



Sustainable. By Design.

Forward-looking Statements



The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements.

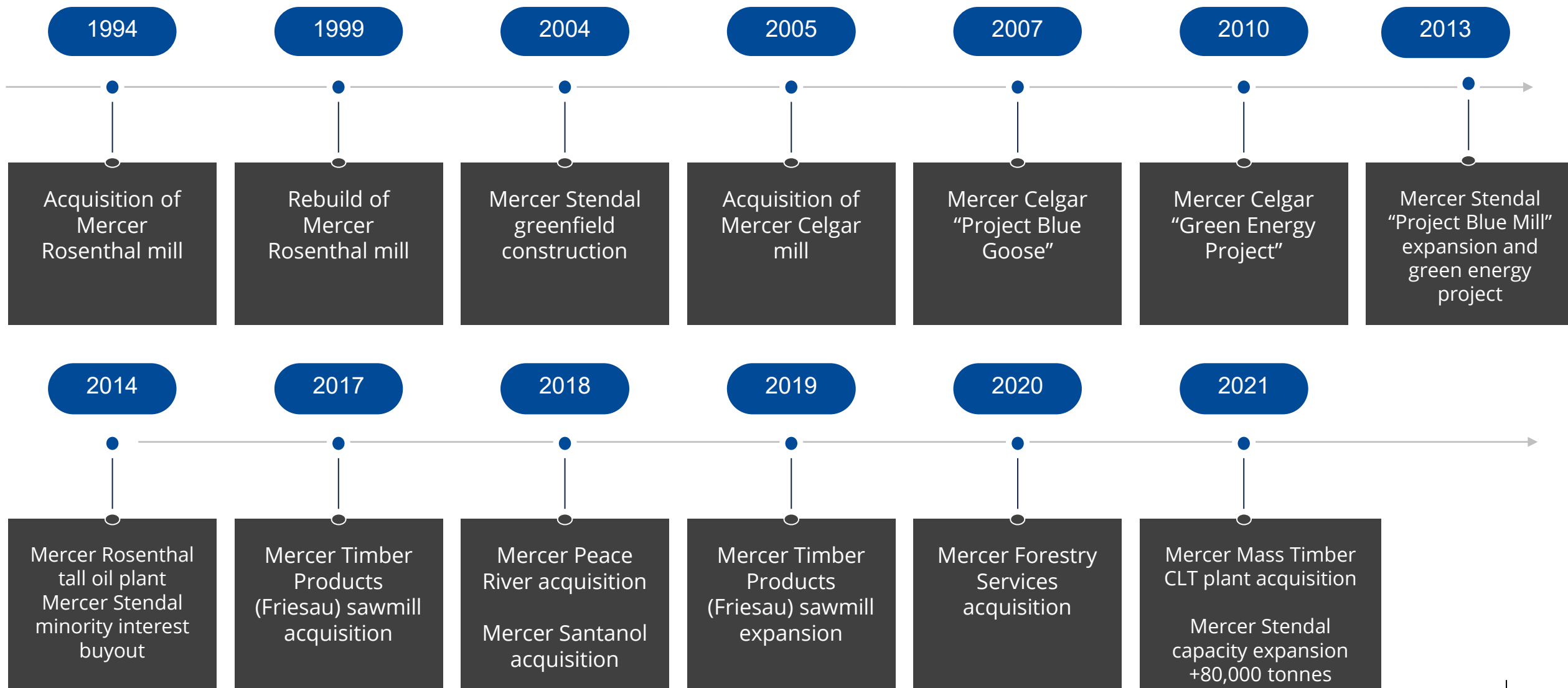
Certain information included in this presentation contains statements that are forward-looking, such as statements relating to results of operations and financial conditions, market expectations and business development activities, as well as capital spending and financing sources.

Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of Mercer.

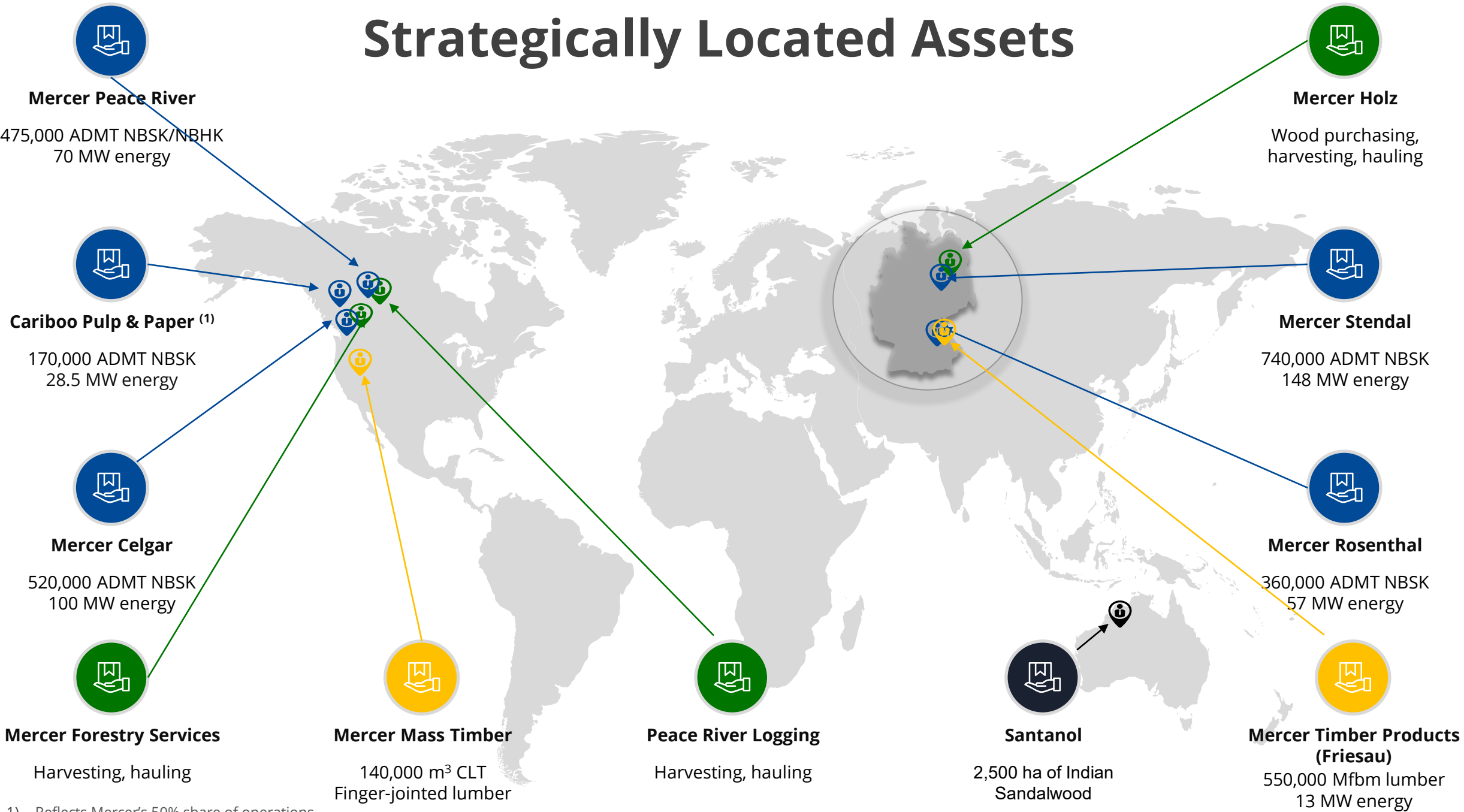
For more information regarding these risks and uncertainties, review Mercer’s filings with the United States Securities and Exchange Commission.

Unless required by law, we do not assume any obligation to update forward-looking statements based on unanticipated events or changed expectations.

Building a Platform for Growth

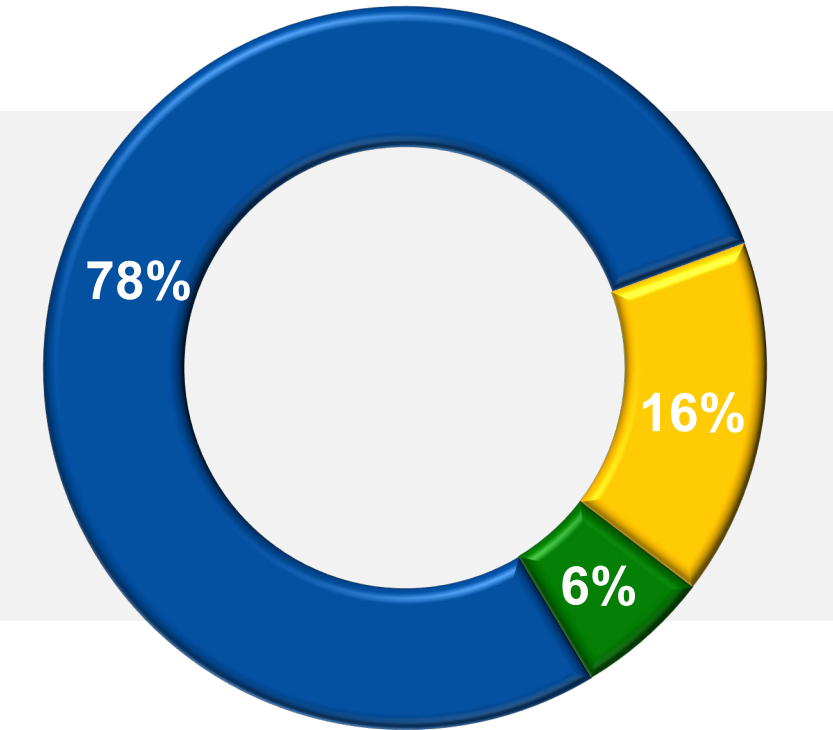


Strategically Located Assets



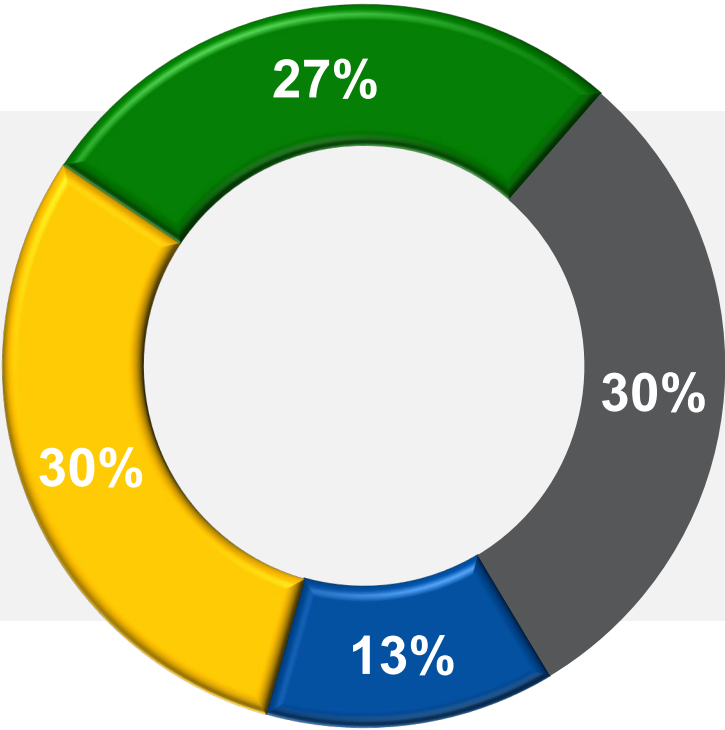
1) Reflects Mercer's 50% share of operations

Product Sales Mix (1) (2)



