Western Canada as some 2019 crop is being harvested this spring, but prices of certain crops have firmed and we expect strong crop input demand in 2020.

Crop Nutrient Markets

- Global potash prices continue to be under pressure which led to cautious spot purchasing in offshore markets. We expect offshore shipments to increase with improved market clarity in the coming months.

  We have seen strong farm-level demand and wholesale shipments in North America and expect lower channel inventories entering the third quarter of 2020 assuming the continuation of normal weather conditions. However, we have reduced our projected 2020 global potash shipment range by approximately 1 million tonnes to between 65 and 67 million tonnes to reflect lower expectations in Southeast Asia and lower-than-expected shipments so far in 2020.

- Nitrogen prices have been relatively stable so far in 2020, particularly in the North American market where we expect nitrogen demand to remain strong through the planting season. However, we expect weakness in the global economy resulting from COVID-19 to impact global industrial nitrogen demand in 2020.

- North American phosphate prices have been firm in the spring season supported by strong demand, but they remain well below previous year levels. Chinese DAP/MAP exports were down 10 percent year-over-year in the first quarter of 2020.

Financial Outlook and Guidance

Based on market factors detailed above, we are lowering 2020 adjusted net earnings guidance to $1.50 to $2.10 per share (from $1.90 to $2.60 per share previously) and adjusted EBITDA guidance to $3.5 to $3.9 billion (from $3.8 to $4.3 billion previously). First-half 2020 adjusted net earnings guidance is provided at $1.20 to $1.40 per share.

All guidance numbers, including those noted above are outlined in the tables below. Refer to page 46 of Nutrien's 2019 Annual Report for related sensitivities.

2020 Guidance Ranges [1]	**Low**	**High**
Adjusted net earnings per share [2]	$1.50	$2.10
Adjusted EBITDA (billions) [2]	$ 3.5	$ 3.9
Retail EBITDA (billions)	$ 1.4	$ 1.5
Potash EBITDA (billions)	$ 1.0	$ 1.2
Nitrogen EBITDA (billions)	$ 1.1	$ 1.3
Phosphate EBITDA (millions)	$ 150	$ 200
Potash sales tonnes (millions) [3]	12.1	12.5
Nitrogen sales tonnes (millions) [3]	10.9	11.5
Depreciation and amortization (billions)	$ 1.8	$ 1.9
Effective tax rate	22%	24%
Sustaining capital expenditures (billions)	$ 0.9	$ 1.0

1 See the "Forward-Looking Statements" section.
2 See the "Non-IFRS Financial Measures" section.
3 Manufactured products only. Nitrogen excludes ESN® and Rainbow products.

Consolidated Results

	Three Months Ended March 31		
(millions of US dollars)	**2020**	2019	% Change
Sales	**4,186**	3,719	13
Freight, transportation and distribution	**212**	171	24
Cost of goods sold	**3,101**	2,573	21
Gross margin	**873**	975	(10)
Expenses	**791**	799	(1)
Net (loss) earnings	**(35)**	41	n/m
EBITDA [1]	**555**	596	(7)
Adjusted EBITDA [1]	**508**	704	(28)
Free cash flow ("FCF") [1]	**181**	382	(53)
FCF including changes in non-cash operating working capital [1]	**(689)**	(683)	1

1 See the "Non-IFRS Financial Measures" section.

A net loss in the first quarter of 2020 was caused primarily by the impacts of lower selling prices from a temporary slowdown in certain fertilizer markets. COVID-19 had limited direct impact on our business. Strong Retail sales and gross margin, and solid operating results in our nutrient production businesses helped to offset this impact. In the first quarter, we also realized a share-based compensation recovery and foreign exchange gains.

Segment Results

Our discussion of segment results set out on the following pages is a comparison of the results for the three months ended March 31, 2020 to the results for the three months ended March 31, 2019, unless otherwise noted.

Retail

(millions of US dollars, except as otherwise noted)	Three Months Ended March 31							
	Dollars			Gross Margin			Gross Margin (%)	
	2020	2019	% Change	**2020**	2019	% Change	**2020**	2019
Sales								
Crop nutrients	**785**	687	14	**156**	131	19	**20**	19
Crop protection products	**1,010**	744	36	**157**	117	34	**16**	16
Seed	**394**	356	11	**59**	50	18	**15**	14
Merchandise	**216**	108	100	**34**	19	79	**16**	18
Services and other	**244**	144	69	**123**	92	34	**50**	64
	2,649	2,039	30	**529**	409	29	**20**	20
Cost of goods sold	**2,120**	1,630	30					
Gross margin	**529**	409	29					
Expenses [1]	**677**	571	19					
Earnings (loss) before finance costs and taxes ("EBIT")	**(148)**	(162)	(9)					
Depreciation and amortization	**155**	136	14					
EBITDA	**7**	(26)	n/m					

1 Includes selling expenses of $635 million (2019 – $532 million).

- **EBITDA** was higher in the first quarter of 2020 due to stronger sales and stable-to-improving margins in the three largest sales categories. Improved operating results in the US and Australia more than offset the impact of foreign exchange depreciation in regions outside of the US. Selling expenses increased primarily due to the Ruralco Holdings Limited ("Ruralco") acquisition but were lower as a percentage of sales compared to the same period last year.

- **Crop nutrients** sales increased in the first quarter of 2020 due to higher sales volumes associated with improved application conditions. Selling prices were lower in the first quarter of 2020 compared to the same period in 2019 as a result of declines in global benchmark prices. Gross margin percentage increased due to strategic purchasing, stronger margins in the US and an increased mix of higher margin specialty and proprietary product sales.

- **Crop protection products** sales in the first quarter increased compared to the same period last year due to strong demand in the US and Australia, supported by improved weather conditions, the expectation of higher seeded acreage and the Ruralco acquisition. Gross margin percentage was similar to the same period in 2019 as higher margins achieved in the US were offset by lower margins in Australia primarily due to the Ruralco acquisition.

