



Exceptional people creating
bioproducts for a more
sustainable world



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.



The world's tolerance of pollution and carbon emissions is rapidly diminishing.

Sustainably sourced biomaterials, including wood fiber and derivatives are part of the solution. However, supply is not boundless, and only the most efficient and innovative producers and products will be capable of meeting demand.

Our 4-element strategy for adding value



**Sustainable Products,
Processes, People**



**World-class Assets
and Innovation**



**Growth and
Diversification**



**Prudent, but Agile,
Capital Management**

Products



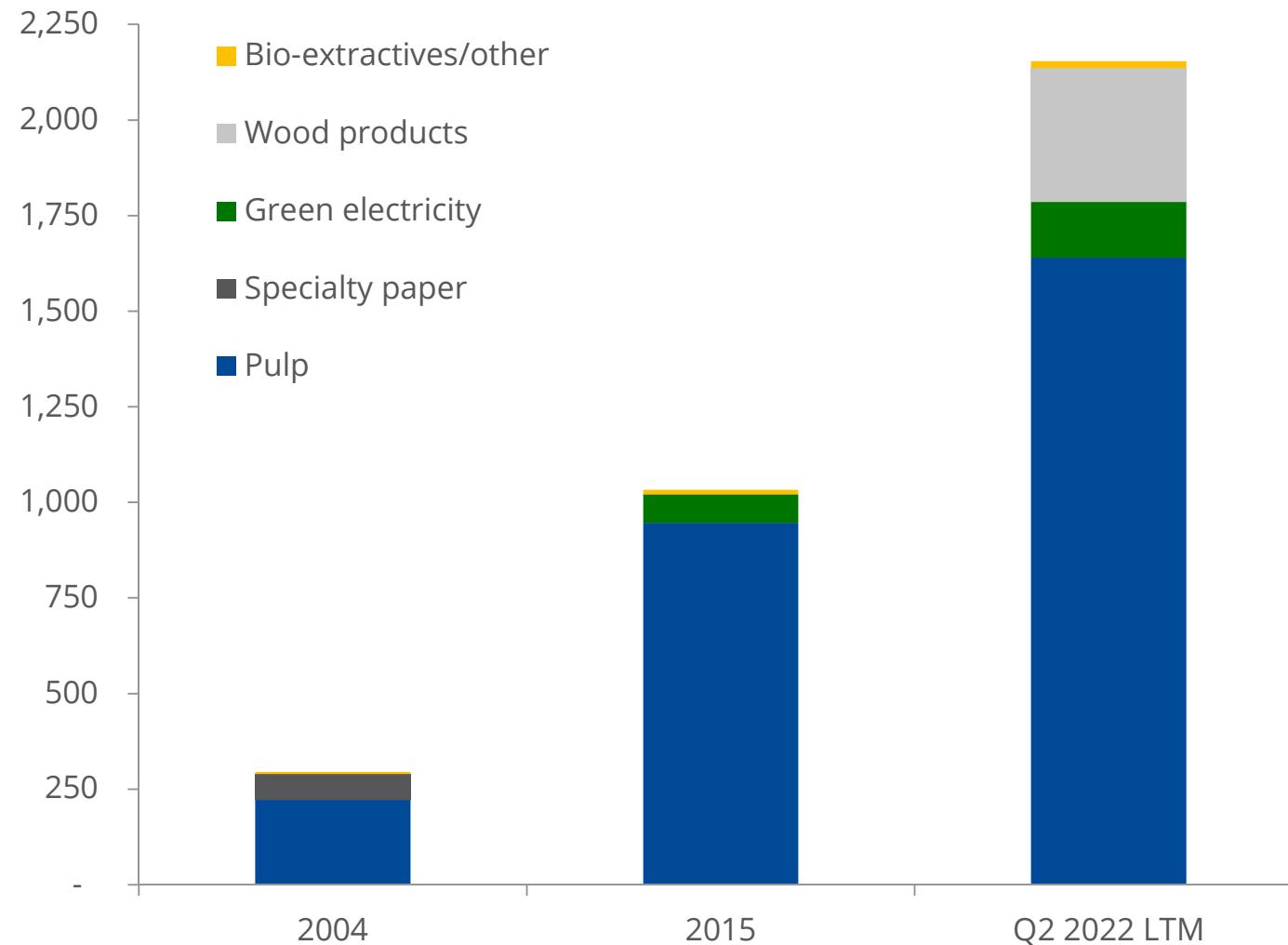
<p>Pulp</p>	<ul style="list-style-type: none"> NBSK and NBHK from sustainably managed forests are used in the production of tissue, recyclable graphic paper, and packaging alternatives to plastics One of the largest global producers of market NBSK with deep expertise and a market reputation as a reliable, efficient and high-quality producer 2,265,000 ADMT ⁽¹⁾
<p>Solid Wood</p>	<ul style="list-style-type: none"> Lumber produced from sustainably harvested and certified forests Expertise in wood procurement services that leverages logistics networks 550 MMfbm
<p>Mass Timber</p>	<ul style="list-style-type: none"> Innovative, low-carbon alternatives to traditional construction materials such as concrete and steel 140,000 m³ CLT
<p>Electricity</p>	<ul style="list-style-type: none"> Modern, highly efficient bio-refineries produce surplus renewable electricity and green bio-fuel energy as an alternative to fossil fuels 416.5 MW
<p>Bioproducts - Extractives</p>	<ul style="list-style-type: none"> Full utilization of wood extractives to produce tall oil and turpentine for the displacement of fossil fuel-based alternatives 2021 revenue of \$7.3 million ⁽²⁾

1) Total NBSK and NBHK capacity
 2) Excludes Santanol revenue

Building a Platform for Growth

- 1994: Acquisition of Rosenthal mill
- 1999: Rebuild of Rosenthal mill
- 2004: Stendal greenfield construction
- 2005: Acquisition of Celgar mill
- 2007: Celgar "Project Blue Goose"
- 2010: Celgar "Green Energy Project"
- 2013: Stendal "Blue Mill" expansion and "Green Energy Project"
- 2014: Rosenthal tall oil plant
- 2017: Acquisition of Mercer Timber Products
- 2018: Acquisition of Peace River; Acquisition of Santanol
- 2019: Expansion of Mercer Timber Products sawmill
- 2020: Acquisition of Mercer Forestry Services
- 2021: Acquisition of Mercer Mass Timber; Stendal capacity expansion +80,000 ADMT
- 2022: Acquisition of Holzindustrie Torgau

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

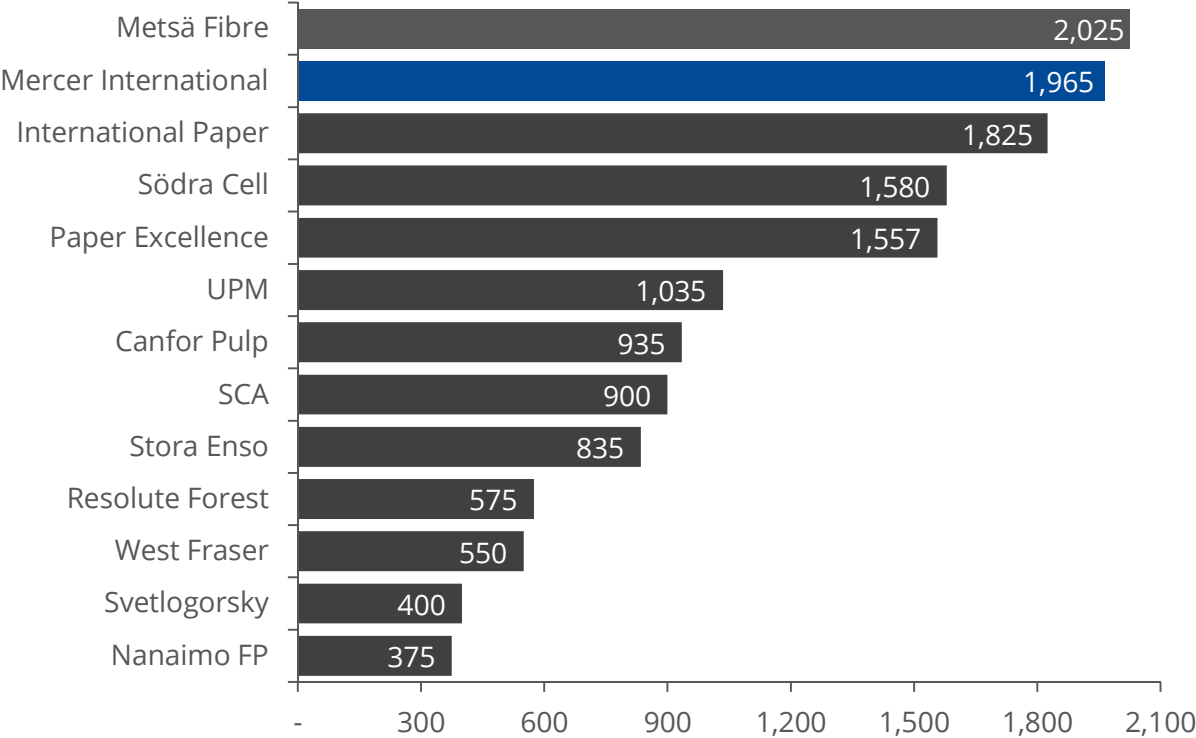


1) Q2 2022 LTM excludes energy sales from 50% owned Cariboo mill
 2) Wood products includes wood residual sales

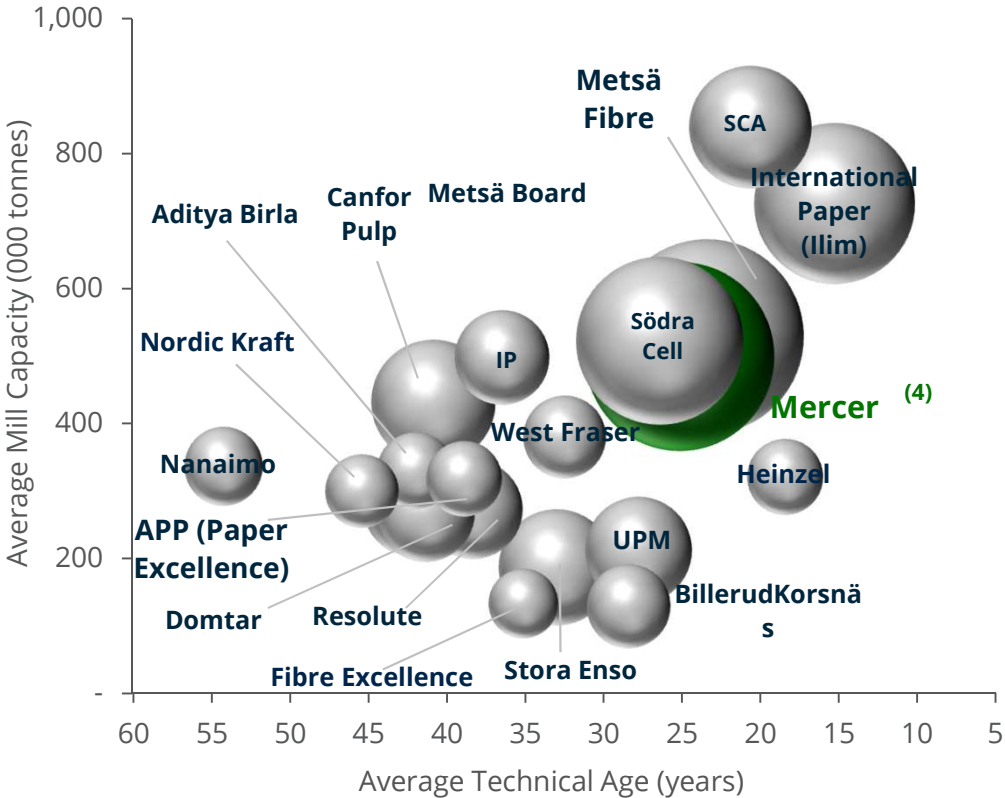
World-class Assets and Innovation

- One of the largest producers 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⁾