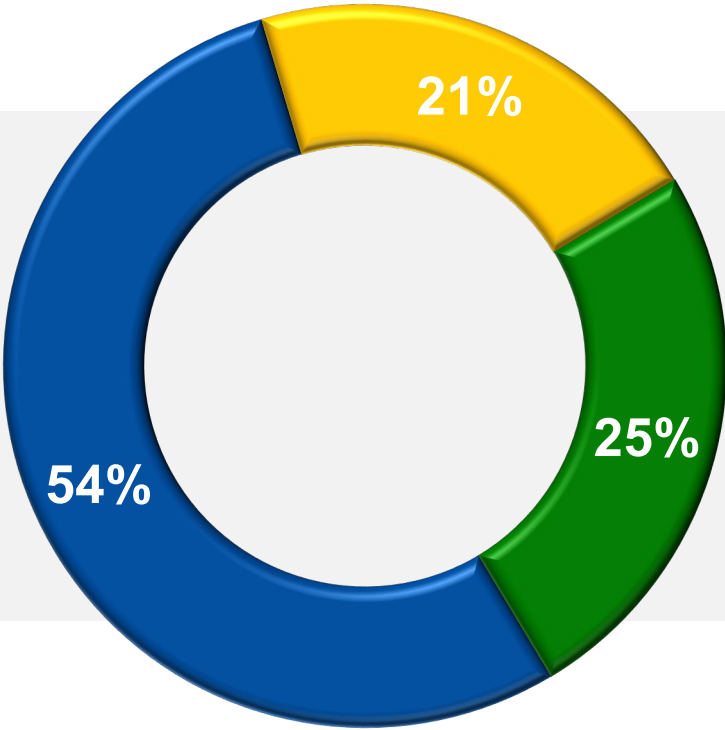
Products

● Pulp ● Lumber ● Energy / Bio-extractives



Pulp Segment

● US ● Germany ● China ● Other



Wood Products Segment⁽³⁾

● US ● Germany ● Other

1) Q3 2021 LTM by revenue
2) Excludes energy sales from 50% owned Cariboo mill
3) Includes wood residual sales

8 Core Values + 5 Strategic Pillars = Fit for Future



Develop our
Talent

Advance World-
class Operations

Grow and
Diversify in our
Core
Competencies

Manage a Prudent,
but Agile, Balance
Sheet

Strengthen our
Sustainability
Platform

Value 1: Health & Safety

Value 2: Trust, Integrity, and Transparency

Value 3: Boldness

Value 4: Pursuit of Excellence

Value 5: Accountability

Value 6: Sustainability

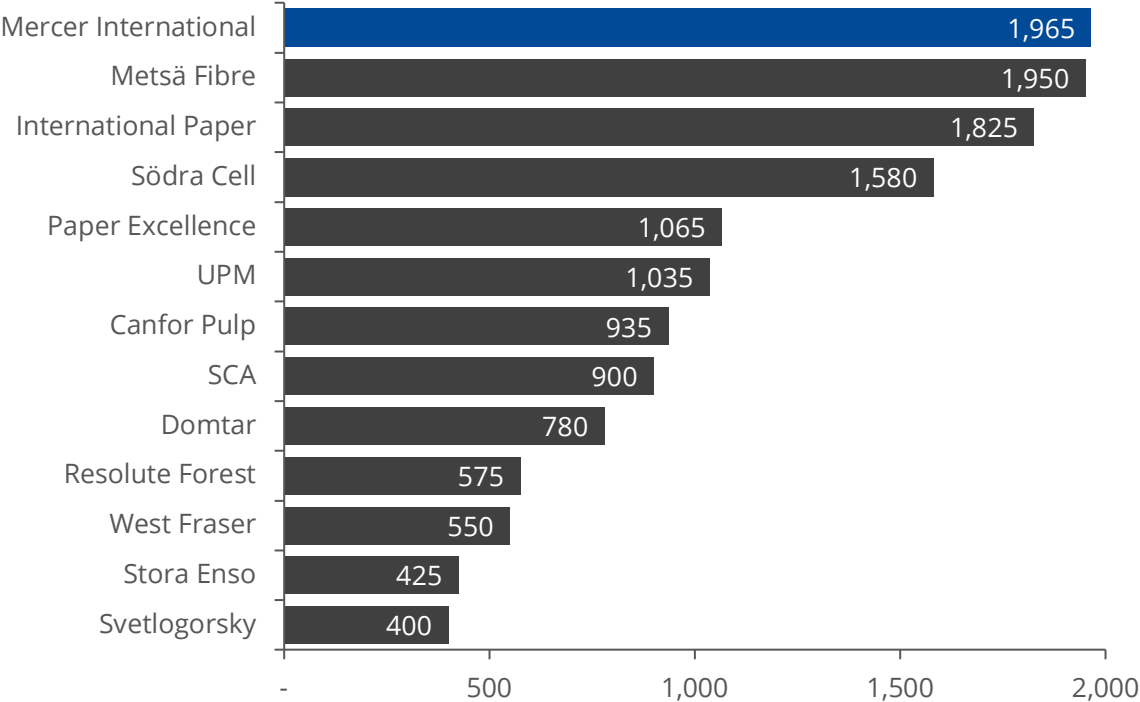
Value 7: Innovation

Value 8: Diversity, Equity, and Inclusion

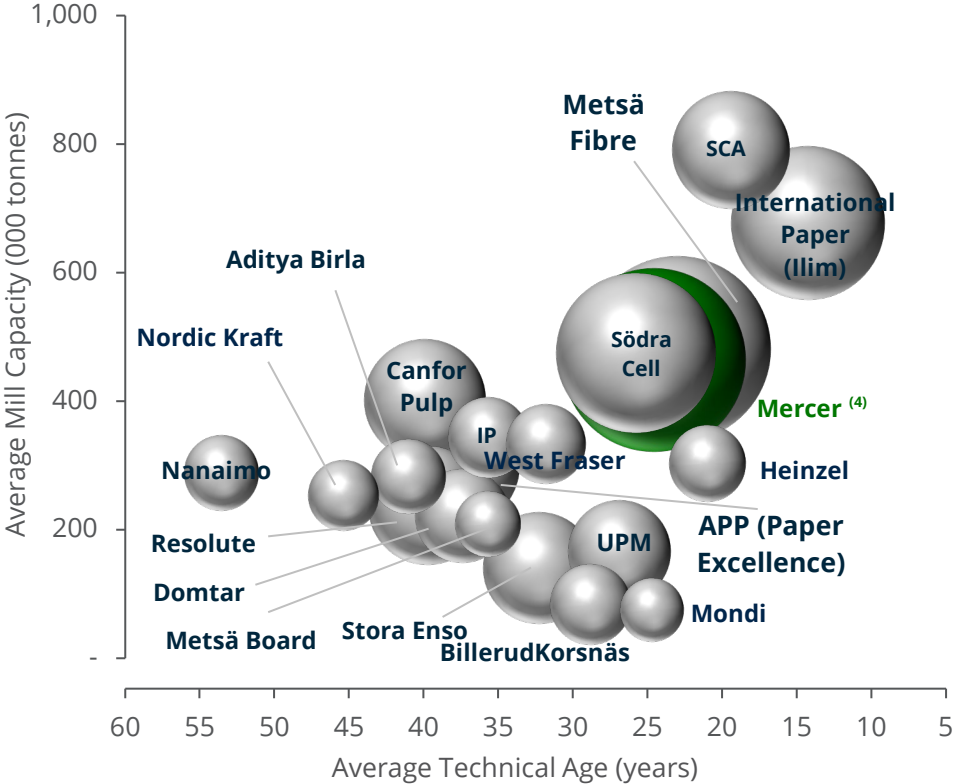
Advance World-class Operations

- The largest producer of market NBSK in the world
- Efficient distribution channels to major pulp consuming markets of Asia, Europe, and North America
- Operating among the most modern NBSK mills in the world
- Low cost, energy self sufficient, net exporters of green electricity