- **Seed** sales and gross margin percentage in the first quarter of 2020 increased compared to the same period in 2019 due to the increase in higher value corn and cotton seed sales.

- **Merchandise** sales and gross margin increased in the first quarter of 2020 compared to the first quarter of 2019 due primarily to the addition of the Australian Ruralco business. Gross margin percentage decreased slightly due to a product mix change also associated with the Ruralco acquisition.

- **Services and other** sales were higher in the first quarter of 2020 compared to the same period last year due to the Ruralco acquisition and improved applications in the US. Gross margin percentage decreased in the quarter due to product mix changes resulting primarily from the acquisition of Ruralco.

Potash

(millions of US dollars, except as otherwise noted)	Three Months Ended March 31								
	Dollars			Tonnes (thousands)			Average per Tonne		
	2020	2019	% Change	**2020**	2019	% Change	**2020**	2019	% Change
Manufactured product									
Net sales									
North America	**225**	245	(8)	**1,147**	976	18	**196**	250	(22)
Offshore	**292**	451	(35)	**1,730**	1,944	(11)	**169**	232	(27)
	517	696	(26)	**2,877**	2,920	(1)	**180**	238	(24)
Cost of goods sold	**265**	272	(3)				**92**	93	(1)
Gross margin - manufactured	**252**	424	(41)				**88**	145	(39)
Gross margin - other [1]	**-**	1	(100)	Depreciation and amortization			**33**	34	(3)
Gross margin - total	**252**	425	(41)	Gross margin excluding depreciation					
Expenses [2]	**63**	64	(2)	and amortization - manufactured [3]			**121**	179	(32)
EBIT	**189**	361	(48)	Potash cash cost of product					
Depreciation and amortization	**96**	100	(4)	manufactured [3]			**60**	58	3
EBITDA	**285**	461	(38)						

1 Includes other potash and purchased products and is comprised of net sales of $Nil (2019 – $1 million) less cost of goods sold of $Nil (2019 – $Nil).
2 Includes provincial mining and other taxes of $57 million (2019 – $63 million).
3 See the “Non-IFRS Financial Measures” section.

- **EBITDA** decreased in the first quarter due to a combination of lower net realized selling prices and a reduction in offshore sales volumes that offset higher North American sales volumes.
- **Sales volumes** in North America were higher than the first quarter of 2019, as demand was supported by an expected increase in total seeded acreage and more favorable weather following several challenging application seasons. Offshore sales volumes in the first quarter of 2020 were lower than the first quarter of 2019 when Canpotex Limited (“Canpotex”) shipped record volumes. Offshore demand was impacted by short-term cautious spot purchasing in some international markets.
- **Net realized selling price** decreased in the first quarter of 2020 reflecting lower benchmark prices caused by a temporary slowdown in offshore demand.
- **Cost of goods sold per tonne** in the first quarter of 2020 was similar to the first quarter of 2019, as the effects of higher production at our lower cost mines were offset by the temporary downtime at the Vanscoy mine that was extended by a fire at the loadout facility. Potash cash cost of product manufactured per tonne increased slightly in the first quarter primarily due to temporary downtime at the Vanscoy mine.

Canpotex Sales by Market

(percentage of sales volumes, except as otherwise noted)	Three Months Ended March 31		
	2020	2019	% Change
Latin America	**25**	19	32
Other Asian markets [1]	**29**	33	(12)
China	**27**	30	(10)
India	**12**	10	20
Other markets	**7**	8	(13)
	100	100	

1 All Asian markets except China and India.

Nitrogen

(millions of US dollars, except as otherwise noted)	Dollars 2020	Dollars 2019	Dollars % Change	Tonnes (thousands) 2020	Tonnes (thousands) 2019	Tonnes (thousands) % Change	Average per Tonne 2020	Average per Tonne 2019	Average per Tonne % Change
	Three Months Ended March 31								
Manufactured product									
Net sales									
Ammonia	**130**	162	(20)	**567**	644	(12)	**229**	252	(9)
Urea	**237**	213	11	**856**	647	32	**277**	330	(16)
Solutions, nitrates and sulfates	**163**	171	(5)	**1,105**	948	17	**148**	180	(18)
	530	546	(3)	**2,528**	2,239	13	**210**	244	(14)
Cost of goods sold	**444**	398	12				**176**	178	(1)
Gross margin - manufactured	**86**	148	(42)				**34**	66	(48)

(millions of US dollars, except as otherwise noted)	2020	2019	% Change
Gross margin - other [1]	**11**	18	(39)
Gross margin - total	**97**	166	(42)
Expenses	**11**	5	120
EBIT	**86**	161	(47)
Depreciation and amortization	**150**	113	33
EBITDA	**236**	274	(14)

Average per Tonne	2020	2019	% Change
Depreciation and amortization	**59**	50	18
Gross margin excluding depreciation and amortization - manufactured	**93**	116	(20)
Ammonia controllable cash cost of product manufactured [2]	**47**	43	9

1 Includes other nitrogen (including ESN® and Rainbow) and purchased products and is comprised of net sales of $148 million (2019 – $131 million) less cost of goods sold of $137 million (2019 – $113 million).
2 See the "Non-IFRS Financial Measures" section.

- **EBITDA** decreased in the first quarter of 2020 due to lower net realized selling prices and lower earnings from equity-accounted investees which more than offset higher sales volumes and lower costs per tonne.
- **Sales volumes** were higher compared to the first quarter of 2019 due primarily to the stronger start to the US spring application season this year. This was partially offset by lower ammonia production and sales volumes out of Trinidad.
- **Net realized selling price** of nitrogen was lower in the first quarter of 2020 due to lower global and North American benchmark prices across all products compared to the first quarter of 2019.
- **Cost of goods sold per tonne** of nitrogen decreased modestly in the first quarter, driven primarily by lower natural gas prices. This was offset by higher depreciation and amortization due to major turnaround work and expansion projects completed in 2019, including the conversion of the Redwater facility to produce only ammonium sulfate. Ammonia controllable cash cost of product manufactured per tonne increased due to lower ammonia production levels.