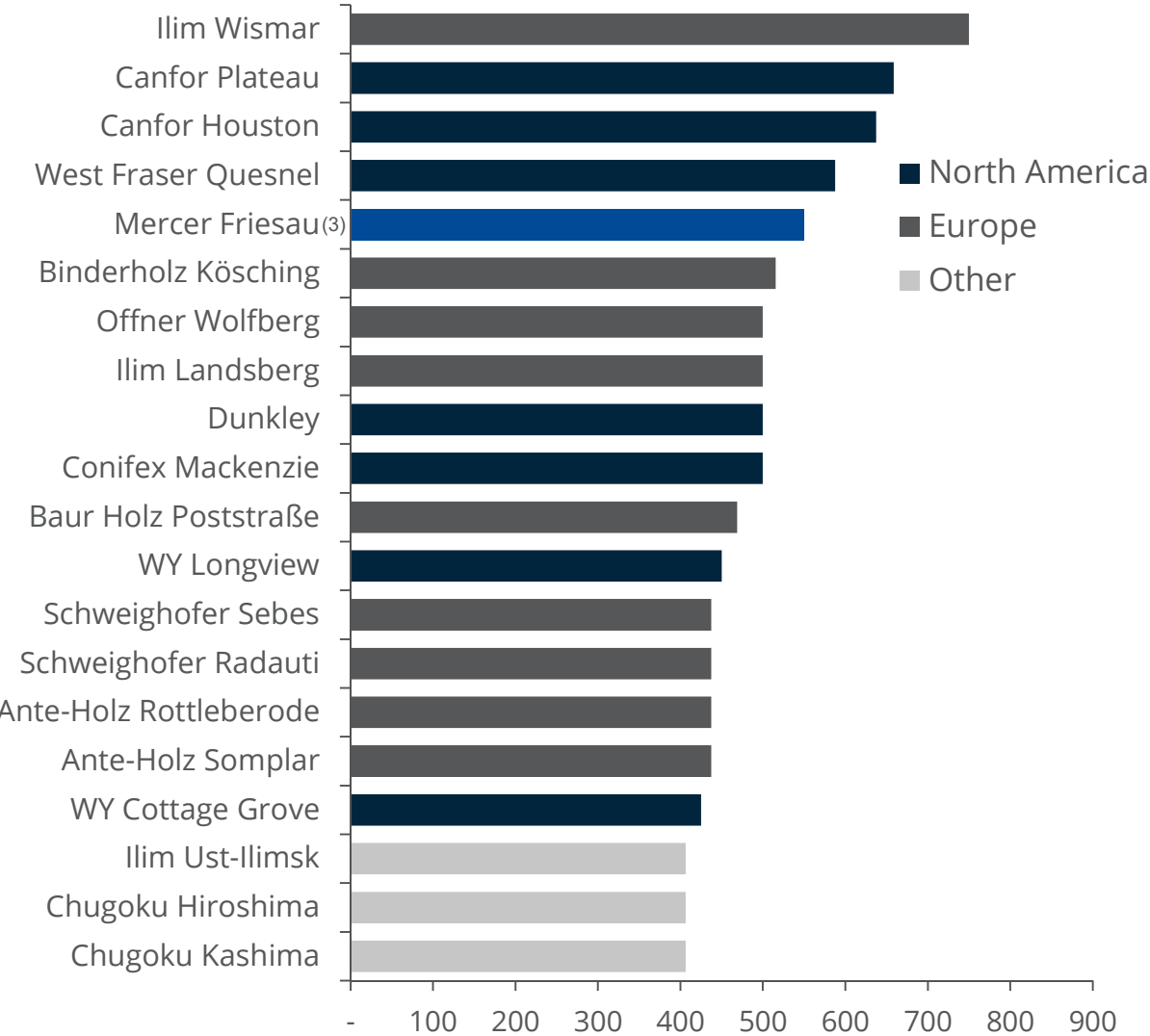
NBSK Producer Competitiveness ⁽²⁾⁽³⁾



1) Capacity for non-Mercer mills sourced from Brian McClay as at July 2022
 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

World-class Assets and Innovation

Top 20 Softwood Sawmills (MMfbm) ⁽¹⁾⁽²⁾



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



Mercer Timber Products

- Unique flexibility to produce metric and US dimension grades, green, rough and kiln-dried for all major world markets
- Competitive shipping channels to Europe, US East and Gulf coasts, and Japan

World-class Assets and Innovation

Mercer Mass Timber (MMT)

The near-new state-of-the-art 253,000 sq. ft. **cross-laminated timber (CLT) facility** in Spokane, WA, is equipped with extensive automation technologies including one of the largest CLT presses in the world.



Design Precision: High-precision manufacturing for specific end-use applications with little to no job site waste – MMT can manufacture more than 140,000 cubic metres of CLT per year – more than 1/4 of total North American capacity.



Prefabrication and Assembly: Rapid assembly and construction improves efficiency and results in lower capital costs, including reduced demand for skilled workers, and faster occupancy.



Eco-Living: Construction timber made of sustainably sourced renewable wood, sequesters carbon, at a lower carbon intensity than steel and concrete alternatives.



Concrete of the future: Code-compliant construction materials for residential, commercial, and industrial buildings. 5x lighter than concrete – lower foundation costs, easier transportation to site, and rapid prefabricated assembly.

World-class Assets and Innovation

Bioenergy & Biomaterials

The world is transitioning away from a dependence on fossil fuel-based products towards the incorporation of the infinite possibilities offered by bio-based products.

We believe that long-term, sustainable wood resources will have an important role to play in this evolution.



Sustainable, Green Energy: All our mills produce enough sustainable, green energy to not only heat and power our operations but to provide excess electricity to utilities looking to move away from fossil fuel-based energy.



Bioelectricity: At Mercer, our process produces approximately 800 GWh of surplus power each year – enough to power 75,000 U.S. homes without fossil fuels.

Eco-Alternatives: We operate tall oil facilities at our Stendal and Rosenthal mills in Germany and sell to customers who utilize the 100% renewable resource as an alternative to petroleum-based fuels.



Turpentine: Sustainable extractive from our kraft mill processes is indispensable as a raw material for the chemical industry.

Sandalwood Oil: 2,500 ha of sustainable, ethical, and reliable Australian grown Indian Santalum Album oil plantations and a processing facility.

Cellulose Filaments: Through our joint-venture company, Performance BioFilaments, - reinforcement agent or rheology modifier.

Torgau Acquisition

- Integrated sawmill and value-add pallet production facility in Torgau, Germany
- Key products include lumber and wood pallets, biofuels, and energy
- €270 million (\$~275.4 million) purchase price, inclusive of forecasted net working capital of ~€43 million (~\$43.9 million)
- Transaction is anticipated to close in Q3 or early Q4, 2022



Torgau Product Portfolio



Sawn Timber Products:
410 MMfbm capacity



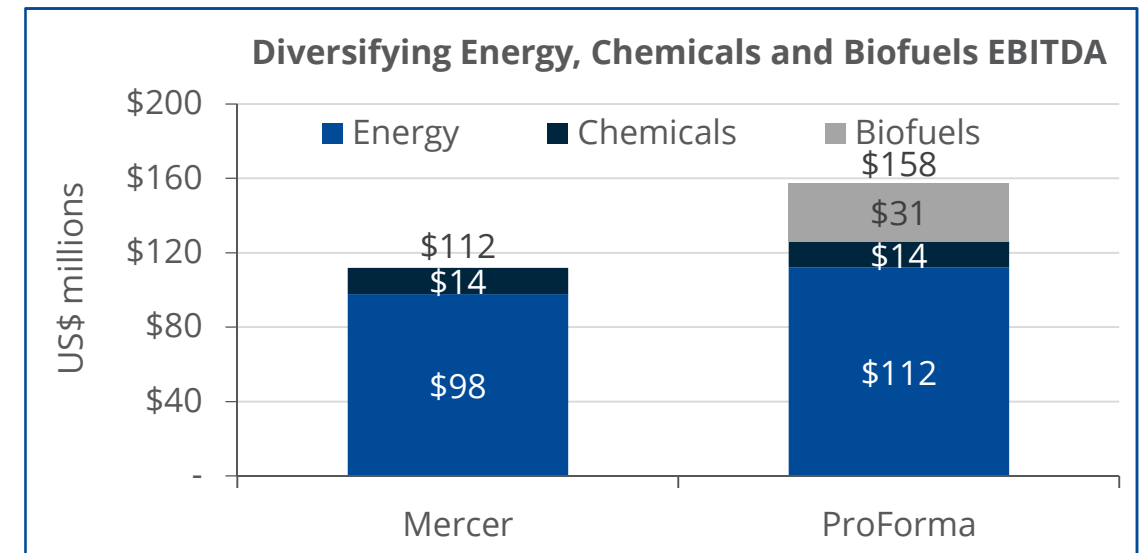
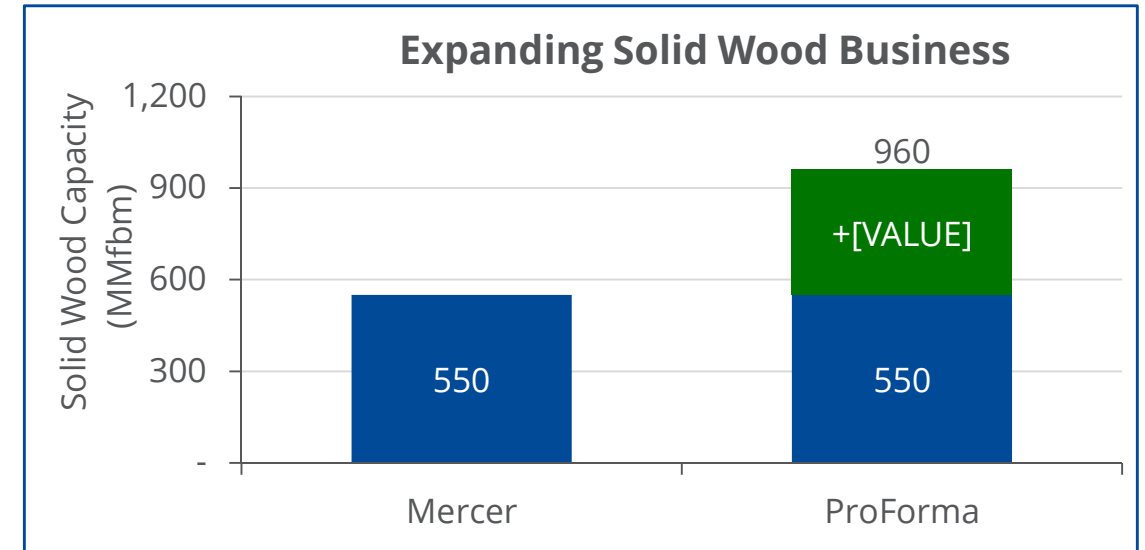
Pallets: The largest producer of EPAL pallets in the world; 17 million pallets annually



Pellets & Briquettes ("Biofuels"): 150,000 tonnes of pellets, 85,000 tonnes of briquettes



Bio-Electricity: 90 GWh of green electricity



Torgau Strategic Highlights



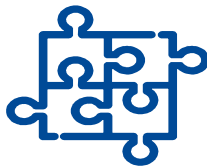
Grows sawn timber capacity by ~75% to 960 MMfbm and electricity generation capacity by ~15 MW