Top NBSK Market Pulp Producers by Annual Capacity (000's Tonnes) ⁽¹⁾



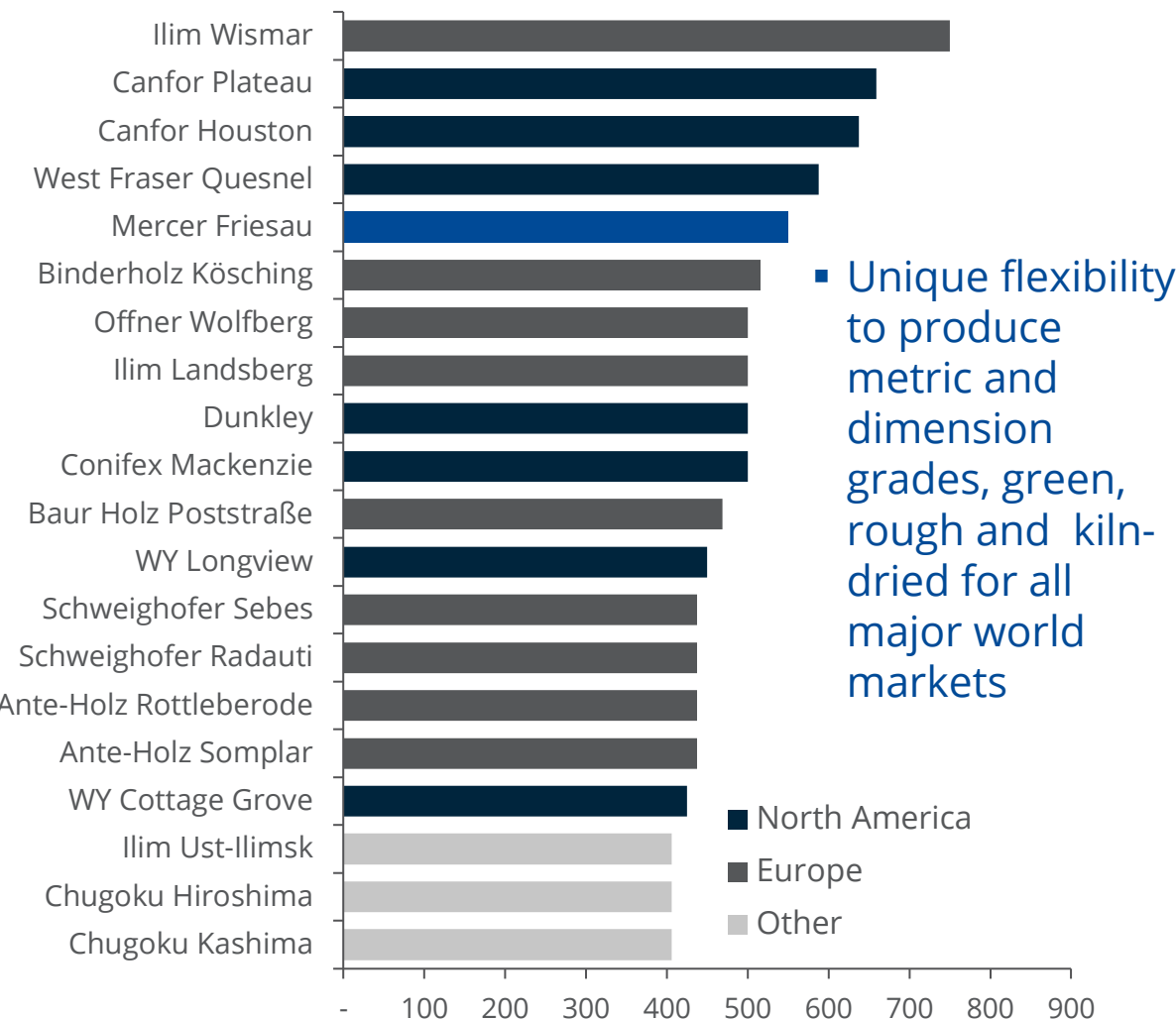
NBSK Producer Competitiveness ⁽²⁾⁽³⁾



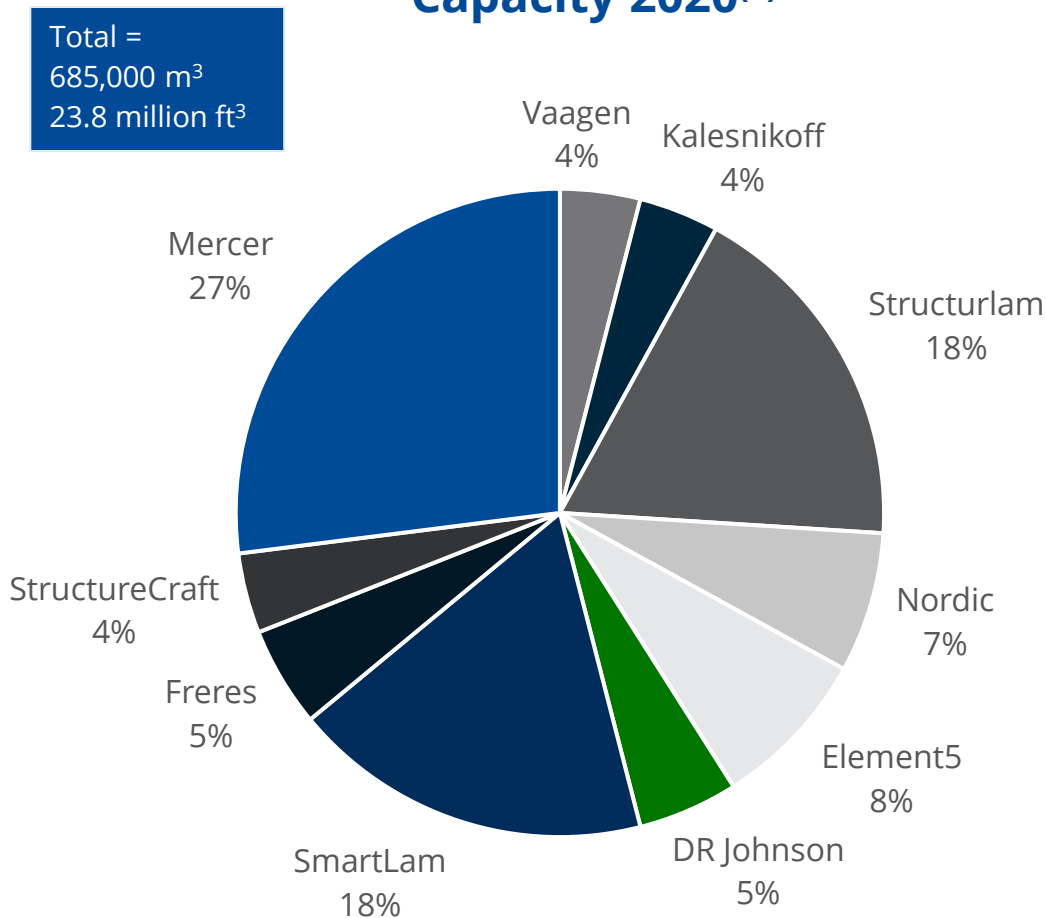
1) Capacity for non-Mercer mills sourced from Brian McClay as at October 2021
2) Source: Fisher.Solve™ Next © 2021 Fisher International, Inc.. Mercer includes Peace River, excludes 50% interest in Cariboo. SCA, Metsa Fibre reflect completion of ramp-up of Östrand and Äänekoski
3) NBSK market pulp only
4) Includes 475,000 tonnes for Peace River mill as it is a swing mill capable of producing 100% NBSK

Advance World-class Operations

Top 20 Softwood Sawmills (Mfbm)⁽¹⁾⁽²⁾



North American Mass Timber Panel Capacity 2020⁽³⁾



1) Source: Sawmill capacities as per www.sawmilldatabase.com
2) Converted from m3 to board feet at a rate of 1.6m3 per board feet
3) Source: FEA

Optimization Through Innovation

1 Logistics Innovation

- Design and construction of dedicated trains and truck fleet for shipping wood and end-products
- Dedicated ports and breakbulk access for wood, pulp and lumber

2 Construction Expertise

- Greenfield and brownfield pulp mill, sawmill, power plant, and extractive plant construction

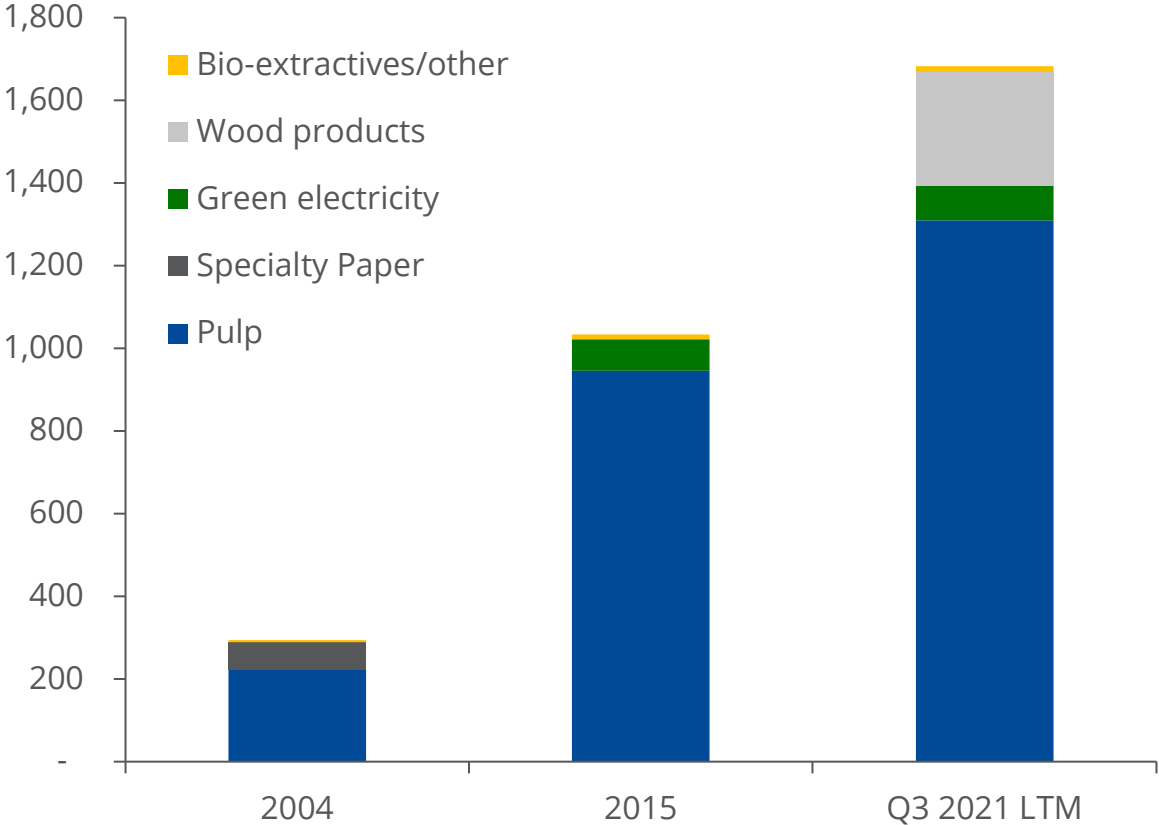
3 Continuous Improvement

- Forest waste material recovery
- Pulp and lumber wood yield improvements
- Extractives capacity expansion
- Energy yield
- Chemical and resource use reductions

Grow and Diversify in our Core Competencies

Over 15 years of steady growth and diversification into adjacent businesses with expected market demand growth where we have core competencies.

Consolidated Revenue
(\$ millions)⁽¹⁾⁽²⁾



1) LTM Q3 2021 excludes energy sales from 50% owned Cariboo mill
2) Wood products includes wood residual sales

Manage a Prudent, but Agile Balance Sheet

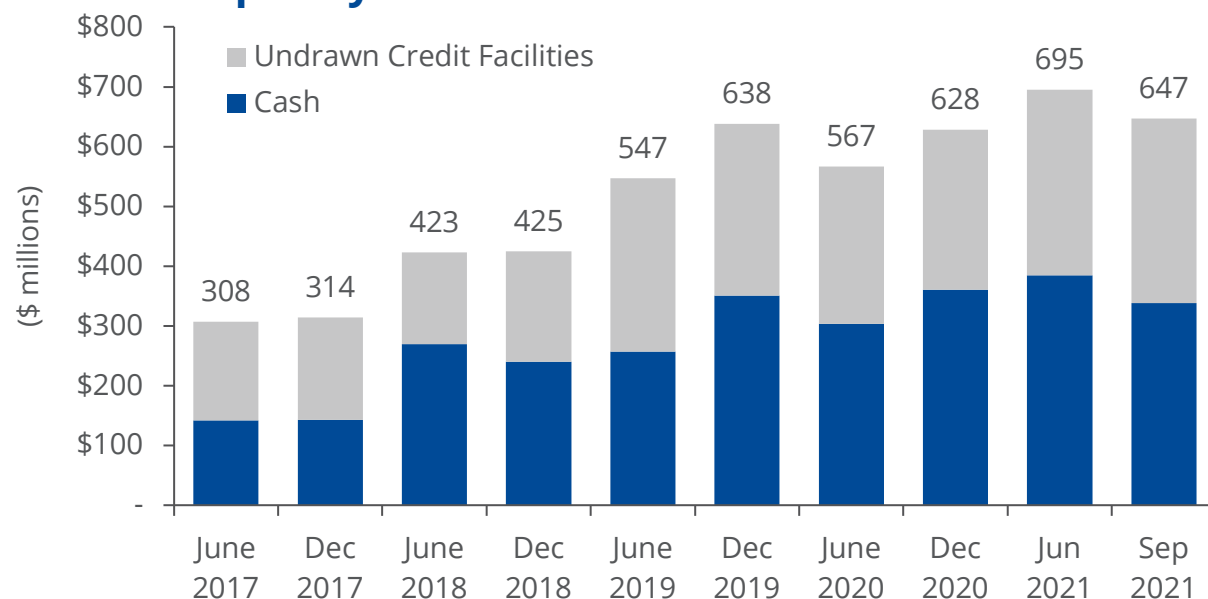
Liquidity is managed to the global economic conditions:

- 2016-2018: Tighter liquidity during stronger economic conditions and expansion period for Mercer
- 2019-2021 Higher liquidity to protect against global economic weakness and to allow Mercer to advance key strategic initiatives such as capex and acquisitions uninterrupted

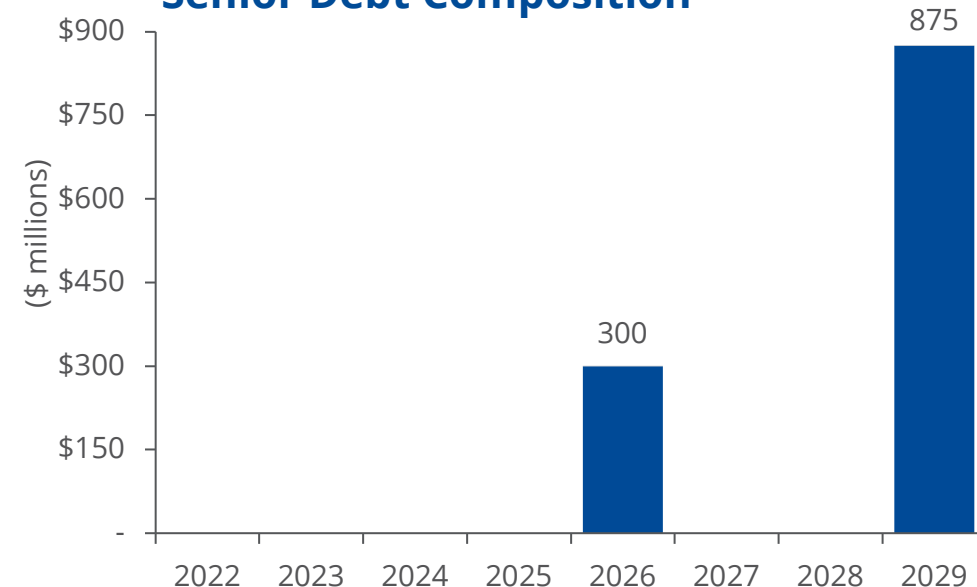
Debt composition is optimized when opportunistic:

- Weighted average maturity of senior debt is 2028
- Weighted average coupon of 5.22%; a reduction of 1.44% and 1.50% since December 31, 2020, December 31, 2017, respectively
- Current debt rating of B+ (S&P); Ba3 (Moody's)