Natural Gas Prices

(US dollars per MMBtu, except as otherwise noted)	Three Months Ended March 31 2020	2019	% Change
Overall gas cost excluding realized derivative impact	**2.24**	2.98	(25)
Realized derivative impact	**0.05**	0.05	-
Overall gas cost	**2.29**	3.03	(24)
Average NYMEX	**1.95**	3.15	(38)
Average AECO	**1.62**	1.47	10

Phosphate

(millions of US dollars, except as otherwise noted)	Three Months Ended March 31								
	Dollars			Tonnes (thousands)			Average per Tonne		
	2020	2019	% Change	**2020**	2019	% Change	**2020**	2019	% Change
Manufactured product									
Net sales									
Fertilizer	**173**	208	(17)	**568**	491	16	**305**	423	(28)
Industrial and feed	**106**	111	(5)	**191**	204	(6)	**556**	545	2
	279	319	(13)	**759**	695	9	**368**	459	(20)
Cost of goods sold	**287**	304	(6)				**379**	437	(13)
Gross margin - manufactured	**(8)**	15	n/m				**(11)**	22	n/m
Gross margin - other [1]	**1**	(1)	n/m	Depreciation and amortization			**83**	86	(3)
Gross margin - total	**(7)**	14	n/m	Gross margin excluding depreciation and amortization - manufactured			**72**	108	(33)
Expenses	**10**	6	67						
EBIT	**(17)**	8	n/m						
Depreciation and amortization	**63**	60	5						
EBITDA	**46**	68	(32)						

1 Includes other phosphate and purchased products and is comprised of net sales of $34 million (2019 - $30 million) less cost of goods sold of $33 million (2019 - $31 million).

- **EBITDA** decreased in the first quarter of 2020 due to lower net realized fertilizer prices driven by a decline in dry phosphate benchmark pricing. This was partly offset by higher net realized selling prices for industrial and feed products, lower raw material costs and higher sales volumes.

- **Sales volumes** increased in the first quarter, despite the conversion of the Redwater phosphate facility to an ammonium sulfate facility in mid-2019. The increase was due primarily to a strong start to the spring application season in the US, following adverse weather in both the spring and fall application seasons of 2019.

- **Net realized selling price** decreased in the first quarter compared to the same period in 2019, as higher prices for industrial and feed products were more than offset by lower dry phosphate fertilizer prices.

- **Cost of goods sold per tonne** decreased in the first quarter compared to the same period in 2019 due to lower sulfur and phosphate rock costs.

Corporate and Others

(millions of US dollars, except as otherwise noted)	Three Months Ended March 31		
	2020	2019	% Change
Sales [1]	**27**	28	(4)
Cost of goods sold	**25**	28	(11)
Gross margin	**2**	-	n/m
Selling expenses	**(5)**	(6)	(17)
General and administrative expenses	**60**	64	(6)
Provincial mining and other taxes	**-**	1	(100)
Share-based compensation (recovery) expense	**(32)**	57	n/m
Impairment of assets	**-**	33	(100)
Other expenses	**7**	4	75
EBIT	**(28)**	(153)	(82)
Depreciation and amortization	**9**	11	(18)
EBITDA	**(19)**	(142)	(87)
Finance costs	**133**	123	8
Income tax (recovery) expense	**(16)**	12	n/m
Other comprehensive (loss) income	**(358)**	32	n/m

1 Primarily relates to our non-core Canadian business.

- **Share-based compensation (recovery) expense** - We had a recovery in the first quarter of 2020 as our share price decreased primarily resulting from market volatility due to the global COVID-19 pandemic, compared to an increase in share price in the comparative period which resulted in an expense.

- **Impairment of assets** was lower due to a $33 million impairment of our intangible assets as a result of Fertilizantes Heringer S.A. filing for bankruptcy protection in the first quarter of 2019.

- **Income tax (recovery) expense** - The increase in the effective tax rates on net earnings for the first quarter of 2020 compared to the same period last year is a result of a change in proportionate earnings (loss) between jurisdictions.

- **Other comprehensive (loss) income** was a loss in the first quarter of 2020 compared to income in the comparative quarter primarily due to net losses on translation of our Retail operations in Canada and Australia as the Canadian and Australian dollars significantly depreciated relative to the US dollar. We also had an unrealized fair value loss in our investment in Sinofert Holdings Ltd. These recent greater-than-normal fluctuations in foreign exchange rates and the mark-to-market value of our investments were primarily attributable to increased market volatility as a result of the global COVID-19 pandemic.

Financial Condition Review

The following balance sheet categories contained variances that were considered significant:

	As at			
(millions of US dollars, except as otherwise noted)	**March 31, 2020**	December 31, 2019	$ Change	% Change
Assets				
Cash and cash equivalents	**3,182**	671	2,511	374
Receivables	**3,837**	3,542	295	8
Inventories	**6,290**	4,975	1,315	26
Prepaid expenses and other current assets	**716**	1,477	(761)	(52)
Liabilities and Equity				
Short-term debt	**5,498**	976	4,522	463
Current portion of long-term debt	**-**	502	(502)	(100)
Long-term debt	**8,544**	8,553	(9)	-
Accumulated other comprehensive loss	**(607)**	(251)	(356)	142
Retained earnings	**6,815**	7,101	(286)	(4)

- Explanations for changes in **Cash and cash equivalents** are in the “Sources and Uses of Cash” section.