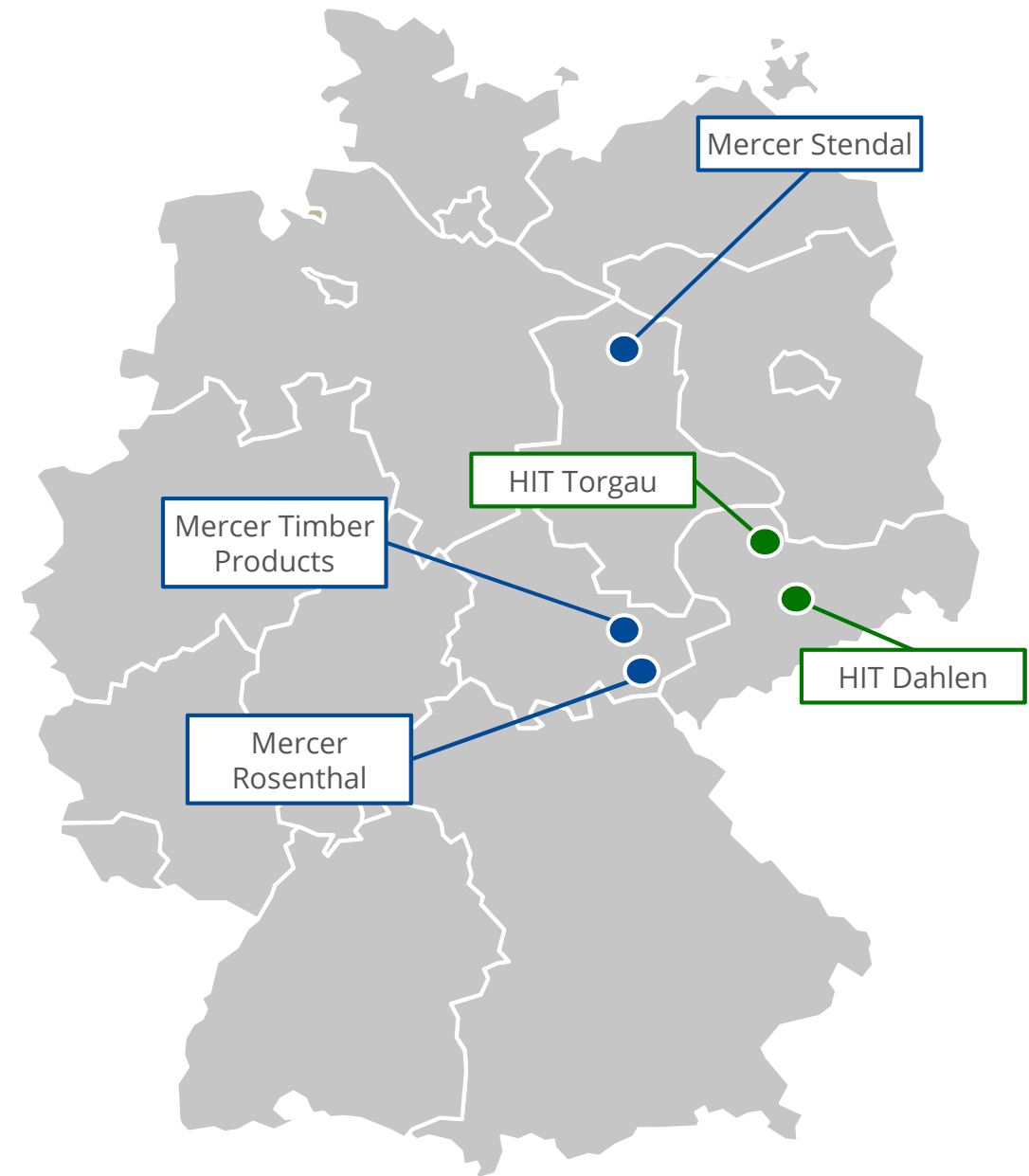
Diversify Mercer's product mix with the introduction of pallets and biofuels



Attractive entry point into pallet production via the world's largest producer of EPAL pallets



Integrated operations will provide \$16 million of synergies to our existing German operations



Torgau Financial Highlights

- Consideration of €270 million (\$~275.4 million), inclusive of forecasted net working capital of ~€43 million (~\$43.9 million)
- To be funded using our existing cash on hand and/or our revolving credit facilities
- HIT generated Net Income of €31 million and Adjusted EBITDA⁽¹⁾ of €68 million in 2021 and Net Income of €12 Million and Adjusted EBITDA of €22 million ⁽²⁾ in Q1, 2022

2021 Revenue Breakdown	€mm	%
Pallets	€169	69%
Biofuels	€27	12%
Electricity	€12	5%
Other Lumber / Wood / Milled Products	€17	7%
Total Revenue	€227 ⁽³⁾	100%
EV / 2021 Adjusted EBITDA (x)		
Base	3.9x	
Base + Synergies	3.2x	

1) Adjusted EBITDA is a non-GAAP measure. For a Reconciliation of Net Income (Loss) to Adjusted EBITDA, please refer to slide 26

2) Reported pursuant to German GAAP based on materials as prepared by HIT.

3) Includes revenue from non-operating activities.

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 mills
- Sawmill modernization and optimization
- Power plants and extractive plant construction

3 Continuous Improvement

- Forest waste material recovery
- Pulp and lumber wood yield improvements
- Extractives capacity expansion
- Energy efficiency
- GHG emission and chemical use reductions

Prudent, Agile Capital Structure

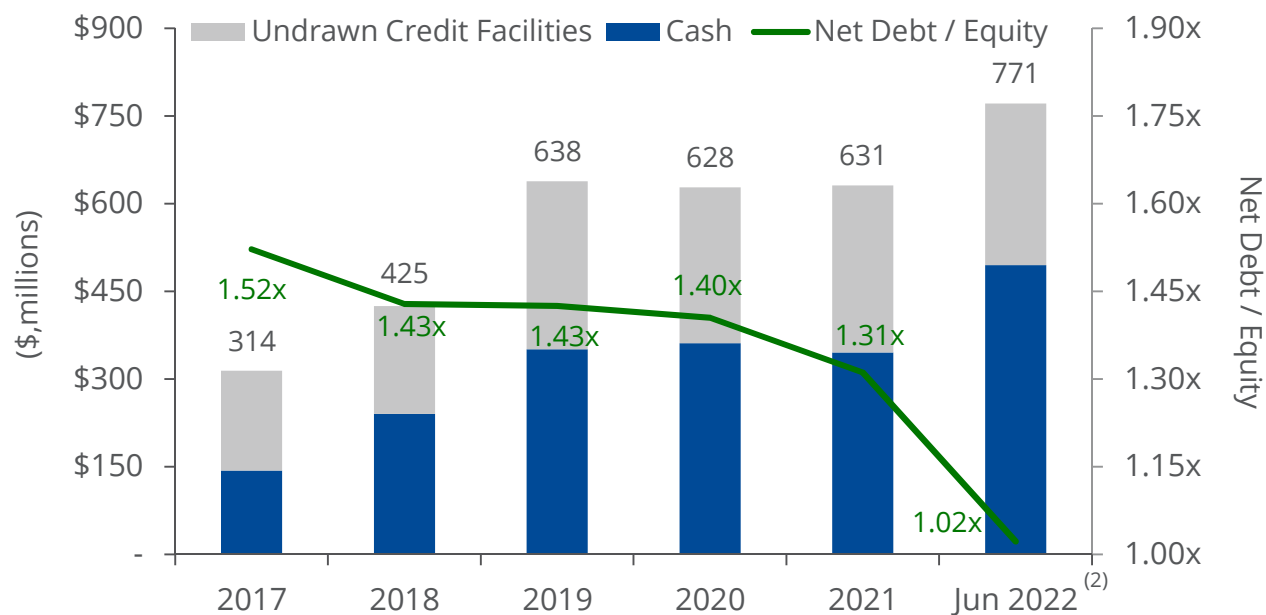
Liquidity is managed to the global economic conditions:

- 2016-2018: Tighter liquidity during stronger economic conditions and expansion period for Mercer
- 2019-2022 Higher liquidity to protect against global economic weakness and to allow Mercer to advance key strategic initiatives such as capex and acquisitions uninterrupted

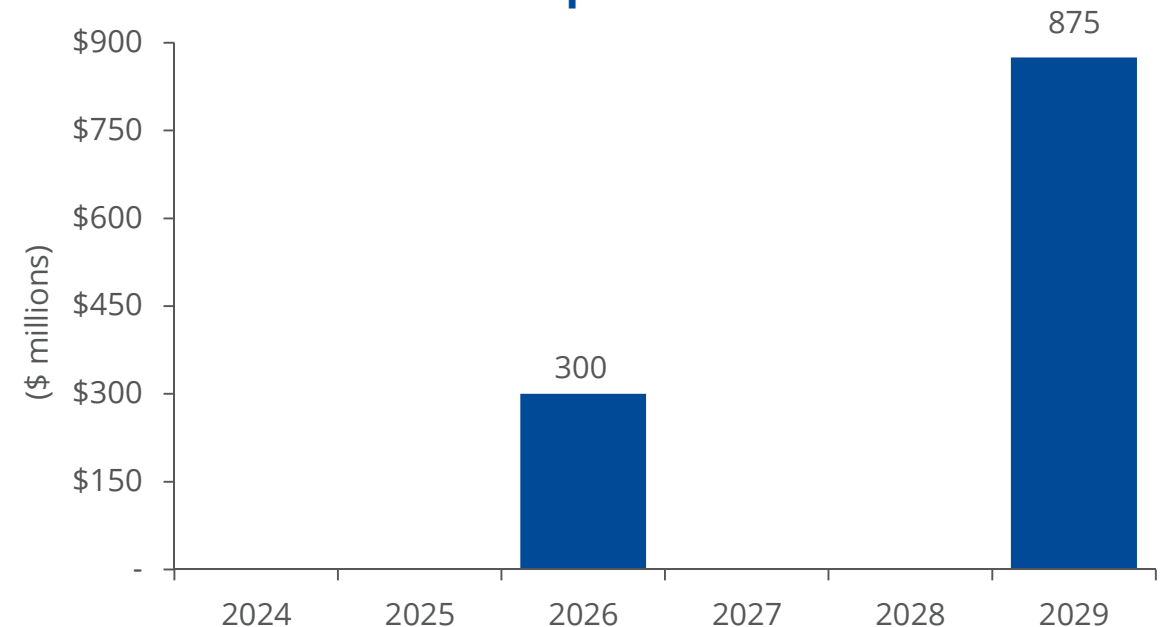
Debt composition is optimized when opportunistic:

- 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



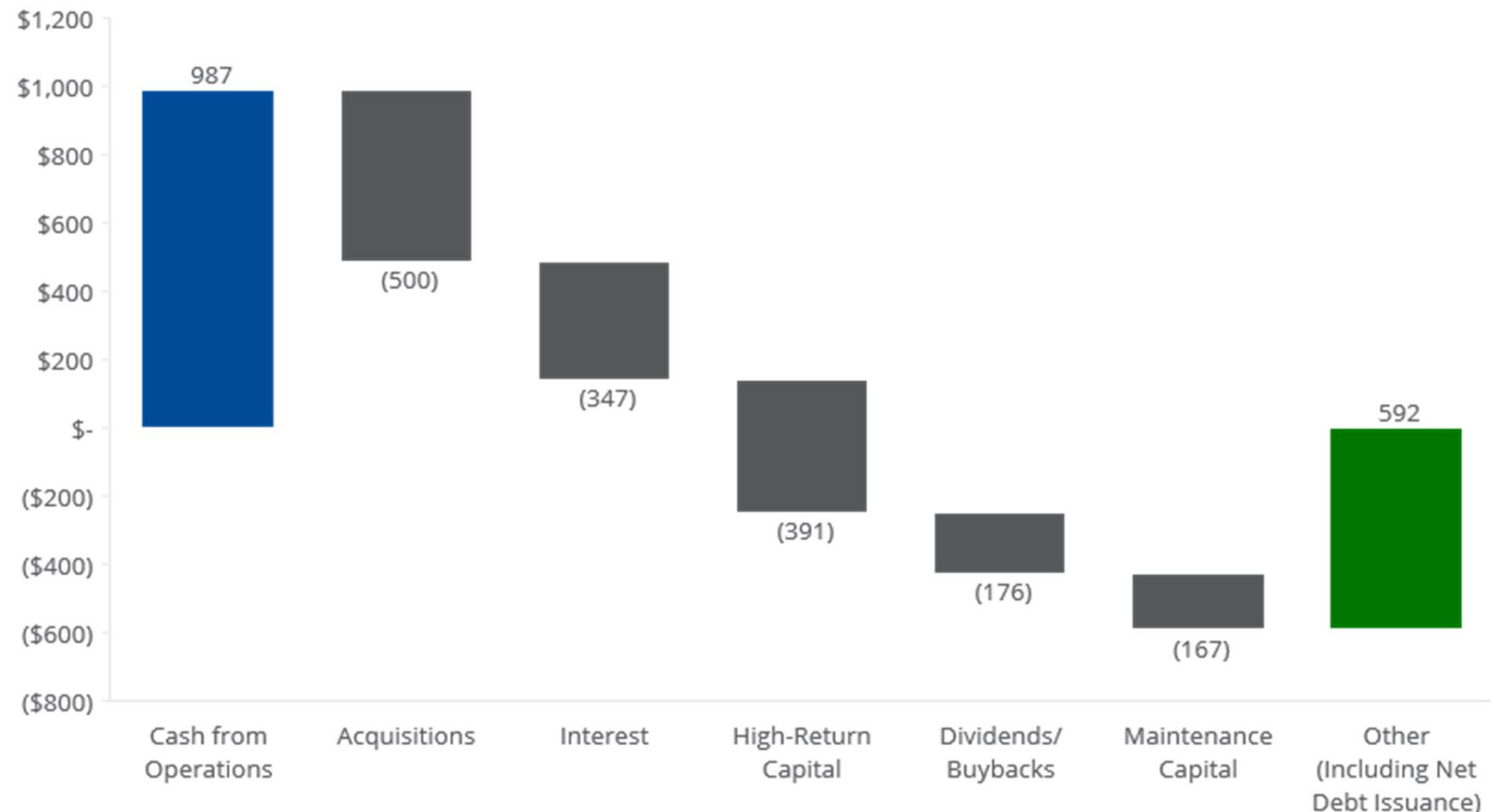
1) Liquidity calculated as total cash and cash equivalents and combined availability under revolving credit facilities
 2) Cash includes a \$75.0 million term deposit, purchased on April 4, 2022, which matures on October 4, 2022.