Liquidity⁽¹⁾



Senior Debt Composition



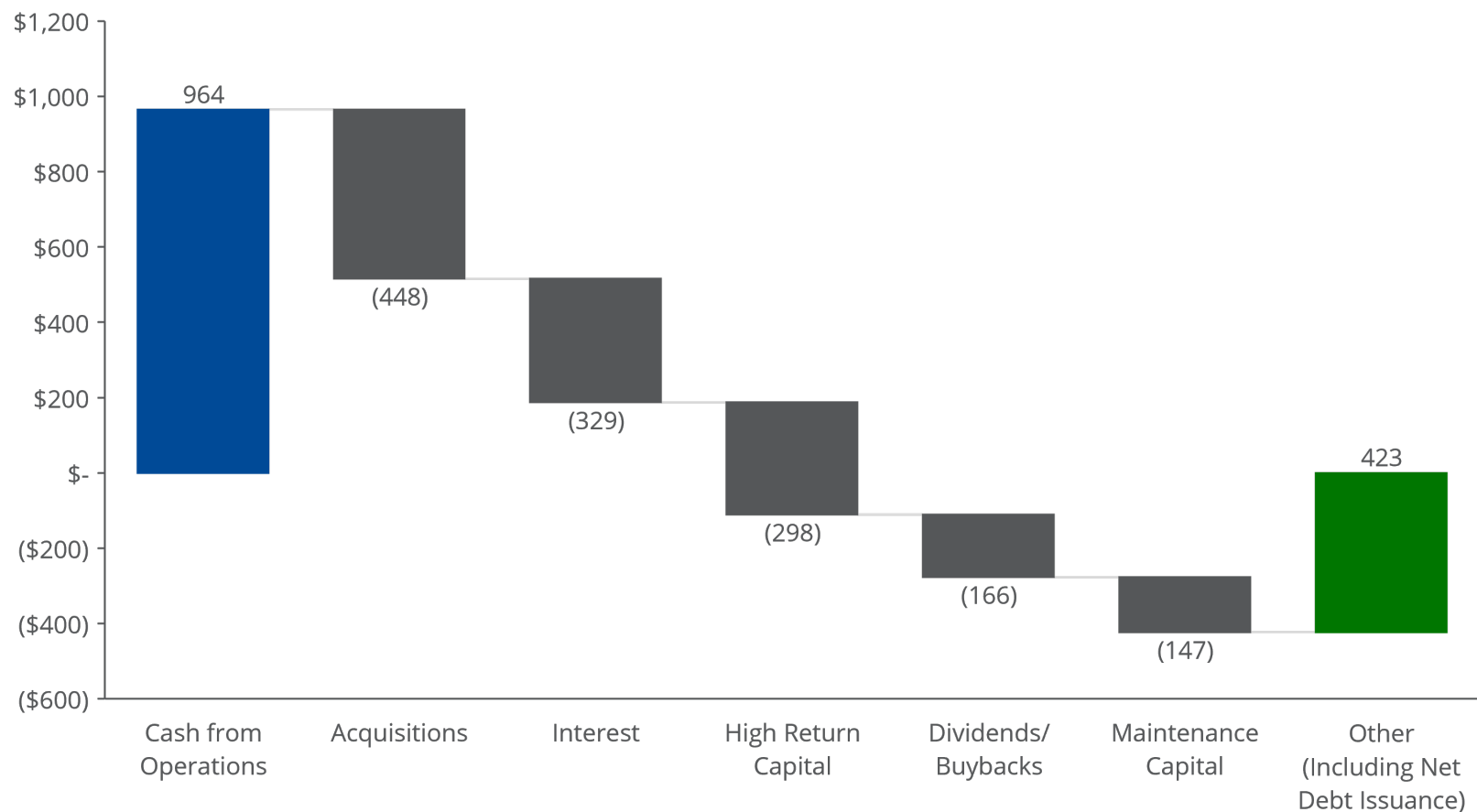
1) Liquidity calculated as total cash and cash equivalents and combined availability under revolving credit facilities.

Balanced Capital Allocation

Capital allocation is balanced and consistent with the strategy:

- Maintenance of Business⁽¹⁾ capital expenditures to maintain modern, efficient and reliable mills.
- Growing the Company through acquisitions and high-return capital expenditures.
- Commitment to returning capital to shareholders through a material dividend.
- Accumulation of or reduction to cash in response to economic conditions at the time

**Cumulative Capital Allocation
2015-2020 (in \$millions)**



1) Maintenance of Business is a term broadly referencing the base capital required to continuously use facilities and equipment, in their designed capacity and efficiency, for their intended purpose.

Sustainable, Biodegradable, Recyclable Products for a Carbon-conscious World

Kraft pulp from wood residuals and forest waste for the production of recyclable paper, containers, and specialty products

Solid wood products from certified forests for home construction and renovation; carbon capturing products competing with carbon intensive concrete and steel construction methods

Green electricity generated from waste heat captured in the pulp production process

Extractives and oils competing with petro-chemical alternatives for fragrances, aromatics, food additives, and fuels

R&D partnerships to develop and commercialize other carbon-displacing products

Sustainable Processes

Modern assets and pulping innovation makes our processes sustainable; a continuous improvement culture keeps us advancing.



Signatory to Science-based Target Initiative (SBTI)



100% electricity self sufficiency from renewable energy



Replaced German rail car fleet (380 rail cars) to reduce Scope 3 GHG emissions



35% reduction in Scope 1 and Scope 3 GHG emissions by 2030 on the pathway to net zero 2050



66.2% of wood from certified sources (SFI, PEFC, FSC)



ESG risk rating evaluations by MSCI, ISS, and Sustainalytics



Climate change scenario analysis conducted in 2020 in accordance with TCFD



3% reduction in water use per tonne of pulp since 2017



Mercer Peace River's science-based forest management (EMEND) nationally recognized for exceptional sustainability and biodiversity outcomes



85% of energy comes from renewable biomass



22% reduction in waste material to landfill since 2017



Supporting Our Communities and Providing Inclusive and Challenging Opportunities for Our People



Reduced safety incidents by 40% since 2015



Provide diverse and equitable working environment



Shared revenues through Indigenous partnerships



2021 CEO of the Year Safest Workforce



1/3 of Board membership are women



Development and deep engagement with local communities



Launched 2020 Global Employee Engagement Survey



Create growth opportunities for our people



Global Diversity, Equity, and Inclusion initiative



Global Leadership Development Program



99% 2021 Shareholder vote in favour of Executive Compensation



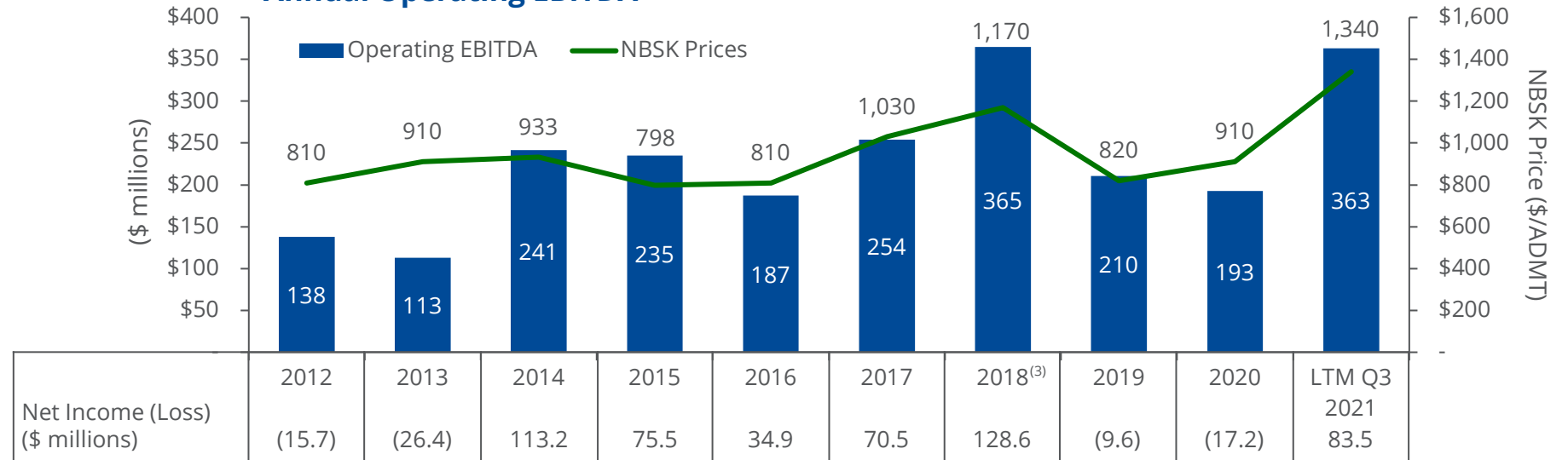
Signatory to Canadian Council of Aboriginal Business and UNDRIP

Financial Performance

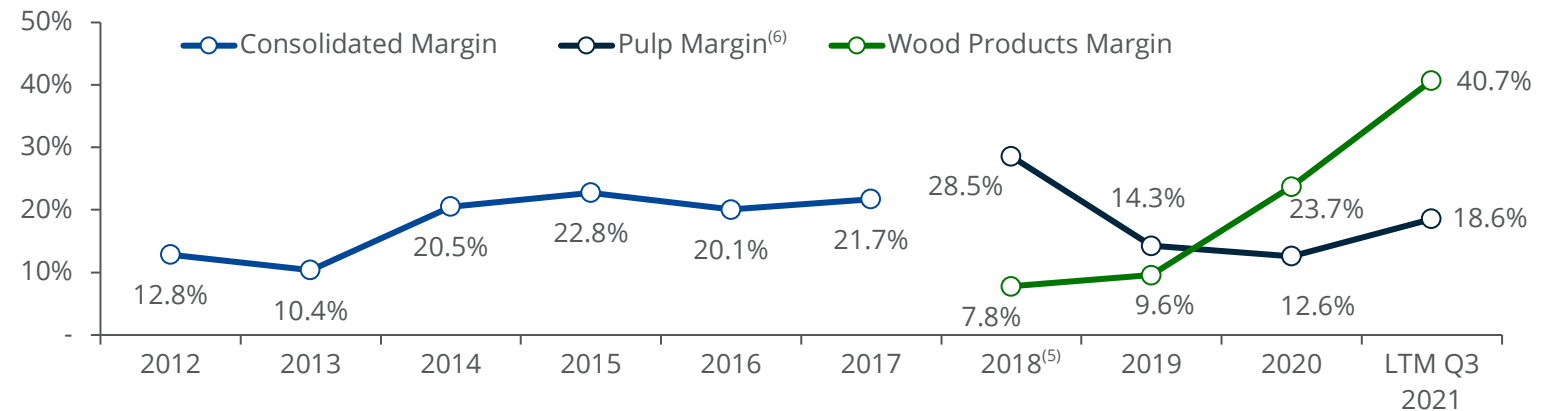
- Operating EBITDA ⁽¹⁾⁽²⁾ is highly influenced by global NBSK pricing, however:
- Green electricity revenues remain relatively fixed
- Wood products is a growing source of EBITDA; contributing \$47 million in 2020, \$116 million LTM

Introduction of wood products business has diversified EBITDA and moderated margins.

Annual Operating EBITDA⁽¹⁾⁽²⁾



Annual Operating EBITDA Margin⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾



Note: Some numbers may not add due to rounding

1) Operating EBITDA is a non-GAAP measure. For a Reconciliation of Net Income (Loss) to Operating EBITDA, please refer to slide 20.

2) Operating EBITDA Margin is defined as Operating EBITDA divided by revenue.