- **Receivables** increased due to seasonal Retail sales resulting in higher receivables from customers in Australia with contributions from our recent Ruralco acquisition and higher vendor rebate receivables in North America.

- **Inventories** increased due to seasonal Retail inventory build-up in preparation for the spring application season.

- **Prepaid expenses and other current assets** decreased due to Retail taking delivery of prepaid inventory (primarily seed and crop protection) in preparation for the spring application season.

- **Short-term debt** increased as we borrowed under credit facilities and issued commercial paper to raise cash for short-term seasonal working capital needs and to ensure that we have sufficient liquidity in the volatile market caused by the COVID-19 pandemic. Refer to “Capital Structure and Management” section for details.

- **Long-term debt (including current portion)** decreased due to the repayment of $500 million in notes that matured and were repaid in the quarter.

- **Accumulated other comprehensive loss** increased primarily due to net losses on translation of our Retail operations in Canada and Australia as the Canadian and Australian dollars significantly depreciated relative to the US dollar. The global COVID-19 pandemic has resulted in greater-than-normal fluctuations in foreign exchange rates.

- **Retained earnings** decreased primarily due to dividends declared.

Liquidity and Capital Resources

Sources and Uses of Liquidity

We believe that internally generated cash flow, supplemented by available borrowings under our existing financing sources, if necessary, will be sufficient to meet our anticipated capital expenditures and other cash requirements for at least the next 12 months. As further developments and impacts of COVID-19 are highly uncertain and cannot be predicted, we took steps to enhance our liquidity in the first quarter and subsequent to March 31, 2020. Refer to “Capital Structure and Management” section for details on our existing credit facilities.

Key uses in the first quarter included:

- Repurchased approximately 4 million common shares for cancellation at a cost of $160 million with an average price per share of $41.96. At March 31, 2020, we had approximately 28 million shares available to repurchase under the normal course issuer bid, which expires on February 26, 2021. See Note 9 to the interim financial statements.
- Repaid at maturity $500 million of 4.875 percent notes in the first quarter of 2020. See Note 8 to the interim financial statements.
- Paid $256 million in dividends to shareholders in the first quarter of 2020.

Key sources in the first quarter included:

- Increased commercial paper outstanding from $650 million to $1,651 million.
- Borrowed $3,050 million and $450 million on our unsecured revolving term and uncommitted revolving demand credit facilities, respectively, to provide additional liquidity in the volatile market caused by the COVID-19 pandemic.
- Filed a base shelf prospectus in Canada and the US qualifying the issuance of up to $5 billion of common shares, debt and other securities during a period of 25 months from March 16, 2020.

Sources and Uses of Cash

	Three Months Ended March 31		
(millions of US dollars, except as otherwise noted)	**2020**	2019	% Change
Cash used in operating activities	**(526)**	(515)	2
Cash used in investing activities	**(445)**	(809)	(45)
Cash provided by (used in) financing activities	**3,519**	(609)	n/m
Effect of exchange rate changes on cash and cash equivalents	**(37)**	(8)	363
Increase (decrease) in cash and cash equivalents	**2,511**	(1,941)	n/m

Cash and cash equivalents increased by $2,511 million this quarter compared to a decrease of $1,941 million in the comparative quarter, due to:

- A $430 million decrease in cash used for acquisitions compared to the same period in 2019 primarily from fewer Retail acquisitions in the first quarter of 2020.
- An increase in our short-term debt net borrowings by $3,490 million compared to the same period in 2019. We plan to use the cash raised in the current quarter for short-term seasonal working capital needs and to provide additional liquidity in the volatile market caused by the COVID-19 pandemic.
- Cash payments to shareholders in the form of share repurchases decreased $638 million compared to the same period in 2019.
- Cash used in operating activities was mostly unchanged. Although we had a net loss in the first quarter of 2020 compared to net earnings in the same period in 2019, this was mostly offset by improved non-cash operating working capital management.

Capital Structure and Management

Principal Debt Instruments

In response to the COVID-19 pandemic, we enhanced our liquidity position by drawing on our existing credit facilities and adding new committed facilities. We use a combination of cash generated from operations and short-term and long-term debt to finance our operations. We are in compliance with our debt covenants and did not have any changes to our credit ratings in the three months ended March 31, 2020.

Short-term Debt

	As at March 31, 2020			
(millions of US dollars)	Rate of Interest (%)	Total Facility Limit	**Outstanding and Committed**	Remaining Available
Credit facilities				
Unsecured revolving term credit facility	2.0 - 2.4	4,500	**3,050**	1,450
Uncommitted revolving demand facility	2.7 - 2.8	500	**450**	50
Committed revolving credit facilities	Nil	300	**-**	300
Other credit facilities [1]	1.3 - 10.4	710	**347**	363
Commercial paper	1.4 - 2.8		**1,651**	
Total			**5,498**	

1 Other credit facilities are unsecured and consist of South American facilities with debt of $150 (December 31, 2019 – $149) and interest rates ranging from 2.8 percent to 10.4 percent, Australian facilities with debt of $155 (December 31, 2019 – $157) and interest rates ranging from 1.9 percent to 2.2 percent, and Other facilities with debt of $42 (December 31, 2019 – $20) and interest rates ranging from 1.3 percent to 2.5 percent.

The amount available under the commercial paper program is limited to the availability of backup funds under the $4,500 million unsecured revolving term credit facility and excess cash invested in highly liquid securities.

Subsequent to March 31, 2020, and in addition to the $300 million new committed revolving facilities entered into during the first quarter, we entered into new committed revolving credit facilities totaling approximately $1.2 billion, all with the same principal covenants and events of default as our existing credit facilities. At May 5, 2020, our short-term debt balance decreased by approximately $2.4 billion from March 31, 2020 as a result of repayments on our unsecured revolving term credit facility and commercial paper settlements net of drawdowns with a corresponding decrease in cash and cash equivalents.