Balanced Capital Allocation

Capital allocation is balanced and consistent with the strategy:

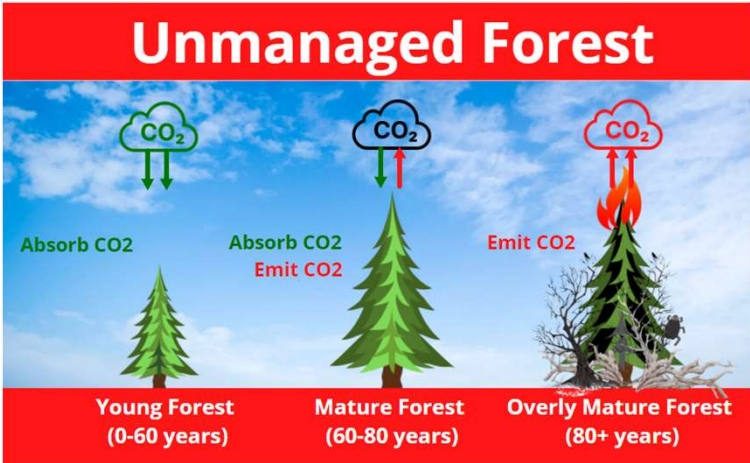
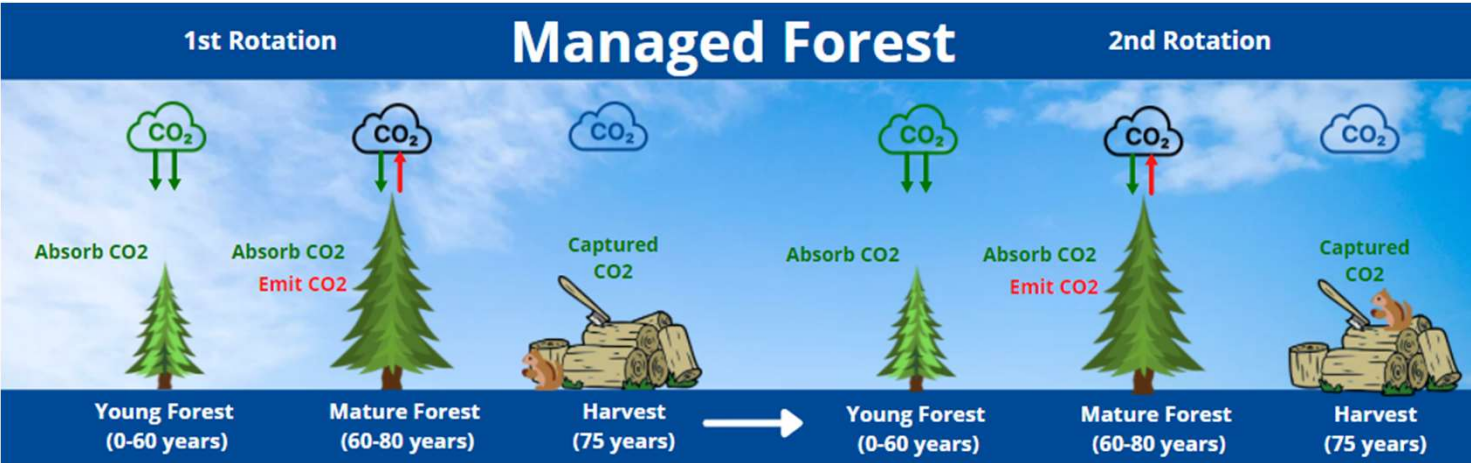
- Maintenance of Business ⁽¹⁾ capital expenditures to maintain modern, efficient and reliable mills.
- Growing the Company through acquisitions and high-return capital expenditures.
- Commitment to returning capital to shareholders through a material dividend.
- Accumulation of or reduction to cash in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

Cumulative Capital Allocation
2016-2021 (in \$millions)



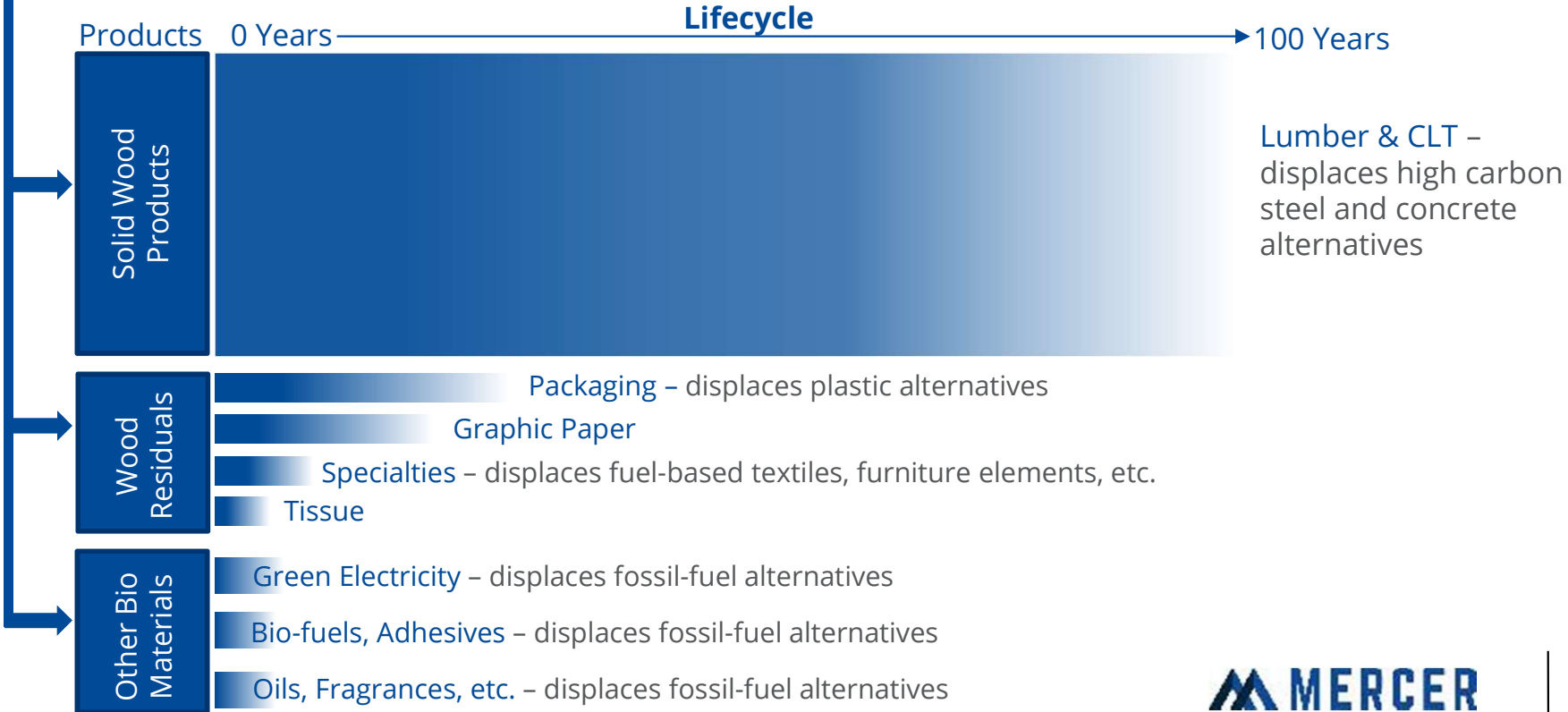
1) Maintenance of Business is a term broadly referencing the base capital required to continuously use facilities and equipment, in their designed capacity and efficiency, for their intended purpose

Carbon Considerations



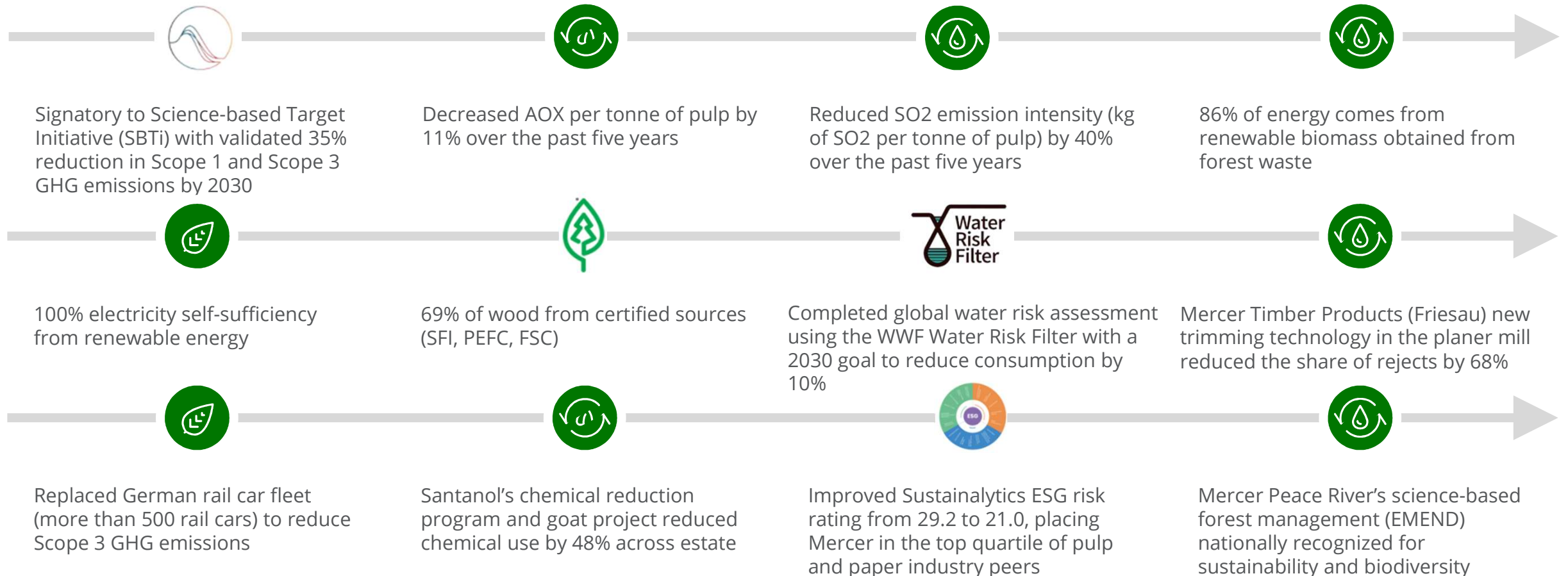
VS

- Sustainably Managed Forests:**
- Protect against catastrophic carbon emissions (fire, insects, etc.)
 - Sequester carbon in wood products
 - Displace carbon-emitting alternatives