3) Our reporting currency was the euro until October 1, 2013. Prior figures converted to USD at average FX rates in effect during the period

4) Excludes unrealized MPR synergies and energy sales from 50% owned Cariboo mill, recorded as an equity investment

5) Includes MPR results since acquisition on December 10, 2018 6) Excludes corporate segment

Current Market Conditions

Pulp

Wood Products

Demand

- Steady demand and falling inventories will improve markets over time
- Steady mid-term growth from emerging economies, including China, across a spectrum of grades
- New environmental policies reshaping fiber supply-demand fundamentals in China (agricultural pulps, recycled paper)
- Stable demand in Western economies

- We expect US lumber prices to remain at elevated levels over the next year, supported by rising housing starts, low interest rates and low housing stock
- Recovering Eurozone economies will support modest demand growth, driving improvements
- Demand for low-carbon building solutions like CLT is growing at 30% CAGR

Supply

- We are beginning to see supply-side restrictions as many old, high-cost NBSK mills that are still running are beginning to experience unplanned maintenance downtime, curtailments, and closures (i.e. closure of APP mills at Pictou, Mackenzie, Crofton)
- Limited new, near-term capacity expected after three years of considerable growth
- Russian producers cycling from softwood to hardwood
- Conversions of softwood to other grades
- Shipping constraints are currently disrupting and de-globalizing pulp markets – stronger markets in Europe, weaker markets in China

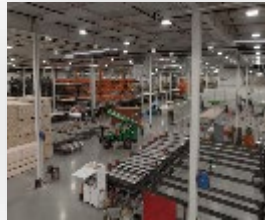
- Increased supply of spruce beetle damaged wood in Europe
- Pine beetle and historic overcutting resulting in annual cut reductions across BC
- Recent forest fires in Canada and Scandinavia
- Transportation bottlenecks

Sustainable, Long-term Growth

A growing company that is fit for the future



Management committed to growth, in spaces where we have clear competencies



Prudent and agile balance sheet discipline, commitment to the dividend



Commitment to sustainability, our products, operations, and communities



Attractive long-term fundamentals in key markets

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Reconciling Net Income (Loss) to EBITDA

Note: For other reconciliations of Net Income (Loss) to Operating EBITDA in periods not shown, please refer to that period's respective Form 10-Q or 10-K, which can be found on our website (www.mercerint.com)

Operating EBITDA is defined as operating income (loss) plus depreciation and amortization and non-recurring capital asset impairment charges. Operating EBITDA Margin is defined as Operating EBITDA divided by revenue. Management uses Operating EBITDA and Operating EBITDA Margin as benchmark measurements of its own operating results, and as benchmarks relative to its competitors. Management considers these measures to be a meaningful supplement to operating income (loss) as a performance measure primarily because depreciation expense and non-recurring capital asset impairment charges are not an actual cash cost, and depreciation expense varies widely from company to company in a manner that management considers largely independent of the underlying cost efficiency of their operating facilities. In addition, we believe Operating EBITDA and Operating EBITDA Margin is commonly used by securities analysts, investors and other interested parties to evaluate our financial performance.

Operating EBITDA does not reflect the impact of a number of items that affect our net income (loss) attributable to common shareholders, including financing costs and the effect of derivative instruments. Operating EBITDA is not a measure of financial performance under the accounting principles generally accepted in the United States of America ("GAAP"), and should not be considered as an alternative to net income (loss) or income (loss) from operations as a measure of performance, nor as an alternative to net cash from operating activities as a measure of liquidity.

Operating EBITDA and Operating EBITDA Margin have significant limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. Operating EBITDA should only be considered as a supplemental performance measure and should not be considered as a measure of liquidity or cash available to us to invest in the growth of our business. Because all companies do not calculate Operating EBITDA in the same manner, Operating EBITDA and Operating EBITDA Margin as calculated by us may differ from Operating EBITDA or EBITDA and Operating EBITDA Margin, or EBITDA Margin as calculated by other companies. We compensate for these limitations by using Operating EBITDA and Operating EBITDA Margin as supplemental measures of our performance and by relying primarily on our GAAP financial statements.

Reconciling Net Income (Loss) to EBITDA

Consolidated (US\$ millions)	2016	2017	2018 ⁽¹⁾⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾	Q3 2021 LTM ⁽²⁾
Net Income (Loss) Attributable to Common Shareholders	34.9	70.5	128.6	(9.6)	(17.2)	83.5
Add: Income Tax Provision (Benefit)	24.5	33.5	48.7	19.2	6.1	47.5
Add: Interest Expense	51.6	54.8	51.5	75.8	80.7	73.7
Add: Loss on Extinguishment of Debt	0.5	10.7	21.5	4.8	-	30.4
Add: Other Expense (Income)	3.6	(0.9)	17.6	(6.1)	(5.9)	(2.9)
Operating Income	115.1	168.6	267.9	84.0	63.7	232.2
Add: Depreciation and Amortization	72.0	85.3	96.7	126.4	128.9	131.1
Operating EBITDA	187.1	253.8	364.6	210.4	192.7	363.4
Segmented (US\$ millions)	Pulp + Corporate		Wood Products			
	Q3 2020	Q3 2021	Q3 2020	Q3 2021		
Operating Income	1.8	95.5	12.0	18.3		
Add: Depreciation and Amortization	28.4	30.6	3.4	3.7		
Operating EBITDA	30.2	126.1	15.4	22.0		

Note: See next page for additional disclosures

Note: The above reconciles net income (loss) to EBITDA. Some numbers may not add due to rounding

1) Includes MPR results since acquisition on December 10, 2018

2) Excludes unrealized MPR synergies and energy sales from 50% owned Cariboo mill, recorded as an equity investment

Appendix: Market Attributes



Sustainable. By Design.

Global Wood Fiber Market

- The global demand for wood fiber is principally met by the recycling of packaging and graphics paper
- Today, NBSK makes up 3.5% of global fiber demand; it has become a highly specialized niche product used for strength and bonding attributes. It is principally produced in northern regions: Canada, Scandinavia, and Russia
- Hardwood is principally sought for its softness and opacity and is dominated by South American and Asian Eucalyptus plantation producers
- Today, NBSK is particularly sought for tissue and specialties paper grades and to a diminishing extent for graphics and packaging



Global Wood Fiber Market⁽¹⁾

Total global wood fiber consumption – 374 million tonnes

Recovered paper – 54%

Virgin pulp – 46%

Total virgin pulp market – 171 million tonnes

Integrated pulp – 60%

Market pulp – 40%

Total market pulp market – 68 million tonnes

UBK,
Mech
10%

Hardwood – 52%
36M tonnes

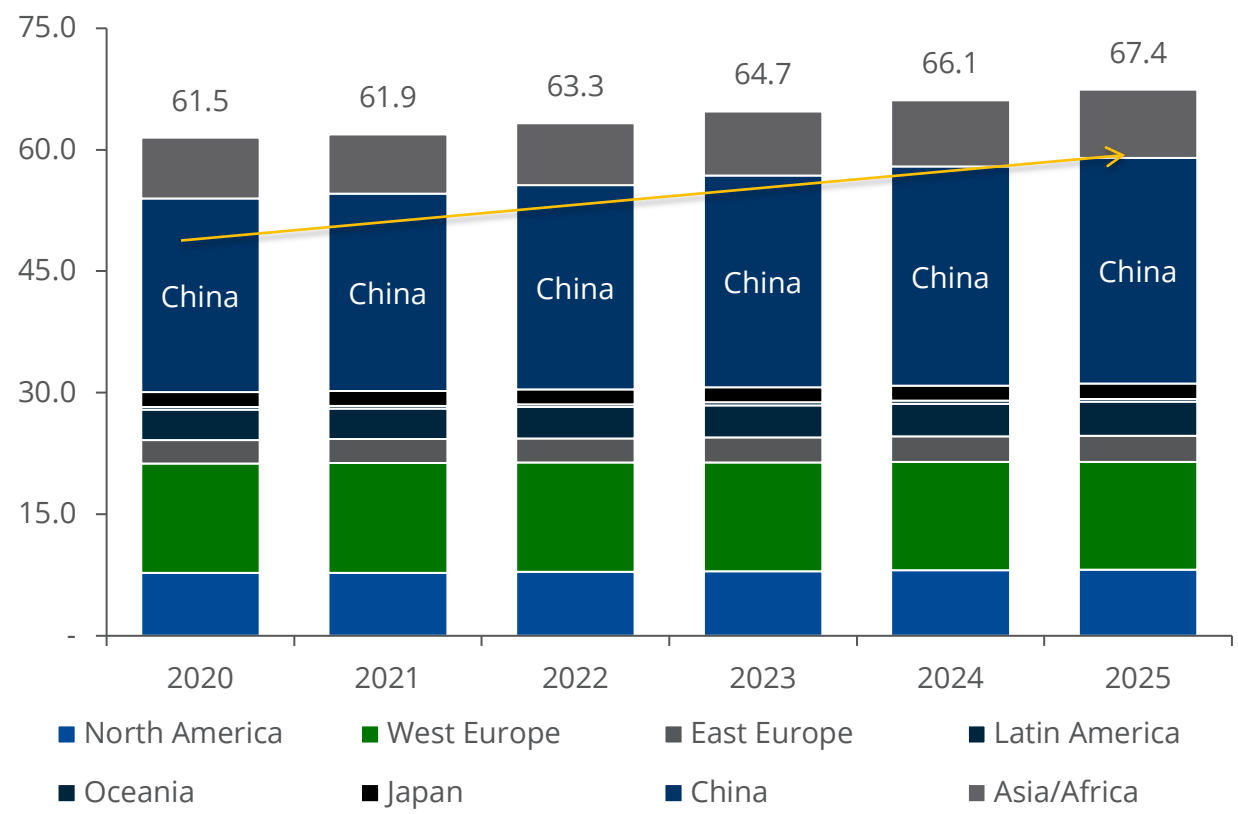
Radiata,
SBSK – 15%
10M tonnes

NBSK – 23%
16M tonnes

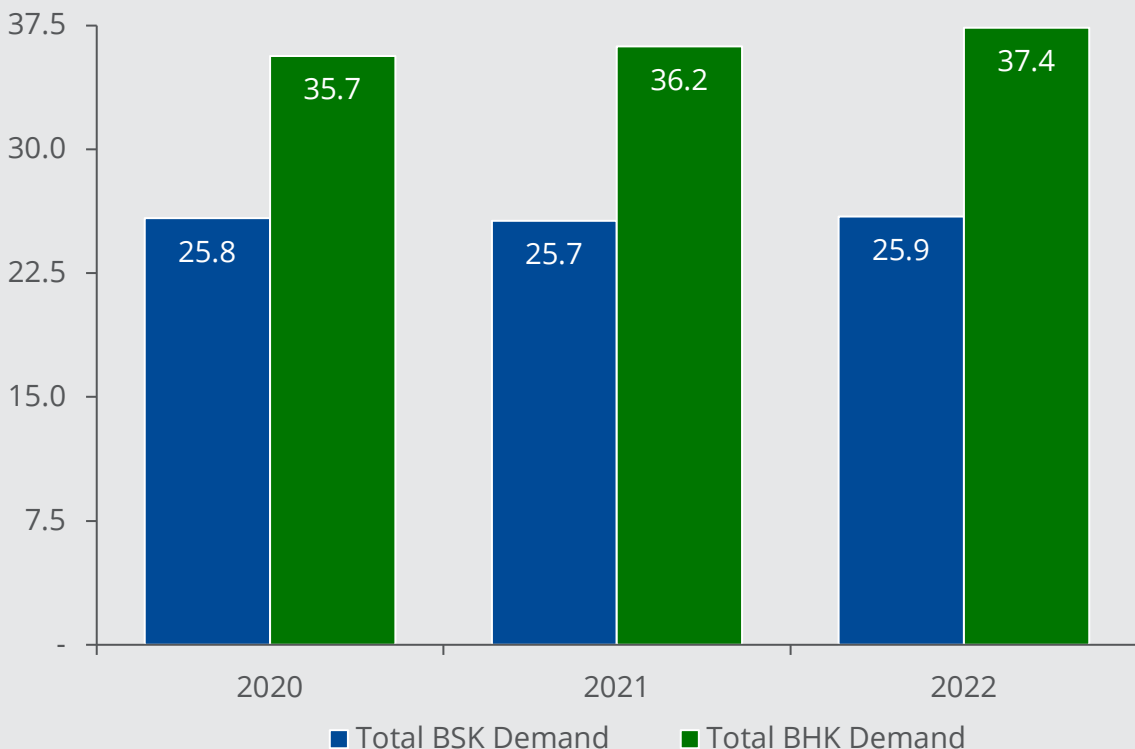
1) Hawkins Wright (August 2021) for 2020E