Long-term Debt

Our long-term debt consists primarily of notes and lease liabilities. See the “Capital Structure and Management” section of our 2019 Annual Report for information on balances, rates and maturities for our notes. During the quarter, we repaid the $500 million 4.875 percent notes that matured March 30, 2020.

Outstanding Share Data

	As at April 30, 2020
Common shares	**569,145,935**
Options to purchase common shares	**11,398,033**

For more information on our capital structure and management, see Note 26 to our 2019 financial statements.

Quarterly Results

(millions of US dollars, except as otherwise noted)	**Q1 2020**	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Sales	**4,186**	3,442	4,169	8,693	3,719	3,762	4,034	8,145
Net earnings (loss) from continuing operations	**(35)**	(48)	141	858	41	296	(1,067)	741
Net earnings from discontinued operations	**-**	-	-	-	-	2,906	23	675
Net earnings (loss)	**(35)**	(48)	141	858	41	3,202	(1,044)	1,416
EBITDA	**555**	499	785	1,781	596	944	(932)	1,507
Earnings (loss) per share ("EPS") from continuing operations								
Basic	**(0.06)**	(0.08)	0.25	1.48	0.07	0.48	(1.74)	1.18
Diluted	**(0.06)**	(0.08)	0.24	1.47	0.07	0.48	(1.74)	1.17
EPS								
Basic	**(0.06)**	(0.08)	0.25	1.48	0.07	5.23	(1.70)	2.25
Diluted	**(0.06)**	(0.08)	0.24	1.47	0.07	5.22	(1.70)	2.24

Seasonality in our business results from increased demand for products during the planting season. Crop input sales are generally higher in the spring and fall application seasons. Crop nutrient inventories are normally accumulated leading up to each application season. Our cash collections generally occur after the application season is complete, while customer prepayments made to us are concentrated in December and January and inventory prepayments paid to our vendors are typically concentrated in the period from November to January. Feed and industrial sales are more evenly distributed throughout the year.

In the first quarter of 2020 and fourth quarter of 2019, Potash earnings were impacted by lower sales volumes and net realized selling prices caused by a temporary slowdown in global demand and higher customer inventory levels. In the second quarter and fourth quarter of 2018, earnings were impacted by $0.6 billion and $2.9 billion, respectively, in after-tax gains on the sales of our investments in Sociedad Quimica y Minera de Chile S.A. and Arab Potash Company, which were categorized as discontinued operations. In the third quarter of 2018, earnings were impacted by a $1.8 billion non-cash impairment to property, plant and equipment in the Potash segment.

Risk Factors

Coronavirus Disease (COVID-19) Pandemic

Epidemics, pandemics or other such crises or public health concerns in regions of the world where we have operations or source material or sell products, could impact or disrupt our business. Specifically, the ongoing COVID-19 outbreak has resulted in increased travel restrictions and extended shutdowns of certain businesses around the world, as well as a deterioration of general economic conditions. These or any governmental or other regulatory developments or health concerns in countries in which we operate could result in operational restrictions or social and economic instability, or labor shortages. More specifically, there remains uncertainty relating to the potential impact that COVID-19 could eventually have on our business. It is still possible that COVID-19 could impact our operations, create supply chain disruptions and/or limit our ability to timely sell or distribute our products in the future which would negatively impact our business, financial condition and operating results. It is also possible the fallout from COVID-19 could negatively impact our customers, even though the agriculture sector is classified as an essential service. Any significant long-term downturn in the global economy or agricultural markets could impact the Company's access to capital or credit ratings, or our customers' access to liquidity, which could increase our counterparty credit exposure.

Controls and Procedures

There has been no change in our internal controls over financial reporting during the three months ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Forward-Looking Statements

Certain statements and other information included and incorporated by reference in this document constitute “forward-looking information” or “forward-looking statements” (collectively, “forward-looking statements”) under applicable securities laws (such statements are often accompanied by words such as “anticipate”, “forecast”, “expect”, “believe”, “may”, “will”, “should”, “estimate”, “intend” or other similar words). All statements in this document, other than those relating to historical information or current conditions, are forward-looking statements, including, but not limited to: Nutrien’s 2020 annual and first half guidance, including expectations regarding our adjusted net earnings per share, adjusted EBITDA and EBITDA by segment; capital spending expectations for 2020; expectations regarding our liquidity; expectations regarding performance of our operating segments in 2020; our operating segment market outlooks and market conditions for 2020, including the impact of COVID-19 thereon, and the anticipated supply and demand for our products and services, expected market and industry conditions with respect to crop nutrient application rates, planted acres, crop mix, prices and the impact of currency fluctuations and import and export volumes; and acquisitions and divestitures, and the expected synergies associated with various acquisitions, including timing thereof. These forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such forward-looking statements. As such, undue reliance should not be placed on these forward-looking statements.

All of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions referred to below and elsewhere in this document. Although we believe that these assumptions are reasonable, having regard to our experience and our perception of historical trends, this list is not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place an undue reliance on these assumptions and such forward-looking statements. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. The additional key assumptions that have been made include, among other things, assumptions with respect to our ability to successfully complete, integrate and realize the anticipated benefits of our already completed and future acquisitions, and that we will be able to implement our standards, controls, procedures and policies at any acquired businesses to realize the expected synergies; that future business, regulatory and industry conditions will be within the parameters expected by us, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability and cost of labor and interest, exchange and effective tax rates; the completion of our expansion projects on schedule, as planned and on budget; assumptions with respect to global economic conditions and the accuracy of our market outlook expectations for 2020 and in the future; our expectations regarding the impacts, direct and indirect, of COVID-19 on our business, customers, business partners, employees, supply chain, other stakeholders and the overall economy; the adequacy of our cash generated from operations and our ability to access our credit facilities or capital markets for additional sources of financing; our ability to identify suitable candidates for acquisitions and divestitures and negotiate acceptable terms; our ability to maintain investment grade ratings and achieve our performance targets; and the receipt, on time, of all necessary permits, utilities and project approvals with respect to our expansion projects and that we will have the resources necessary to meet the projects’ approach.

