

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|---|--|------------------------------------|
| 1 Issuer's name Mercer International Inc. | | 2 Issuer's employer identification number (EIN) 91-6087550 | |
| 3 Name of contact for additional information Genevieve Stannus | 4 Telephone No. of contact 604-639-4605 | 5 Email address of contact genevieve.stannus@mercerint.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact #282 - 14900 Interurban Avenue South | | 7 City, town, or post office, state, and ZIP code of contact Seattle, WA 98168 | |
| 8 Date of action Calendar Year 2020 | | 9 Classification and description Distribution - Common Share | |
| 10 CUSIP number 588056101 | 11 Serial number(s) N/A | 12 Ticker symbol MERC | 13 Account number(s) N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Dates of Action (DD/MM/YYYY)**

| Record Date | Payable Date | Description |
|-------------------|-------------------|---|
| 25/03/2020 | 01/04/2020 | On the payable date, the Issuer made a cash distribution of \$0.1375 per share of common stock |
| 25/06/2020 | 07/07/2020 | On the payable date, the Issuer made a cash distribution of \$0.065 per share of common stock |
| 29/09/2020 | 06/10/2020 | On the payable date, the Issuer made a cash distribution of \$0.065 per share of common stock |
| 23/12/2020 | 30/12/2020 | On the payable date, the Issuer made a cash distribution of \$0.065 per share of common stock |

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

Based on reasonable assumptions applied with the full year financial results, the Issuer calculates that on each payable date, approximately 7.53% of the cash distributed were taxable dividends, and the other 92.47% should be treated as nondividend return of capital which reduces the shareholders' basis of shares, to the extent the basis is not reduced to below zero. Any nondividend return of capital so received in excess of basis should be treated as capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

The reduction in the basis of each share should be the portion of the of distribution per share that is nondividend return of capital based on the Issuer's calculation of current and accumulated earnings & profits. Current earnings & profits are calculated on a full calendar year basis, and the information is not available to calculate earnings & profits until after the close of the calendar year.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sec. 301(c) and Sec. 316(a)

18 Can any resulting loss be recognized? ▶ _____
N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The reportable tax year is 2020.
The reduction in basis, described in line 15 above, is being reported to the recipients on the 2020 Form 1099-DIV, in Box 3, as Nondividend Distributions. Shareholders should consult their tax advisors to determine the tax consequences of this distribution.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ Feb 2, 2021

Print your name ▶ Genevieve Stannus Title ▶ Treasurer

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | | | | Firm's EIN ▶ |
| | Firm's address ▶ | | | | Phone no. |