Global Bleached Kraft Pulp Market (1)

Global Bleached Kraft Pulp Demand (millions of tonnes)



Global Bleached Kraft Pulp Demand (millions of tonnes)



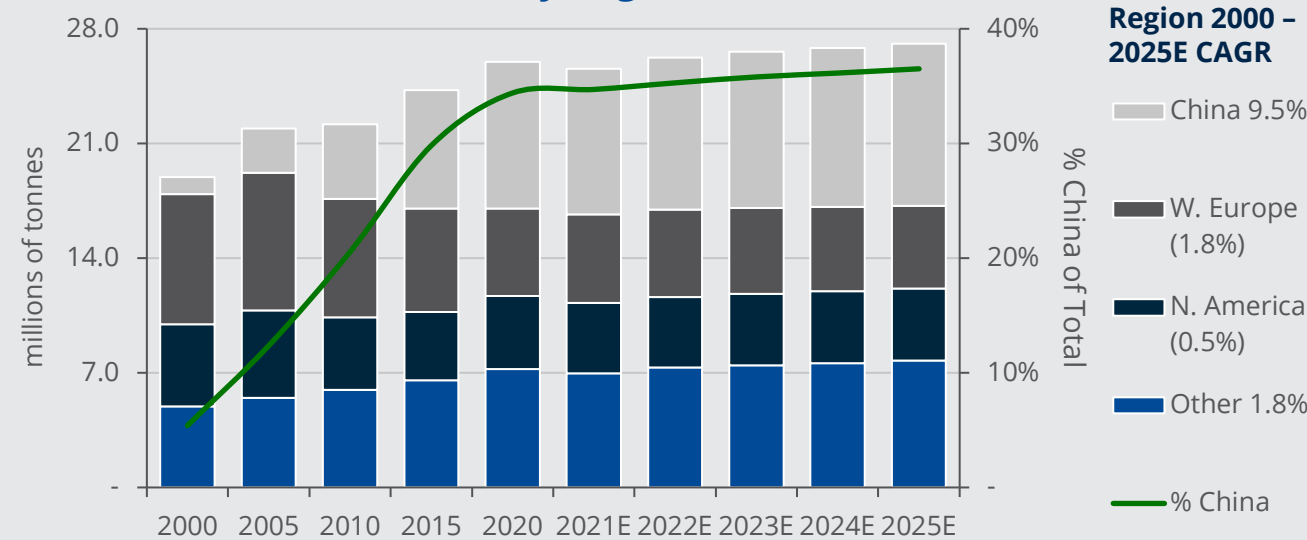
1) Source: Hawkins Wright – Outlook for Market Pulp (August 2021)

NBSK Demand Drivers

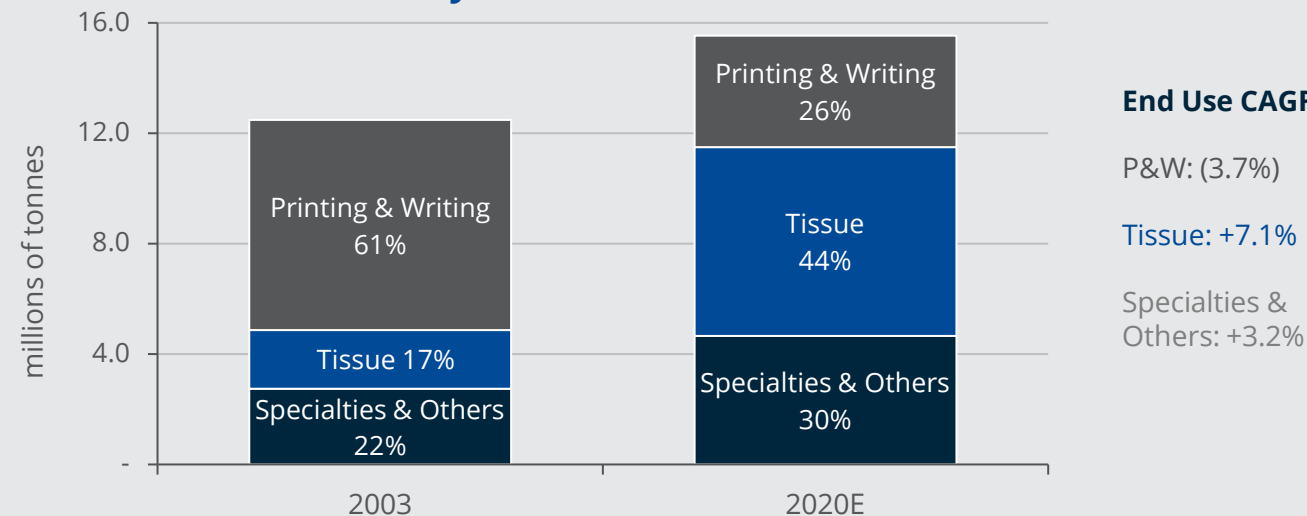
NBSK Demand Changes

- Increased NBSK demand for tissue and specialty products continues to rise globally
- In developing countries, demand for NBSK across all end uses is growing
- Increasing income levels, rapid urbanization of populations and rising living standards are creating strong demand for fiber of all grades
- Demand for NBSK in printing and writing grades has fallen in the developed economies of North America and Western Europe due to the digitalization of print media; this impact was particularly pronounced during the pandemic
- Despite declines in developed countries for printing and writing grades, the global compounded annual growth rate of NBSK demand was ~1.4% between 2015 and 2020, or an average of ~431 thousand tonnes per year⁽¹⁾

Global BSK Demand by Region⁽¹⁾

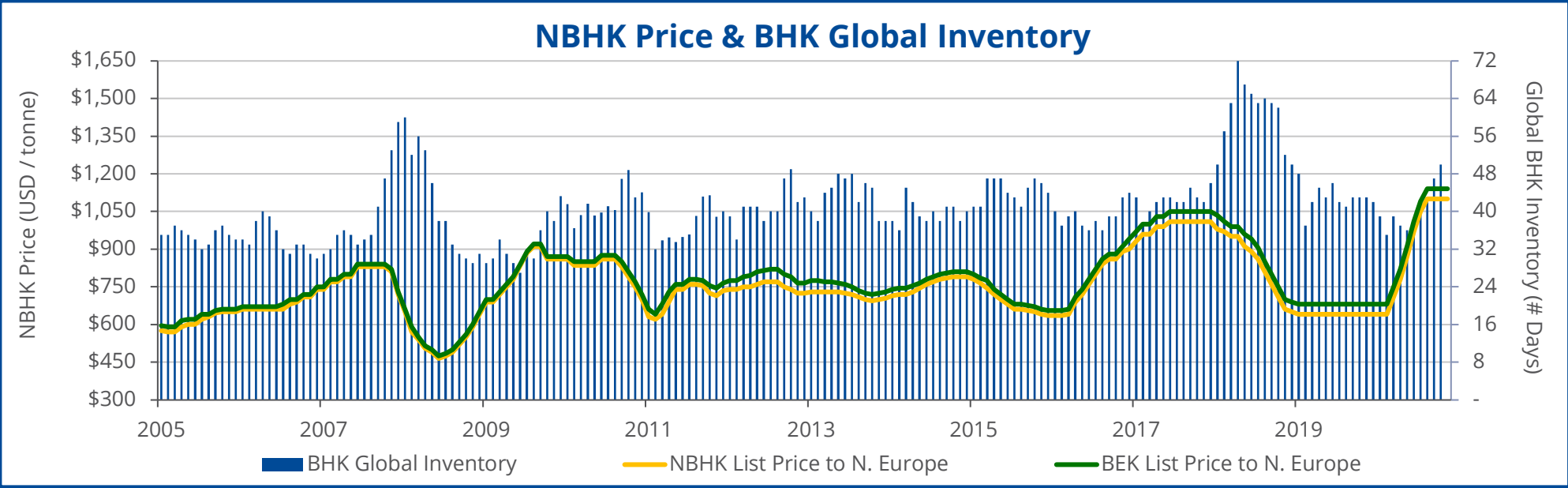
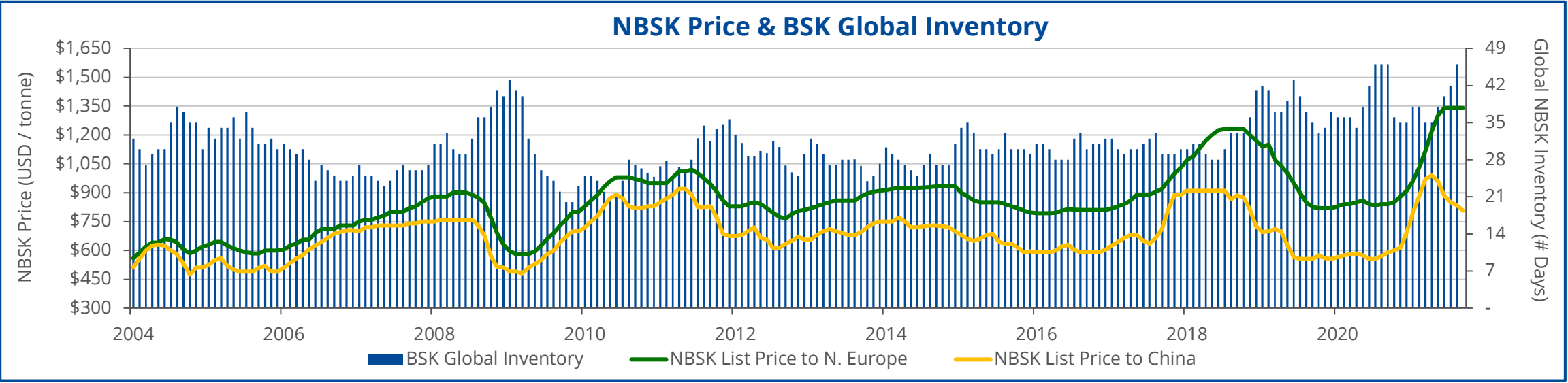


NBSK Demand by End Use⁽¹⁾⁽²⁾



1) Source: PPPC (September 2021, September 2020, February 2016, April 2006) for BSK Demand
 2) Source: Brian McClay (October 2020) for current NBSK End Uses; PPPC (September 2020) for 2020 Demand Forecast

Historical Market Conditions

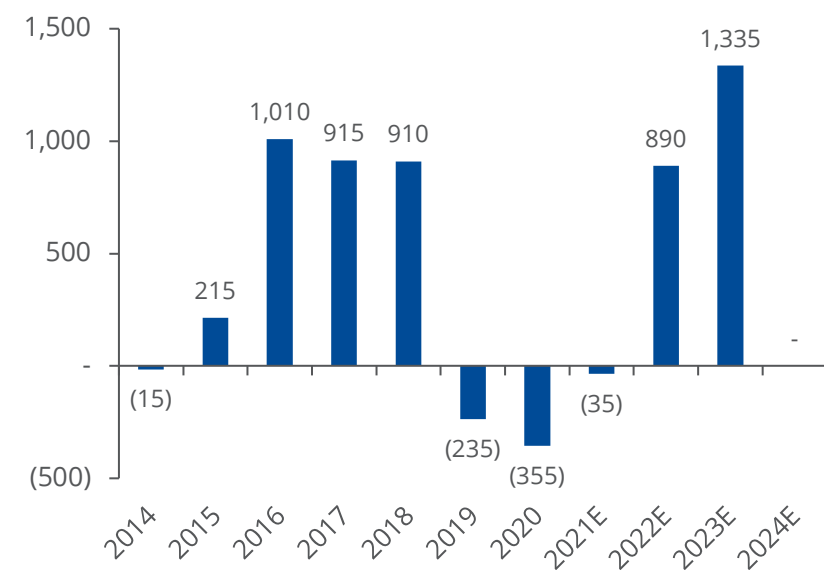


Pulp Capacity Changes

NBSK

- After a period of considerable capacity expansion in Scandinavia from 2016-2018, forecasted new capacity minimal
- Annual demand growth is 200-300,000 tonnes per year