Events or circumstances that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: general global economic, market and business conditions; failure to complete announced and future acquisitions or divestitures at all or on the expected terms and within the expected timeline; climate change and weather conditions, including impacts from regional flooding and/or drought conditions; crop planted acreage, yield and prices; the supply and demand and price levels for our products; governmental and regulatory requirements and actions by governmental authorities, including changes in government policy (including tariffs, trade restrictions and climate change initiatives), government ownership requirements, changes in environmental, tax and other laws or regulations and the interpretation thereof; political risks, including civil unrest, actions by armed groups or conflict and malicious acts including terrorism; the occurrence of a major environmental or safety incident; innovation and cybersecurity risks related to our systems, including our costs of addressing or mitigating such risks; regional natural gas supply restrictions; counterparty and sovereign risk; delays in completion of turnarounds at our major facilities; gas supply interruptions; any significant impairment of the carrying value of certain assets; risks related to reputational loss; certain complications that may arise in our mining processes; the ability to attract, engage and retain skilled employees and strikes or other forms of work stoppages; the COVID-19 pandemic and resulting effects on economic conditions, restrictions imposed by public health authorities or governments, fiscal and monetary responses by governments and financial institutions and disruptions to global supply chains; and other risk factors detailed from time to time in Nutrien reports filed with the Canadian securities regulators and the Securities and Exchange Commission in the United States.

The purpose of our expected adjusted net earnings per share (full year and first-half 2020), adjusted EBITDA and EBITDA by segment guidance ranges are to assist readers in understanding our expected financial results, and this information may not be appropriate for other purposes.

Nutrien disclaims any intention or obligation to update or revise any forward-looking statements in this document as a result of new information or future events, except as may be required under applicable Canadian securities legislation or applicable US federal securities laws.

Terms and Definitions

For the definitions of certain financial and non-financial terms used in this document, as well as a list of abbreviated company names and sources, see the “Terms and Definitions” section of our 2019 Annual Report dated February 19, 2020. All references to per share amounts pertain to diluted net earnings (loss) per share, “n/m” indicates information that is not meaningful and all financial data are stated in millions of US dollars, unless otherwise noted.

Appendix A - Selected Additional Financial Data

Selected Retail measures

	Three Months Ended March 31	
	2020	**2019**
Proprietary products margin as a percentage of product line margin (%)		
Crop nutrients	**31**	22
Crop protection products	**40**	40
Seed	**36**	46
All products	**25**	25
Crop nutrients sales volumes (tonnes - thousands)		
North America	**1,426**	1,139
International	**599**	440
Total	**2,025**	1,579
Crop nutrients selling price per tonne		
North America	**416**	472
International	**318**	340
Total	**387**	435
Crop nutrients gross margin per tonne		
North America	**93**	98
International	**38**	43
Total	**77**	83

Financial performance measures	**2020 Target**	**2020 Actuals**
Retail EBITDA to sales (%) [1, 2]	**10**	**9**
Retail adjusted average working capital to sales (%) [1, 2]	**21**	**21**
Retail cash operating coverage ratio (%) [1, 2]	**61**	**62**
Retail EBITDA per US selling location (thousands of US dollars) [1, 2]	**1,000**	**967**

1 Rolling four quarters ended March 31, 2020.
2 See the “Non-IFRS Financial Measures” section.

Nutrien Financial	As at March 31, 2020				
(millions of US dollars)	**Current**	**31-90 days past due**	**>90 days past due**	**Allowance [2]**	**Total**
Nutrien Financial receivables [1]	731	51	23	(10)	**795**

1 See the “Non-IFRS Financial Measures” section.
2 Allowance for expected credit losses of receivables from customers.

Selected Nitrogen measures

	Three Months Ended March 31	
	2020	**2019**
Sales volumes (tonnes - thousands)		
Fertilizer	**1,411**	1,018
Industrial and feed	**1,117**	1,221
Net sales (millions of US dollars)		
Fertilizer	**318**	284
Industrial and feed	**212**	262
Net selling price per tonne		
Fertilizer	**226**	280
Industrial and feed	**190**	214

Production measures

	Three Months Ended March 31	
	2020	**2019**
Potash production (Product tonnes - thousands)	**3,035**	3,499
Potash shutdown weeks [1]	**12**	1
Nitrogen production (Ammonia tonnes - thousands) [2]	**1,447**	1,635
Ammonia operating rate (%) [3]	**91**	93
Phosphate production (P_2O_5 tonnes - thousands) [4]	**372**	393
Phosphate P_2O_5 operating rate (%) [4]	**88**	94

1 Represents weeks of full production shutdown, excluding the impact of any periods of reduced operating rates and planned routine annual maintenance shutdowns and announced workforce reductions.
2 All figures are provided on a gross production basis.
3 Excludes Trinidad and Joffre.
4 Excludes Redwater. Comparative figures were restated to exclude Redwater.

Appendix B - Non-IFRS Financial Measures

We use both IFRS and certain non-IFRS financial measures to assess performance. Non-IFRS financial measures are numerical measures of a company's performance, that either exclude or include amounts that are not normally excluded or included in the most directly comparable measures calculated and presented in accordance with IFRS. In evaluating these measures, investors should consider that the methodology applied in calculating such measures may differ among companies and analysts.