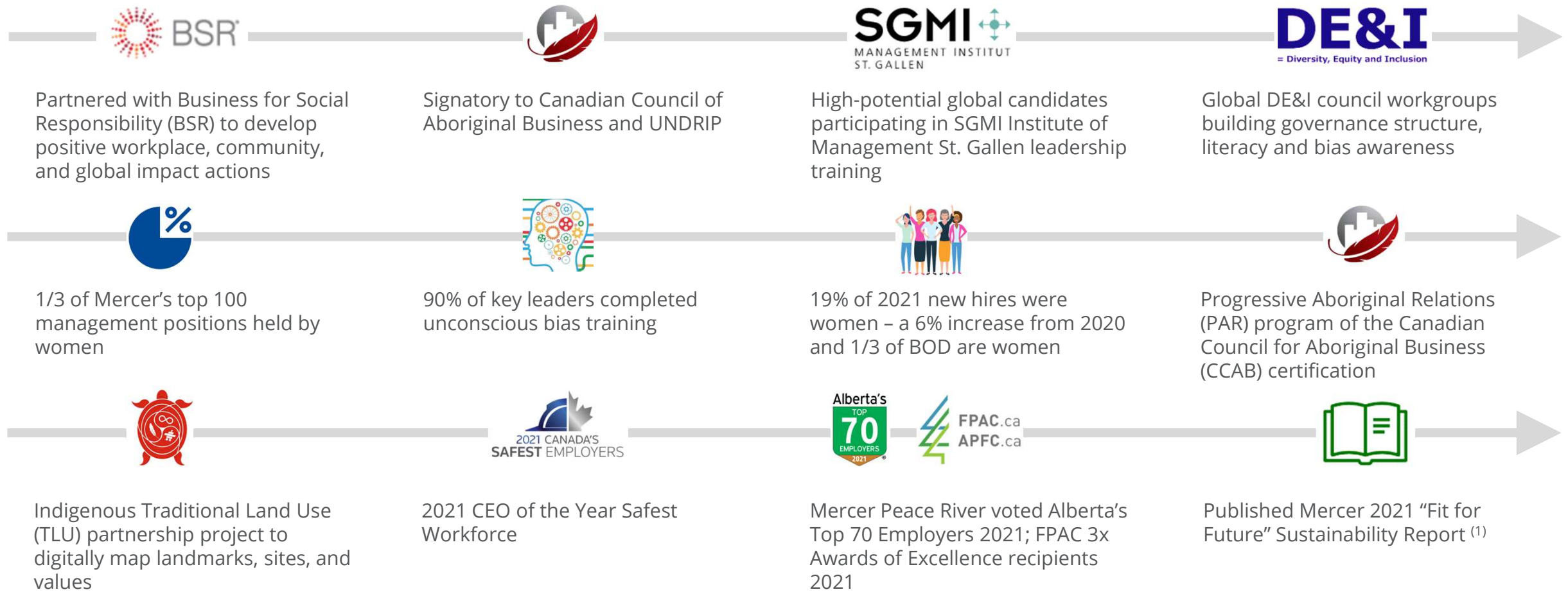
Environmental Responsibility

**Modern assets and innovation makes our processes sustainable.
A continuous improvement culture keeps us advancing.**



Social Responsibility

Embracing social responsibility means consciously upholding our commitments. That's the Mercer way.



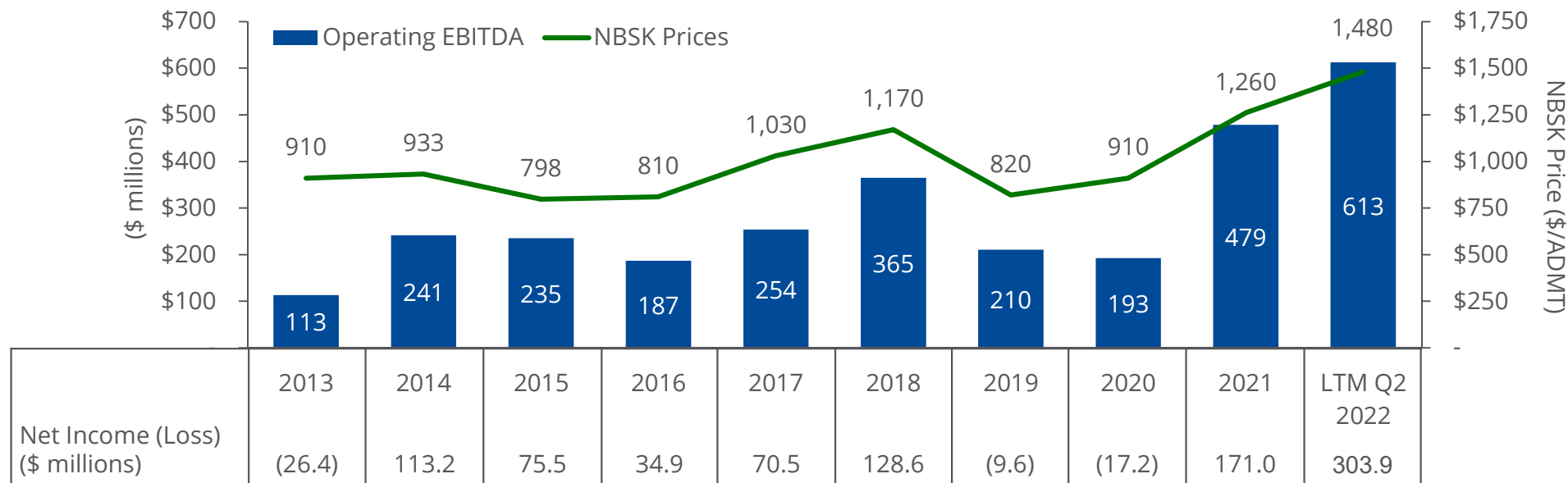
1) Mercer 2021 Sustainability Report: <https://online.fliphtml5.com/iixhm/brzh/>

Financial Performance

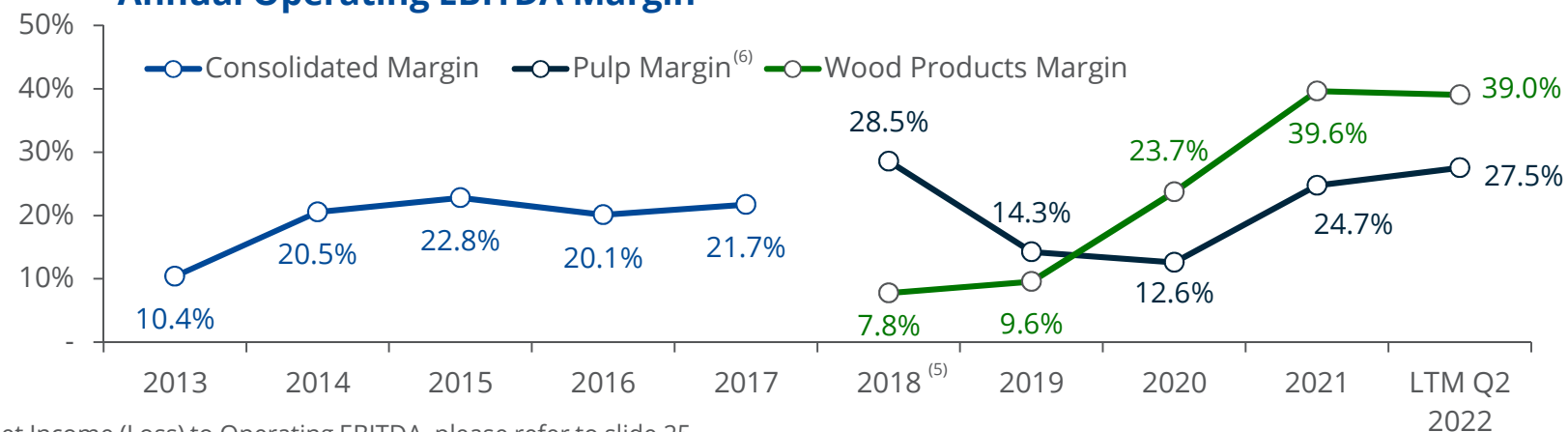
- Operating EBITDA ⁽¹⁾⁽²⁾ was historically influenced by global NBSK pricing, however:
- Green electricity revenues remain relatively fixed
- Wood products are a growing source of EBITDA; contributing \$123 million in 2021, \$139 million LTM

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

- Operating EBITDA is a non-GAAP measure. For a Reconciliation of Net Income (Loss) to Operating EBITDA, please refer to slide 25
- Operating EBITDA Margin is defined as Operating EBITDA divided by revenue
- Our reporting currency was the euro until October 1, 2013. Prior figures converted to USD at average FX rates in effect during the period
- Excludes unrealized MPR synergies and energy sales from 50% owned Cariboo mill, recorded as an equity investment
- Includes MPR results since acquisition on December 10, 2018
- Excludes corporate segment

Current Market Conditions

Pulp: Near-Term		Pulp: Mid-Term	
No material new near-term NBSK capacity		Steady demand growth, principally from the increasing middle class of emerging economies, will support demand for graphics papers, packaging, hygiene, and specialty paper products	
New hardwood capacity from South America is targeted to textiles or matching demand growth		New environmental policies in Asia are limiting the availability and quality of recycled fiber	
Recent closure of high-cost NBSK mills (APP/PE) and more frequent unplanned maintenance		Growing demand for wood fibers for textiles as an alternative for higher environmental impact cotton and polyesters	
Shipping constraints limiting some pulp producers to local markets; extreme transportation bottlenecks - particularly in Western Canada		Growing demand for wood fiber-based packaging solutions to displace highly polluting plastic products	
Lumber & Mass Timber Products: Near-Term		Lumber & Mass Timber Products: Mid-Term	
Extreme transportation bottlenecks, particularly in Western Canada; rising construction costs		Historically low and old housing inventory, highest demographic of 30-35 year olds in US history	
Cross-laminated timber demand growth exceeding 30% CAGR		Falling lumber supply from Canada due to annual cut reductions due to insect infestations, forest fires, and old growth protection measures	
		Demand for low-carbon building solutions displacing concrete and steel construction	
Green Energy: Near-Term		Green Energy: Mid-Term	
Regional shortages of natural gas have doubled electricity prices in central Europe in recent months due to conflict in Ukraine; benefitting net producers like Mercer		Western economies are winding down fossil fuel and nuclear-based electricity generation in favor of solar and bio-fuel derived power like that from Mercer	
		Electrification of economies will continue to drive electricity demand growth	

Investment Highlights

**Compelling
Carbon-forward
Products**

**Sustainable,
Long-term
Growth**



Management committed to growth in spaces where we have core competencies



Prudent and agile balance sheet discipline, commitment to the dividend



Commitment to sustainability in 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)	2017	2018 ⁽¹⁾⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾	2021 ⁽²⁾	Q2 2022 LTM ⁽²⁾
Net Income (Loss) Attributable to Common Shareholders	70.5	128.6	(9.6)	(17.2)	171.0	303.9
Add: Income Tax Provision (Benefit)	33.5	48.7	19.2	6.1	89.6	134.6
Add: Interest Expense	54.8	51.5	75.8	80.7	70.0	68.7
Add: Loss on Extinguishment of Debt	10.7	21.5	4.8	-	30.4	-
Add: Other Expense (Income)	(0.9)	17.6	(6.1)	(5.9)	(14.4)	(27.1)
Operating Income	168.6	267.9	84.0	63.7	346.6	480.1
Add: Depreciation and Amortization	85.3	96.7	126.4	128.9	132.2	132.4
Operating EBITDA	253.8	364.6	210.4	192.7	478.8	612.5
Segmented (US\$ millions)	Pulp + Corporate		Wood Products			
	Q2 2021	Q2 2022	Q2 2021	Q2 2022		
Operating Income	9.5	68.2	42.3	45.9		
Add: Depreciation and Amortization	28.2	27.8	3.7	3.2		
Operating EBITDA	37.7	96.0	46.1	49.1		

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

Reconciling Net Income (Loss) to Adjusted EBITDA - Torgau

	2021 ⁽¹⁾⁽²⁾	Three Months ended March 31 2022 ⁽¹⁾⁽³⁾
Net Income	\$ 37	\$ 14
Add: Taxes	12	6
Add: Interest	4	1
Add: Depreciation and amortization	23	4
Add: Non-Recurring Items ⁽⁴⁾	5	-
Adjusted EBITDA	\$ 81	\$ 25

- 1) Reported pursuant to German GAAP based on materials as prepared by HIT.
- 2) Euros converted to U.S. dollars at a rate of 1.1830, being the annual average rate on December 31, 2021.
- 3) Euros converted to U.S. dollars at a rate of 1.1216, being the year-to-date average rate on March 31, 2022.
- 4) Primarily relates to a litigation settlement and certain other non-recurring amounts related to prior refinancing activities.