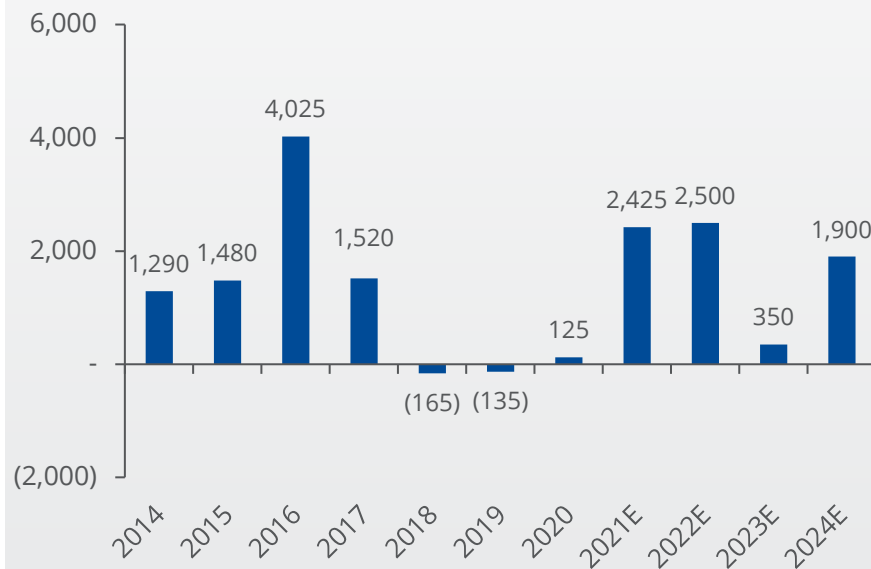
NBSK Market Pulp Net Capacity Changes (000's tonnes)



Hardwood

- Eucalyptus capacity is set to grow over 4 million tonnes in the next few years
- Annual demand growth is about 1 million tonnes per year

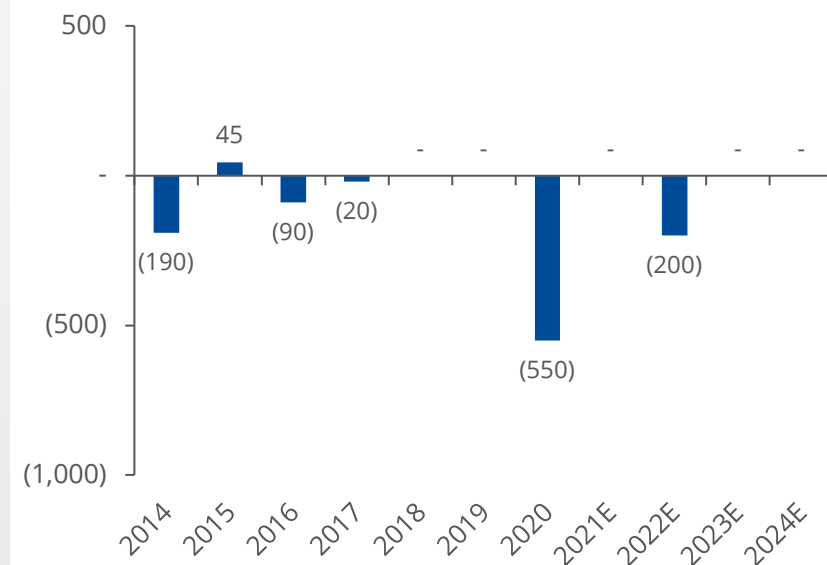
Hardwood Market Pulp Net Capacity Changes (000's tonnes)



SBSK, Fluff, Radiata

- Continuation of a trend by some producers to exit these softwood grades in favor of dissolving pulp or hardwood

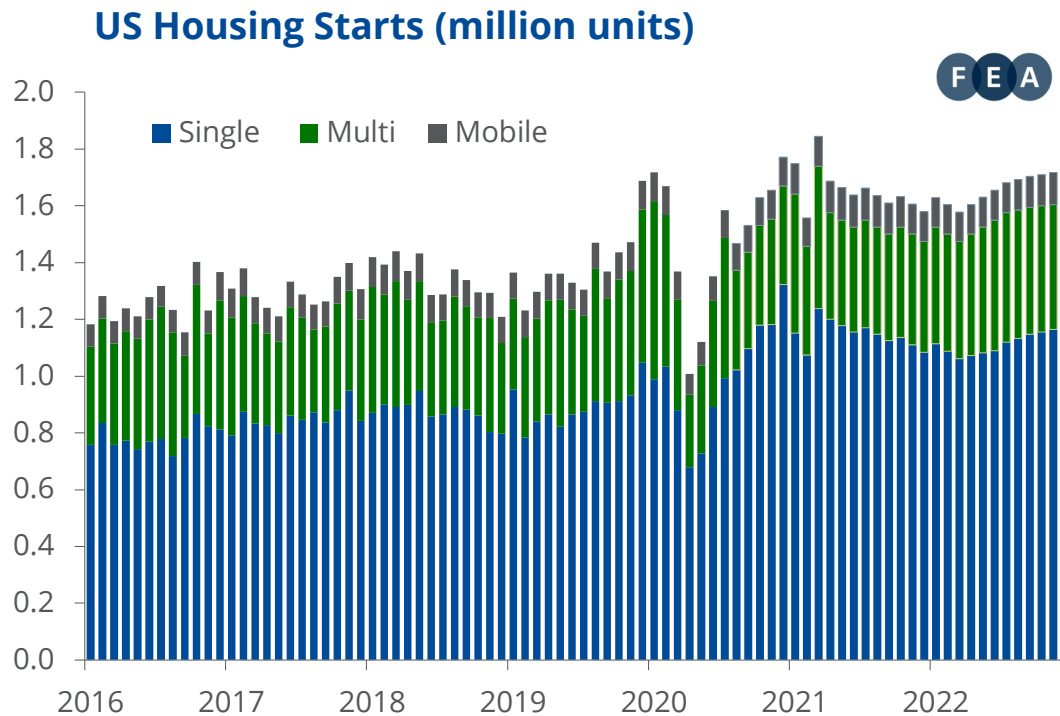
SBSK/Fluff/Radiata Market Pulp Net Capacity Changes (000's tonnes)



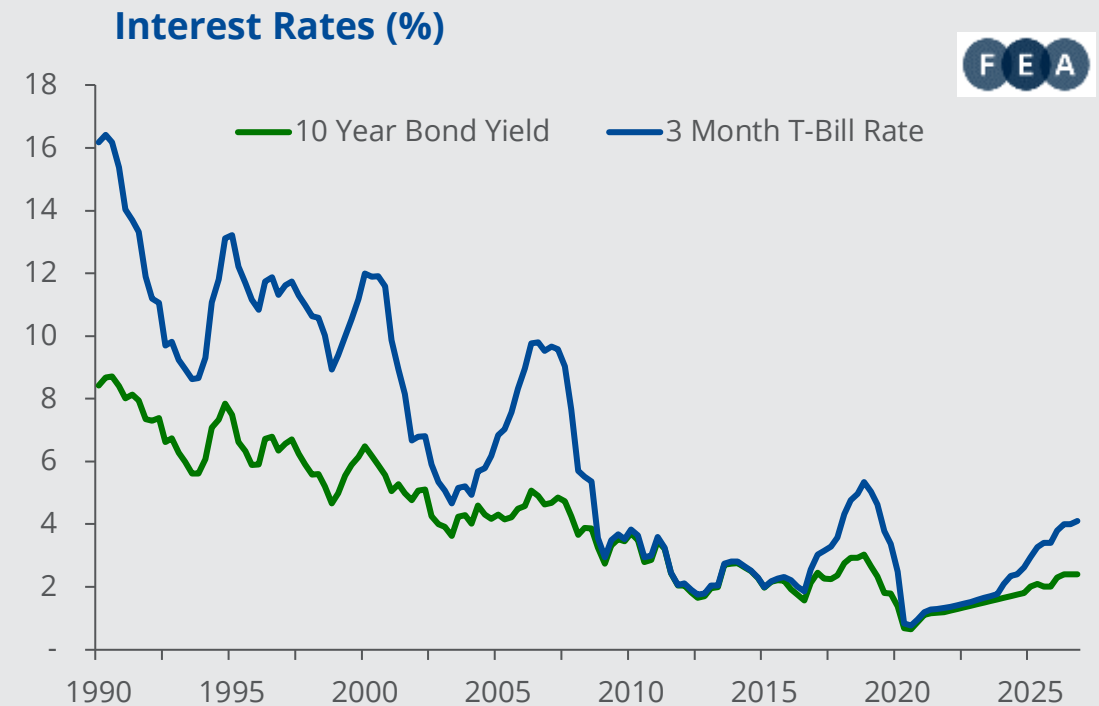
1) Source: PPPC (September 2021)

US Lumber Market – Demand Drivers⁽¹⁾

- Housing starts are rising and still well below historical average prior to the financial crisis



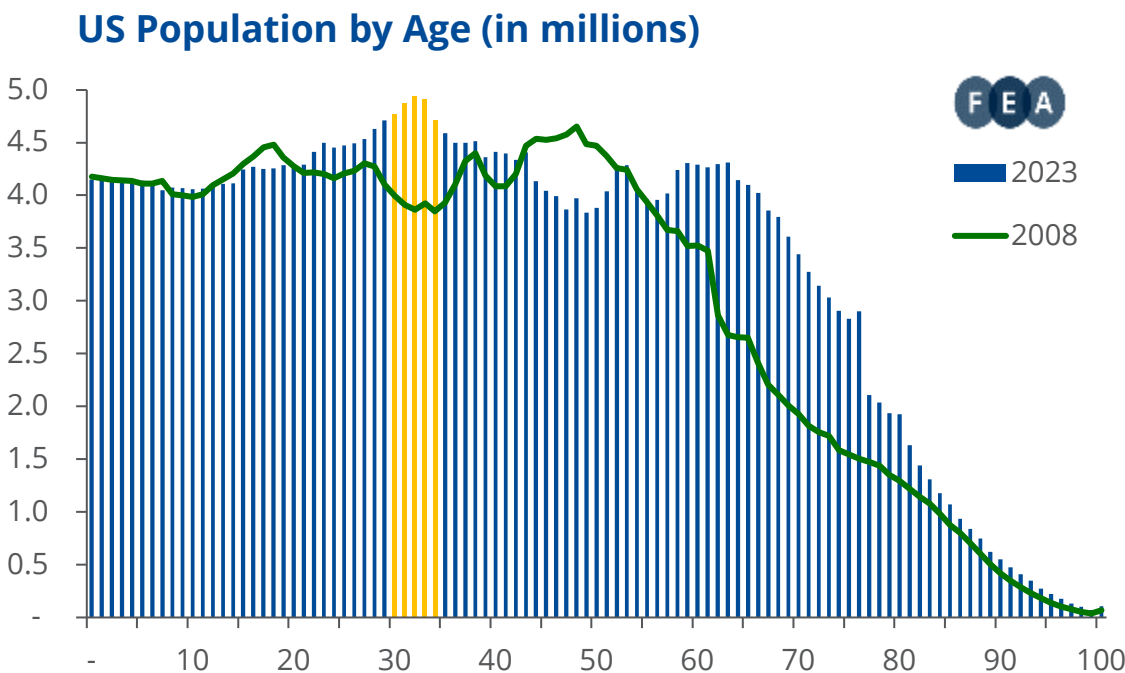
- Interest (mortgage) rates are currently supporting new home ownership and upgrading