Management believes the non-IFRS financial measures provide transparent and useful supplemental information to help investors evaluate our financial performance, financial condition and liquidity using the same measures as management. These non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

The following section outlines our non-IFRS financial measures, their definitions and why management uses each measure. It includes reconciliations to the most directly comparable IFRS measures. Except as otherwise described herein, our non-IFRS financial measures are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable. As non-recurring or unusual items arise, we generally exclude these items in our calculation.

EBITDA and Adjusted EBITDA

Most directly comparable IFRS financial measure: Net earnings (loss).

Definition: EBITDA is calculated as net earnings (loss) before finance costs, income taxes and depreciation and amortization. Adjusted EBITDA is calculated as net earnings (loss) before finance costs, income taxes, depreciation and amortization, Merger and related costs, certain acquisition and integration related costs, share-based compensation, impairment of assets, certain foreign exchange gain/loss (net of related derivatives), and COVID-19 related expenses. We have amended our calculation of adjusted EBITDA to adjust for the impact of COVID-19 related expenses. There were no similar expenses in the comparative period.

Why we use the measure and why it is useful to investors: These are meaningful measures because they are not impacted by long-term investment and financing decisions, but rather focus on the performance of our day-to-day operations. These provide a measure of our ability to service debt and to meet other payment obligations.

	Three Months Ended March 31	
(millions of US dollars)	**2020**	**2019**
Net (loss) earnings	**(35)**	41
Finance costs	**133**	123
Income tax (recovery) expense	**(16)**	12
Depreciation and amortization	**473**	420
EBITDA	**555**	596
Merger and related costs	**-**	11
Acquisition and integration related costs	**10**	-
Share-based compensation (recovery) expense	**(32)**	57
Impairment of assets	**-**	33
COVID-19 related expenses	**2**	-
Foreign exchange (gain) loss, net of related derivatives	**(27)**	7
Adjusted EBITDA	**508**	704

Adjusted EBITDA and Adjusted Net Earnings (Loss) Per Share Guidance

This guidance is provided on a non-IFRS basis. We do not provide a reconciliation of such forward-looking measures to the most directly comparable financial measures calculated and presented in accordance with IFRS due to unknown variables and the uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value that may be inherently difficult to determine, without unreasonable efforts. Guidance excludes the impacts of acquisition and integration related costs, share-based compensation, certain foreign exchange gain/loss (net of related derivatives), and COVID-19 related expenses.

Adjusted Net Earnings (Loss) and Adjusted Net Earnings (Loss) Per Share

Most directly comparable IFRS financial measure: Net earnings (loss) and net earnings (loss) per share.

Definition: Net earnings (loss) before certain acquisition and integration related costs, share-based compensation, certain foreign exchange gain/loss (net of related derivatives), and COVID-19 related expenses, net of tax. We have amended our calculation of adjusted net loss to adjust for the impact of COVID-19 related expenses.

Why we use the measure and why it is useful to investors: Focuses on the performance of our day-to-day operations excluding the effects of non-operating items.

	Three Months Ended March 31, 2020		
(millions of US dollars, except as otherwise noted)	**Increases (Decreases)**	**Post-Tax**	**Per Diluted Share**
Net loss		(35)	(0.06)
Adjustments:			
Acquisition and integration related costs	10	8	0.01
Share-based compensation recovery	(32)	(24)	(0.04)
COVID-19 related expenses	2	2	-
Foreign exchange gain, net of related derivatives	(27)	(20)	(0.03)
Adjusted net loss		**(69)**	**(0.12)**

Free Cash Flow and Free Cash Flow Including Changes in Non-Cash Operating Working Capital

Most directly comparable IFRS financial measure: Cash from operations before working capital changes.

Definition: Cash from operations before working capital changes less sustaining capital expenditures. We also calculate a similar measure which includes changes in non-cash operating working capital.

Why we use the measure and why it is useful to investors: For evaluation of liquidity and financial strength, and as a component of employee remuneration calculations. These are also useful as an indicator of our ability to service debt, meet other payment obligations and make strategic investments. These do not represent residual cash flow available for discretionary expenditures.

	Three Months Ended March 31	
(millions of US dollars)	**2020**	**2019**
Cash from operations before working capital changes	**344**	550
Sustaining capital expenditures	**(163)**	(168)
Free cash flow	**181**	382
Changes in non-cash operating working capital	**(870)**	(1,065)
Free cash flow including changes in non-cash operating working capital	**(689)**	(683)

Potash Cash Cost of Product Manufactured ("COPM")

Most directly comparable IFRS financial measure: Cost of goods sold ("COGS") for the Potash segment.

Definition: Potash COGS for the period excluding depreciation and amortization expense and inventory and other adjustments divided by the production tonnes for the period.

Why we use the measure and why it is useful to investors: To assess operational performance. Potash cash COPM excludes the effects of production from other periods and long-term investment decisions, supporting a focus on the performance of our day-to-day operations.

	Three Months Ended March 31	
(millions of US dollars, except as otherwise noted)	**2020**	**2019**
Total COGS - Potash	**265**	272
Change in inventory	**8**	44
Other adjustments	**(2)**	(7)
COPM	**271**	309
Depreciation and amortization included in COPM	**(89)**	(105)
Cash COPM	**182**	204
Production tonnes (tonnes - thousands)	**3,035**	3,499
Potash cash COPM per tonne	**60**	58

Ammonia Controllable Cash COPM

Most directly comparable IFRS financial measure: COGS for the Nitrogen segment.

Definition: The total of COGS for the Nitrogen segment excluding depreciation and amortization expense included in COGS, cash COGS for products other than ammonia, other adjustments, and natural gas and steam costs, divided by net ammonia production tonnes.

Why we use the measure and why it is useful to investors: To assess operational performance. Ammonia controllable cash COPM excludes the effects of production from other periods, the costs of natural gas and steam, and long-term investment decisions, supporting a focus on the performance of our day-to-day operations.