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.



*Image sourced from Wood Resources International

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

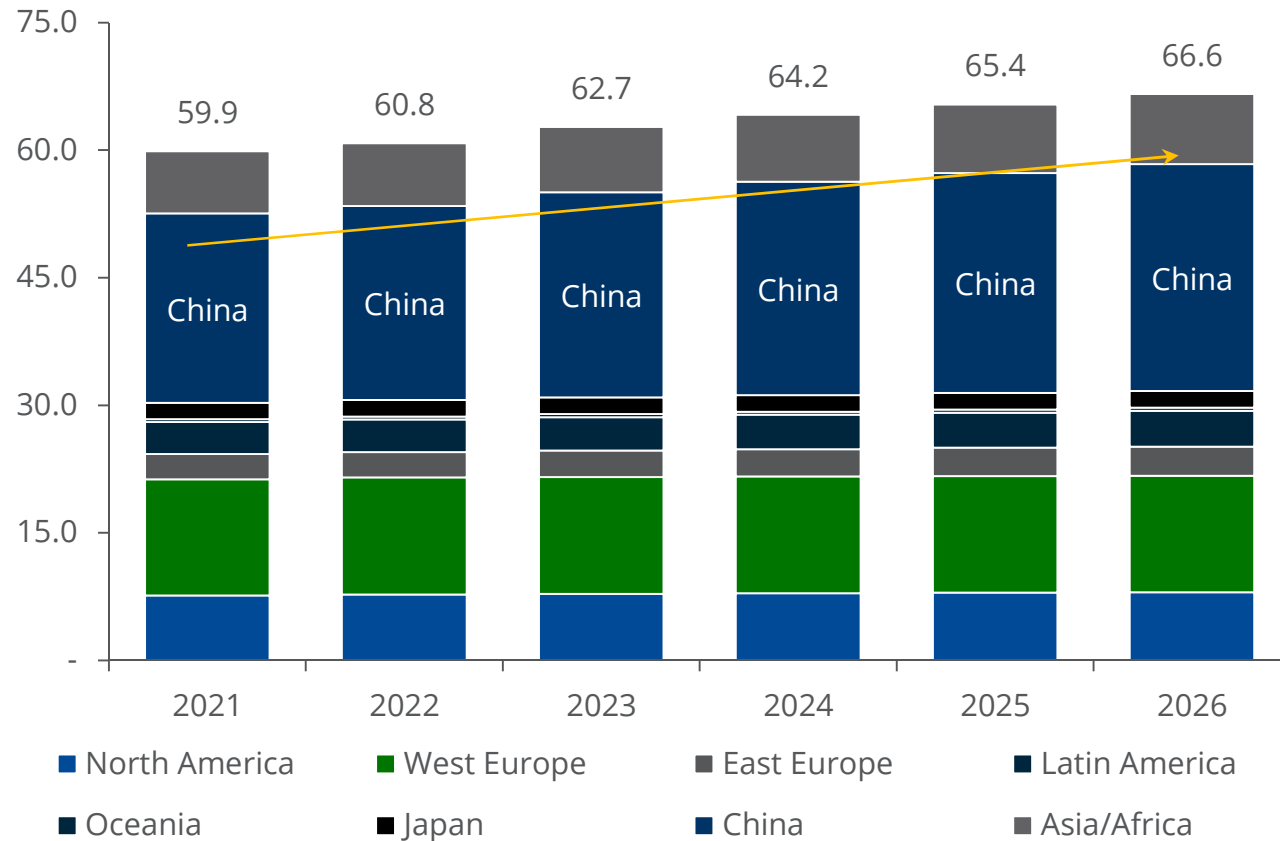
Radiata,
SBSK – 15%
10M tonnes

NBSK – 23%
16M tonnes

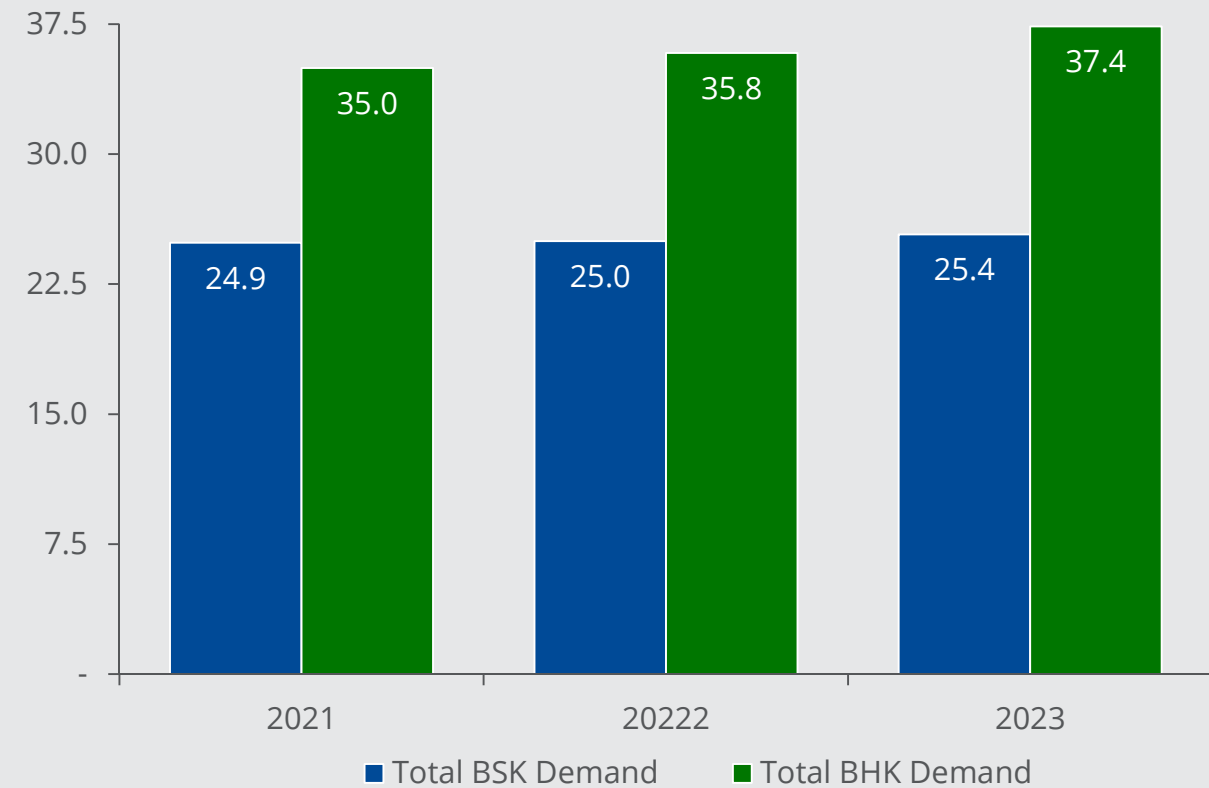
1) Source: Hawkins Wright (August 2021) for 2020E

Global Bleached Kraft Pulp Market (1)

Global Bleached Kraft Pulp Demand (millions of tonnes)



Global Bleached Kraft Pulp Demand (millions of tonnes)



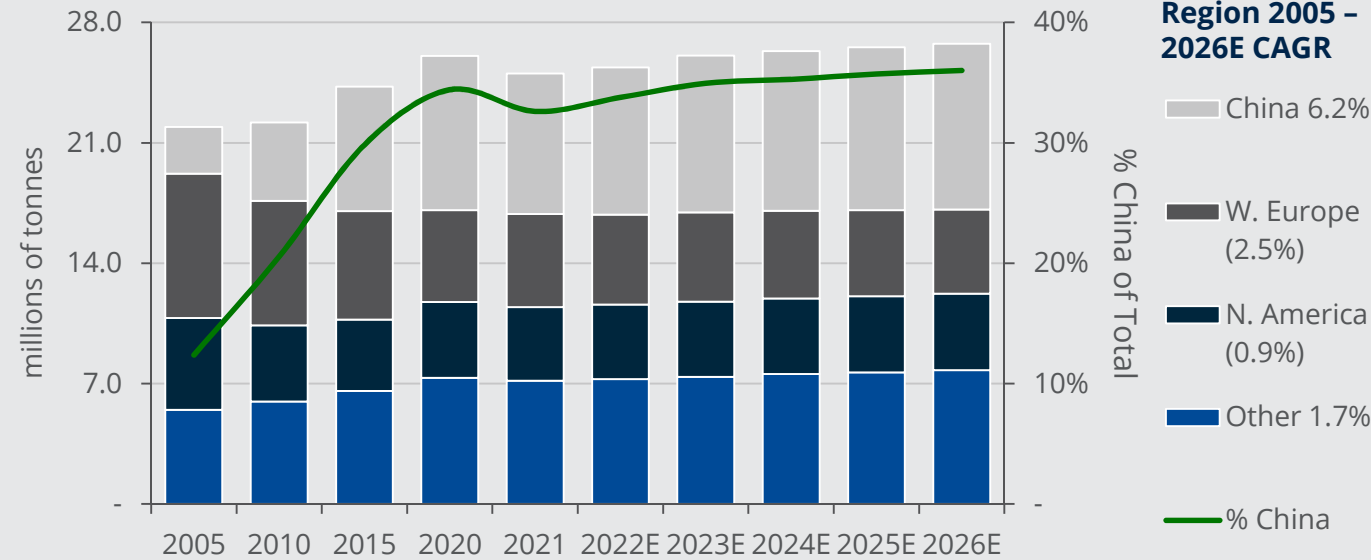
1) Source: Hawkins Wright – Outlook for Market Pulp (April 2022)

NBSK Demand Drivers

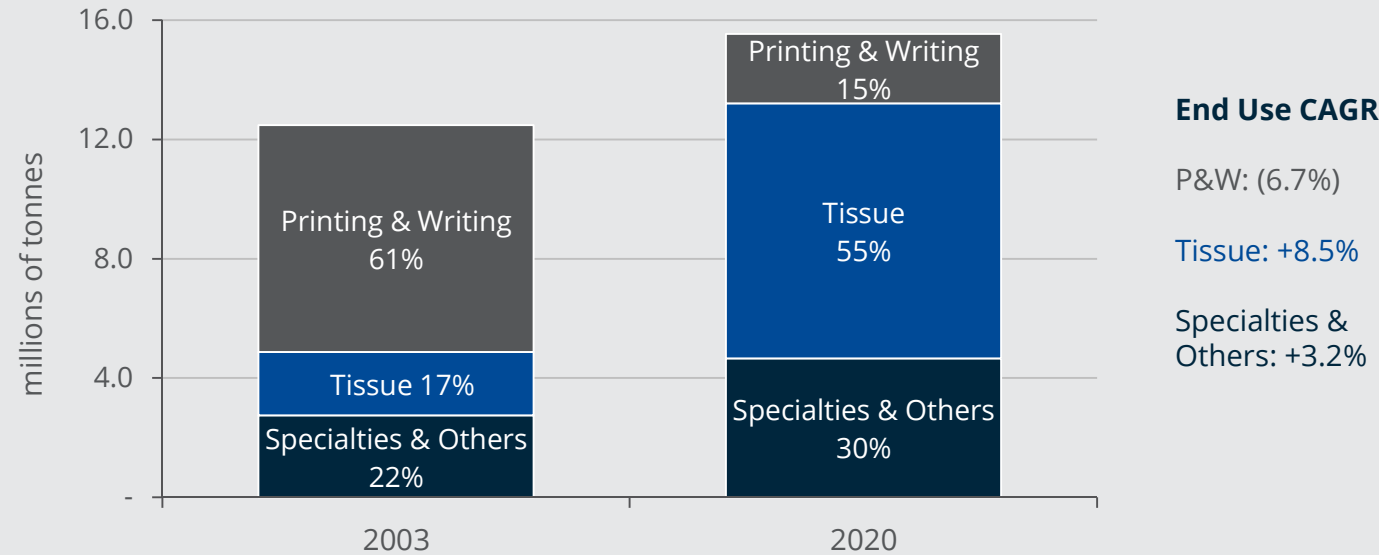
NBSK Demand Changes

- 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 BSK demand was ~0.5% between 2015 and 2021, or an average of ~125 thousand tonnes per year ⁽¹⁾