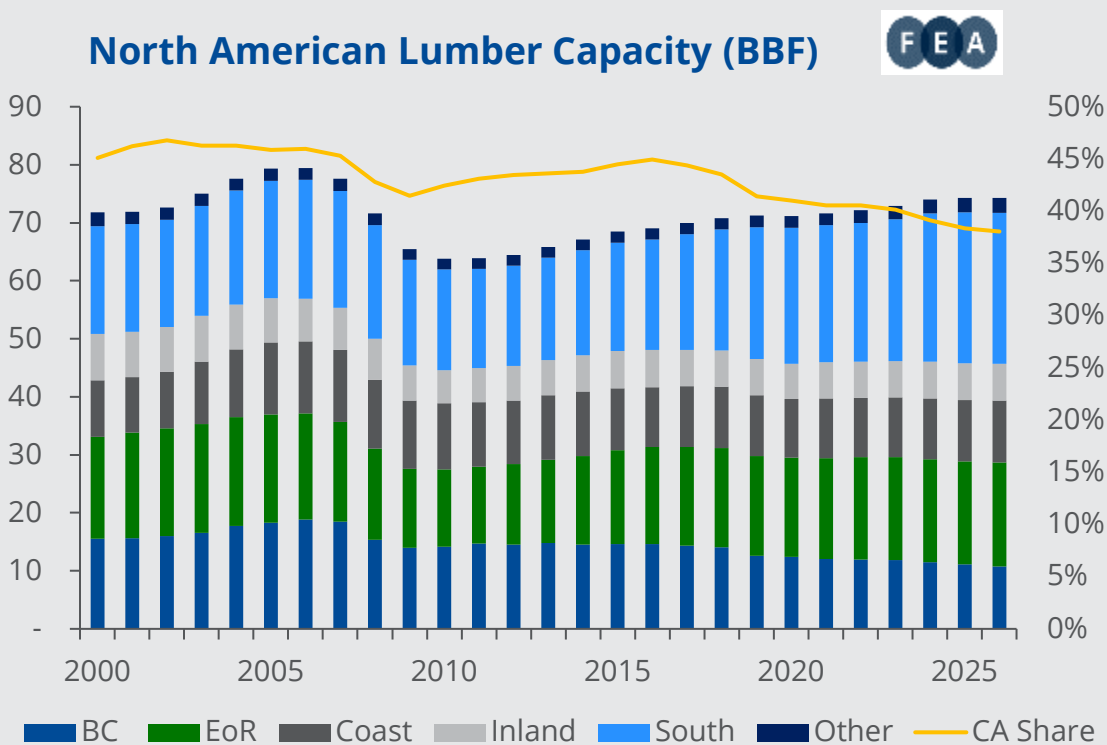
1) Source: Forest Economic Advisors

US Lumber Market – Demand Drivers⁽¹⁾

- The prime first-time home ownership demographic (30-35 year olds) is currently its highest in a generation



- Production capacity is growing but is experiencing restrictions; particularly from Canada where allowable cut levels are falling



1) Source: Forest Economic Advisors

The background of the slide is a photograph of an industrial facility, likely a paper mill, featuring large yellow rollers and complex machinery. A semi-transparent blue geometric overlay, composed of several overlapping triangles, covers the right and central portions of the image. The title text is centered within this blue area.

Appendix: Operations Overview



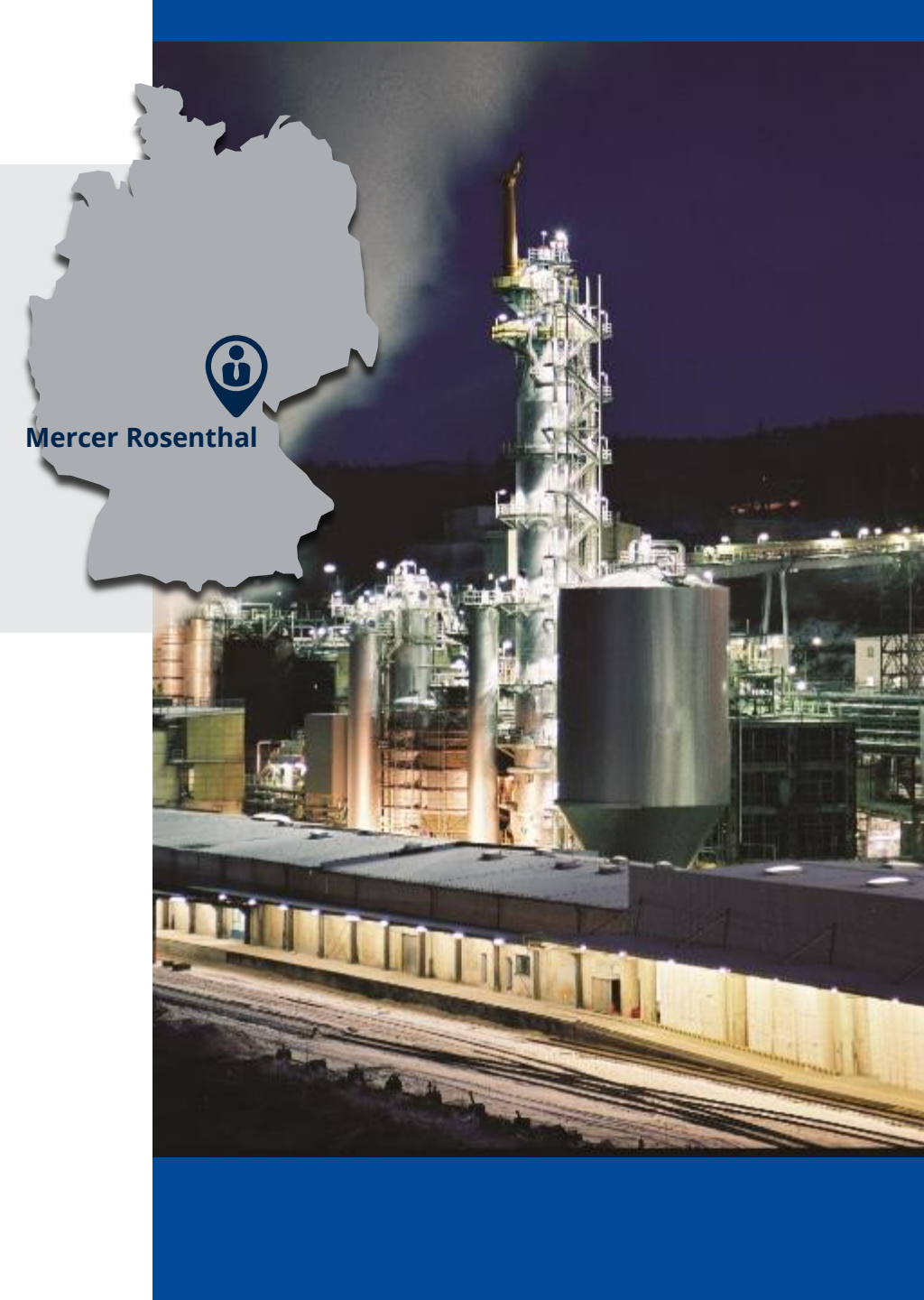
Sustainable. By Design.

Mercer Rosenthal

- **Location:** Blankenstein, Germany (~300 km south of Berlin)
- **Pulp production capacity:** 360,000 tonnes per year NBSK
- **Electricity generating capacity:** 57 MW
- **Certification:** ISO 9001, 14001, and 50001
- **2020 green electricity sales:** \$16.1 million
- **2020 bio-extractives sales:** \$0.02 million

Key Features:

- Built in 1999 – modern and efficient
- Strategically located in central Europe, allowing customers to operate using just-in-time inventory process, lowering their costs, and making Rosenthal a preferred supplier
- Close proximity to stable fiber supply and nearby sawmills
- One of the largest biomass power plants in Germany
- In 2020, the mill sold 154,177 MWh of green electricity
- Regularly setting new pulp and energy production records
- 6,000 tonne per year tall oil plant became operational in Q4 2014



Mercer Stendal

- **Location:** Stendal, Germany (~130 km west of Berlin)
- **Pulp production capacity:** 740,000 tonnes per year NBSK
- **Electricity generating capacity:** 148 MW
- **Certification:** ISO 9001, 14001, and 50001
- **2020 green electricity sales:** \$51.3 million
- **2020 bio-extractives sales:** \$6.8 million

Key Features:

- Completed in 2004, it's one of the newest and largest pulp mills in the world
- In September 2014, we completed the acquisition of the minority interest and other rights in the Stendal mill
- One of the largest biomass power plants in Germany
- In 2020, exported 539,607 MWh of green electricity
- Project Blue Mill was completed in Q4 2013 and, among other things, increased the mill's annual pulp production capacity by 30,000 tonnes and electricity generation by 109,000 MWh
- Regularly setting new performance records
- 2021 expansion project increased mill capacity to 740,000 tonnes



Mercer Celgar



 **Mercer
Celgar**

- **Location:** Castlegar, BC, Canada (~600 km east of Vancouver)
- **Pulp production capacity:** 520,000 tonnes per year NBSK
- **Electricity generating capacity:** 100 MW
- **Certification:** ISO 9001 and 14001
- **2020 green electricity sales:** \$10.9 million
- **2020 bio-extractives sales:** \$0.06 million

Key Features:

- Modern and efficient
- Abundant and low cost fiber, by global standards
- Green Energy Project was completed in September 2010
- One of the largest biomass power plants in Canada
- In 2020, the mill sold 134,444 MWh of green electricity
- Continues to demonstrate significant upside potential

Mercer Peace River

- **Location:** Peace River, Alberta (~500 km northwest of Edmonton)
- **Pulp production capacity:** 475,000 tonnes per year NBSK/NBHK
- **Electricity generating capacity:** 65 MW
- **Certification:** ISO 9001 and ISO 14001
- **2020 green electricity sales:** \$5.2 million

Key Features:

- Modern, high-performing kraft mill
- Abundant and low-cost fiber by global standards
- NBSK / NBHK swing mill
- 20-year term forest tenure including annually 400,000 m³ of softwood and 2.4 million m³ of hardwood
- Bio-mass fueled cogeneration power plant with two turbines; a 45 MW back pressure turbine to power pulp production and a 25 MW condensing turbine generator to generate electricity for sale to the Alberta grid
- In 2020, the mill sold 66,306 MWh of green electricity



Cariboo Pulp & Paper



- **Location:** Quesnel, British Columbia (~650 km north of Vancouver)
- **Pulp production capacity:** 170,000 tonnes per year⁽¹⁾ NBSK
- **Electricity generating capacity:** 28.5 MW⁽¹⁾
- **Certification:** ISO 9001 and ISO 14001
- **2020 green electricity sales:** \$5.4 million⁽²⁾

Key Features:

- 50% joint venture stake in reliable NBSK mill
- Reliable wood supply sourced from large local sawmilling industry
- Bio-mass fueled cogeneration power plant with two turbines; a 32 MW back pressure turbine to power pulp production and a 25 MW condensing turbine generator to generate electricity for sale to BC Hydro

1) Reflects 50% ownership stake

2) Cariboo energy sales are recorded as an equity investment due to JV agreement

Mercer Timber Products (Friesau)

- **Location:** Friesau, Germany (~300 km south of Berlin)
- **Lumber production capacity:** 550,000 Mfbm
- **Energy generating capacity:** 49.5 MW (13 MW electricity)
- **2020 lumber sales:** \$180.8 million
- **2020 wood residuals sales:** \$6.3 million
- **2020 green electricity sales:** \$10.6 million

Key Features:

- High quality logs from surrounding fiber basket
- Sawmill built in 1992; two high-volume Linck sawlines
- 2nd planer mill built in 2020 with new continuous kilns and automated grading and sorting systems
- Diverse product line ranging from custom rough green and dry for the European market to kiln-dried, dimension products for the US, Japan and UK
- Power plant built in 2008; fueled by bark, chips, sawdust, and recycled wood with EEG feed-in tariff to 2029



Mercer Mass Timber

- Location: Spokane, Washington, United States
- CLT production capacity: 140,000 m³
- Factory size: 253,000 ft²
- Product: high-capacity cross-laminated timber

Key Features:

- Multiple years of CLT experience within the manufacturing team
- Highly automated production line
- Structural and design expertise
- Multiple species certifications - Spruce, Pine, Fir (SPF), Douglas Fir / Western Larch (DF/WL)
- Multiple sizes - thicknesses, lengths, and widths
- Growth opportunities - single-family homes, high-rise buildings up to 18 stories



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