	Three Months Ended March 31	
(millions of US dollars, except as otherwise noted)	**2020**	**2019**
Total COGS - Nitrogen	**581**	511
Depreciation and amortization in COGS	**(130)**	(95)
Cash COGS for products other than ammonia	**(361)**	(307)
Ammonia		
Total cash COGS before other adjustments	**90**	109
Other adjustments [1]	**11**	17
Total cash COPM	**101**	126
Natural gas and steam costs	**(66)**	(91)
Controllable cash COPM	**35**	35
Production tonnes (net tonnes [2] - thousands)	**744**	804
Ammonia controllable cash COPM per tonne	**47**	43

1 Includes changes in inventory balances and other adjustments.
2 Ammonia tonnes available for sale, as not upgraded to other Nitrogen products.

Gross Margin Excluding Depreciation and Amortization Per Tonne - Manufactured

Most directly comparable IFRS financial measure: Gross margin.

Definition: Gross margin from manufactured products per tonne less depreciation and amortization per tonne. Reconciliations are provided in the "Segment Results" section.

Why we use the measure and why it is useful to investors: Focuses on the performance of our day-to-day operations, which excludes the effects of items that primarily reflect the impact of long-term investment and financing decisions.

Retail EBITDA to Sales

Most directly comparable IFRS financial measure: Retail EBITDA divided by Retail sales.

Definition: Retail EBITDA divided by Retail sales for the last four rolling quarters.

Why we use the measure and why it is useful to investors: To evaluate operational efficiency. A higher or lower percentage represents increased or decreased efficiency, respectively.

	Rolling four quarters ended March 31, 2020				
(millions of US dollars, except as otherwise noted)	**Q2 2019**	**Q3 2019**	**Q4 2019**	**Q1 2020**	**Total**
EBITDA	836	190	231	7	**1,264**
Sales	6,512	2,499	2,171	2,649	**13,831**
EBITDA to sales (%)					**9**

Nutrien Financial Receivables

Most directly comparable IFRS financial measure: Receivables.

Definition: Nutrien Financial receivables are a subcategory of US Retail receivables segregated according to credit quality.

Why we use the measure and why it is useful to investors: Used by credit rating agencies and other users to evaluate overall credit risk.

(millions of US dollars)	**As at March 31, 2020**
Nutrien Financial receivables	**795**
Non-Nutrien Financial receivables	**3,042**
Receivables	**3,837**

Retail Adjusted Average Working Capital to Sales

Most directly comparable IFRS financial measure: (Current assets minus current liabilities for Retail) divided by Retail sales.

Definition: Retail adjusted average working capital divided by Retail adjusted sales for the last four rolling quarters. We exclude in our calculations the working capital and sales of certain acquisitions (such as Ruralco) during the first year of acquisition. We have amended our calculation to adjust for the sales of certain recently acquired businesses.

Why we use the measure and why it is useful to investors: To evaluate operational efficiency. A lower or higher percentage represents increased or decreased efficiency, respectively.

	Rolling four quarters ended, March 31, 2020				
(millions of US dollars, except as otherwise noted)	**Q2 2019**	**Q3 2019**	**Q4 2019**	**Q1 2020**	**Average/Total**
Working capital	3,741	3,699	1,759	2,288	
Working capital from certain recent acquisitions	-	(75)	(138)	(108)	
Adjusted working capital	3,741	3,624	1,621	2,180	**2,792**
Sales	6,512	2,499	2,171	2,649	
Sales from certain recent acquisitions	-	-	(249)	(348)	
Adjusted sales	6,512	2,499	1,922	2,301	**13,234**
Adjusted average working capital to sales (%)					**21**

Retail Cash Operating Coverage Ratio

Most directly comparable IFRS financial measure: Retail operating expenses[1] as a percentage of Retail gross margin.

Definition: Retail operating expenses excluding depreciation and amortization expense, divided by Retail gross margin excluding depreciation and amortization expense in cost of goods sold for the last four rolling quarters.

Why we use the measure and why it is useful to investors: To understand the costs and underlying economics of our Retail operations and to assess our Retail operating performance and ability to generate free cash flow.

	Rolling four quarters ended March 31, 2020				
(millions of US dollars, except as otherwise noted)	**Q2 2019**	**Q3 2019**	**Q4 2019**	**Q1 2020**	**Total**
Operating expenses	749	617	667	677	**2,710**
Depreciation and amortization in operating expenses	(143)	(150)	(160)	(153)	**(606)**
Operating expenses excluding depreciation and amortization	606	467	507	524	**2,104**
Gross margin	1,440	655	736	529	**3,360**
Depreciation and amortization in cost of goods sold	1	2	2	2	**7**
Gross margin excluding depreciation and amortization	1,441	657	738	531	**3,367**
Cash operating coverage ratio (%)					**62**

1 Includes Retail expenses below gross margin including selling expenses, general and administrative expenses and other (income) expenses.

Retail EBITDA per US Selling Location

Most directly comparable IFRS financial measure: Retail US EBITDA.

Definition: Total Retail US EBITDA for the last four rolling quarters adjusted for acquisitions in those quarters, divided by the number of US locations that have generated sales in the last four rolling quarters adjusted for acquired locations.

Why we use the measure and why it is useful to investors: To assess our US Retail operating performance. Includes locations we have owned for more than 12 months.

	Rolling four quarters ended March 31, 2020				
(millions of US dollars, except as otherwise noted)	**Q2 2019**	**Q3 2019**	**Q4 2019**	**Q1 2020**	**Total**
US EBITDA	672	142	143	(44)	**913**
Adjustments for acquisitions					**(32)**
US EBITDA adjusted for acquisitions					**881**
Number of US selling locations adjusted for acquisitions					**911**
EBITDA per US selling location (thousands of US dollars)					**967**