Global BSK Demand by Region ⁽¹⁾

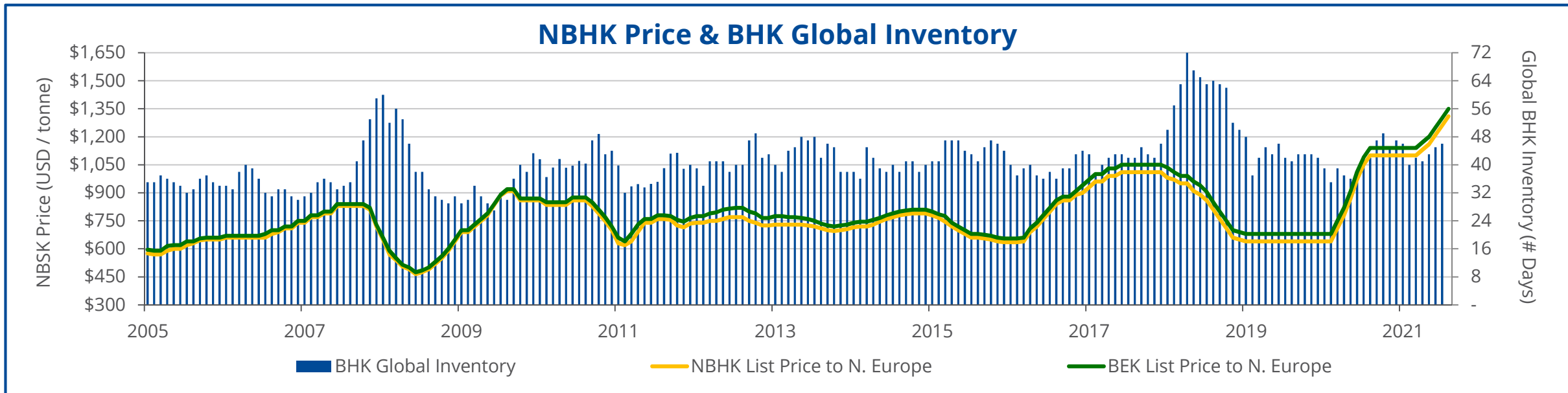
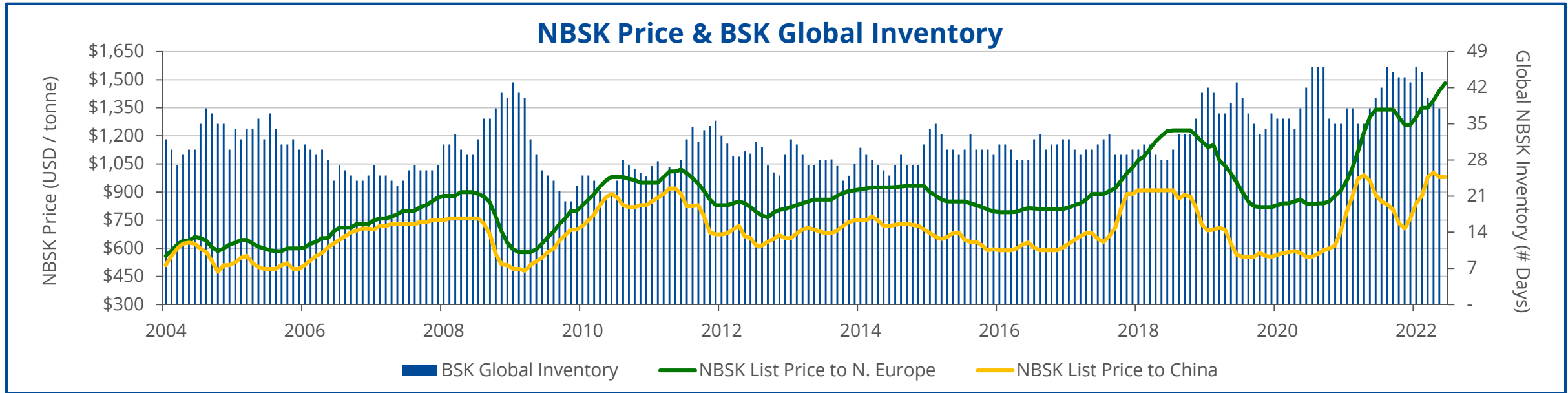


NBSK Demand by End Use ⁽¹⁾⁽²⁾



1) Source: PPPC (June 2022, November 2021, September 2020, February 2016, April 2006) for BSK Demand
 2) Source: Brian McClay (January 2022) for current NBSK End Uses; PPPC (November 2021) for 2020 Demand Forecast

Historical Market Conditions

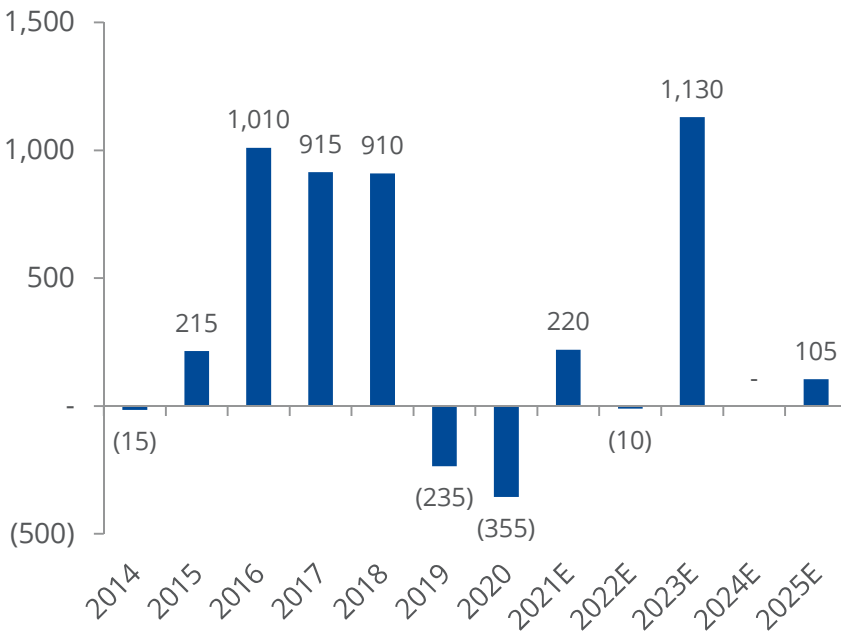


Pulp Capacity Changes

NBSK

- After a period of considerable capacity expansion in Scandinavia from 2016-2018, forecasted new capacity minimal until 2023

NBSK Market Pulp Net Capacity Changes (000's tonnes) ⁽¹⁾



Hardwood

- Eucalyptus capacity is set to grow over 6 million tonnes in the next few years

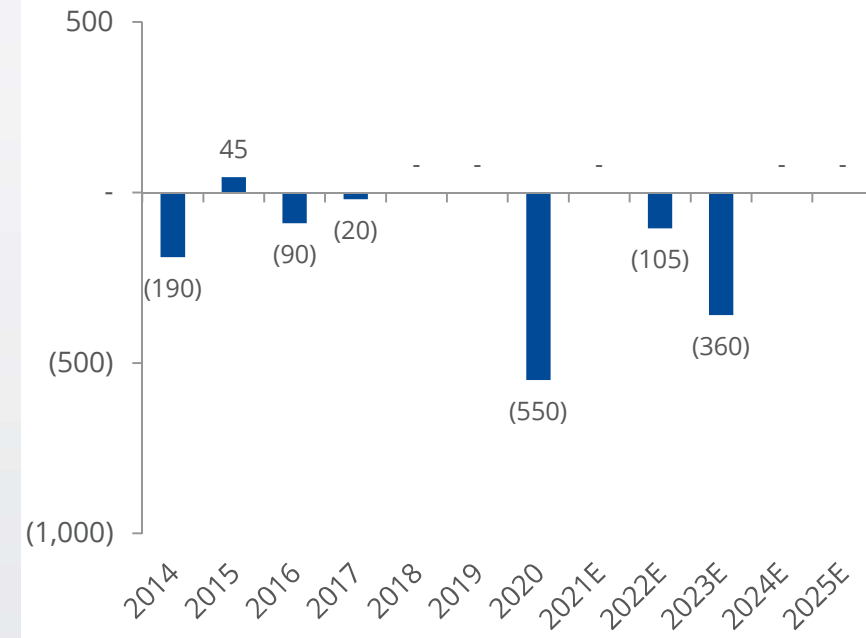
Hardwood Market Pulp Net Capacity Changes (000's tonnes) ⁽¹⁾



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⁾

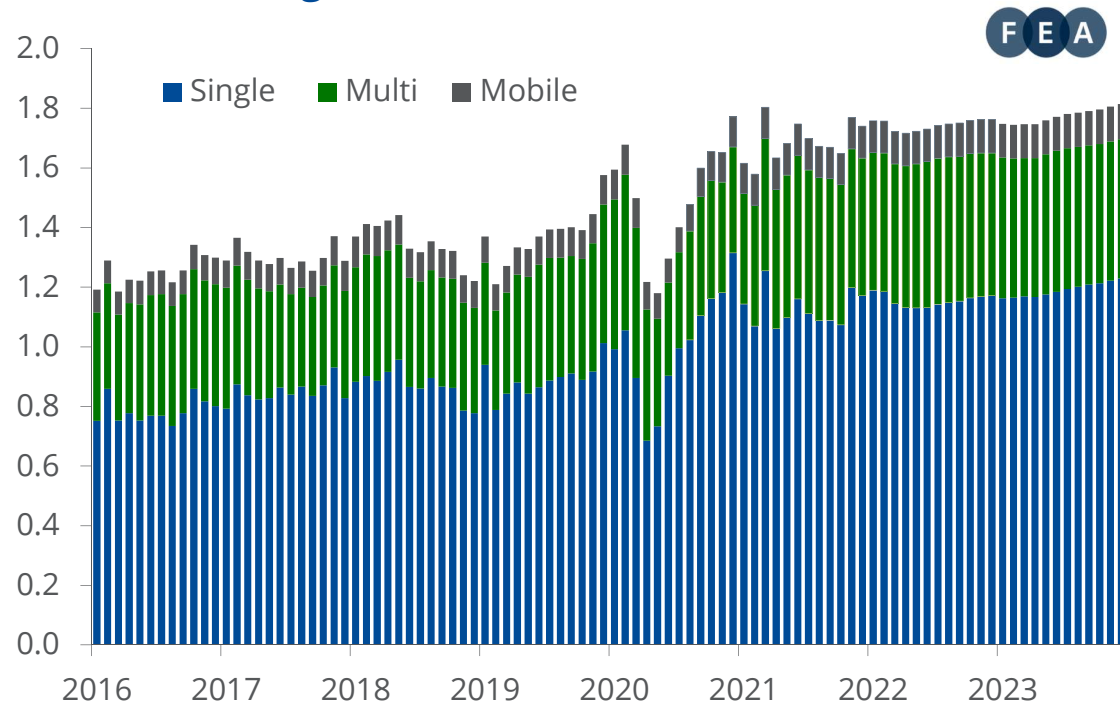


1) Source: PPPC (June 2022)

US Lumber Market – Demand Drivers (1)

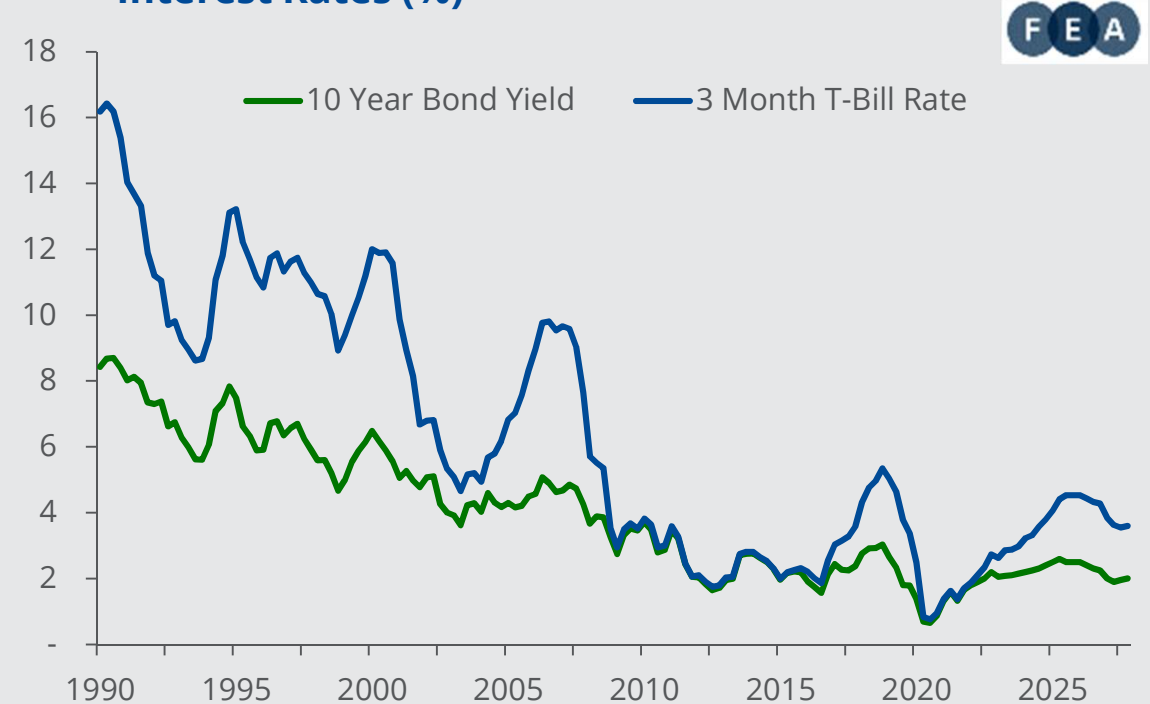
- Housing starts are rising and still well below historical average prior to the financial crisis

US Housing Starts (million units)



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

Interest Rates (%)

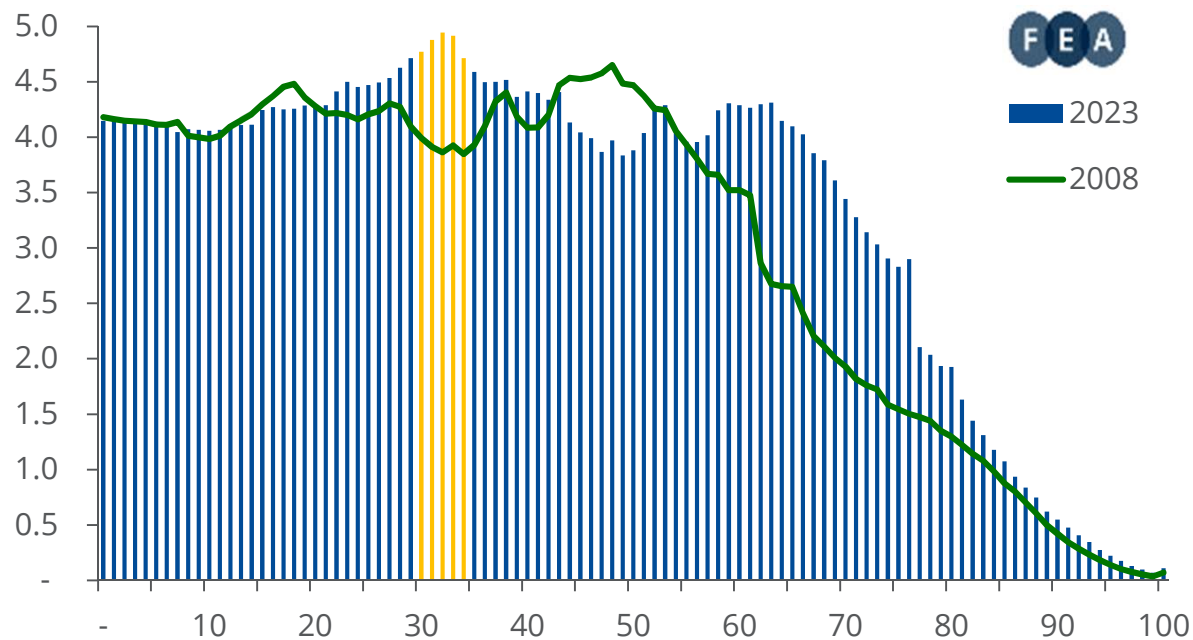


1) Source: Forest Economic Advisors

US Lumber Market – Demand Drivers (1)

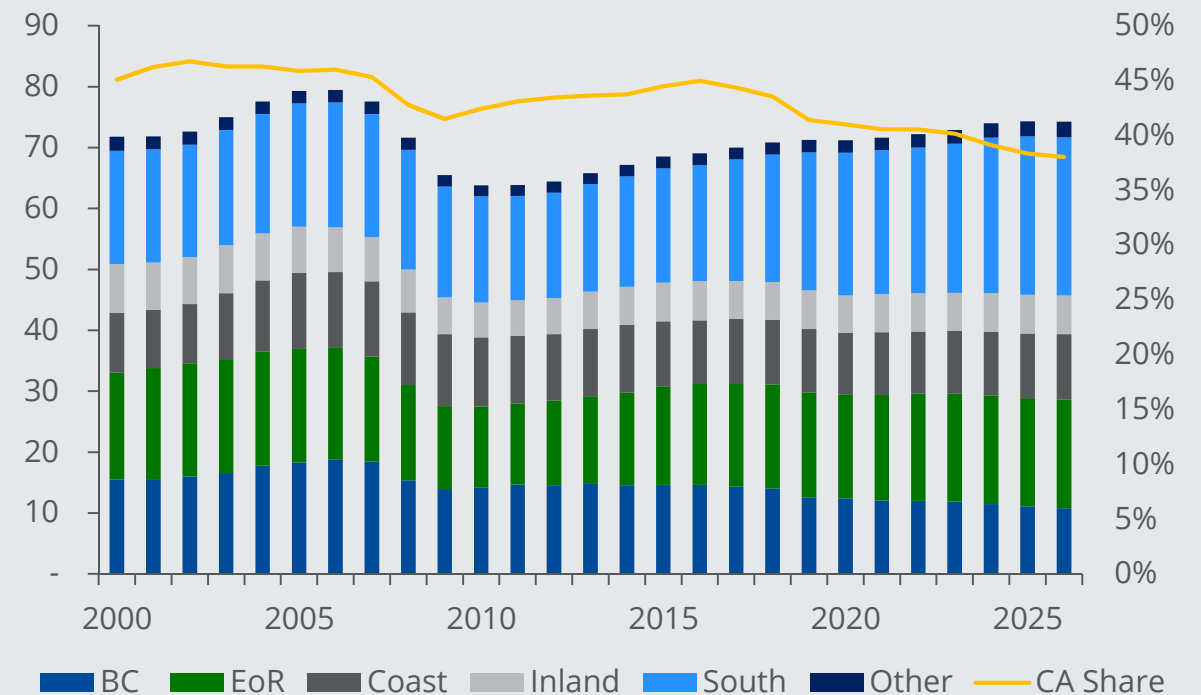
- The prime first-time home ownership demographic (30-35 year olds) is currently its highest in a generation

US Population by Age (in millions)



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

North American Lumber Capacity (BBF)



1) Source: Forest Economic Advisors

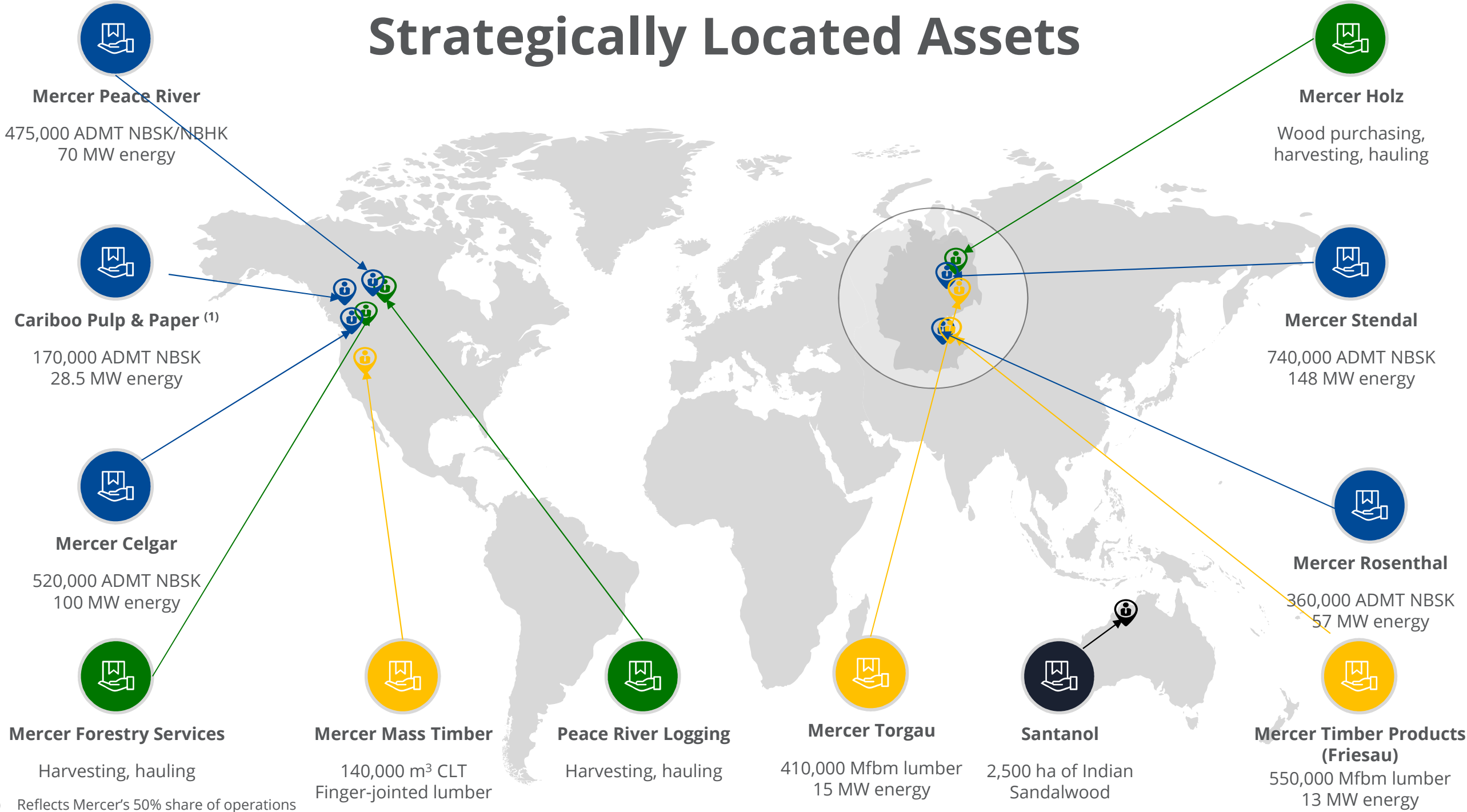
The background image shows a complex industrial facility, likely a paper mill, with various machines, pipes, and walkways. A large, curved yellow structure is prominent on the left. The entire scene is overlaid with a semi-transparent blue geometric pattern consisting of overlapping triangles and polygons. Centered over this pattern is the title text in white.

Appendix: Operations Overview



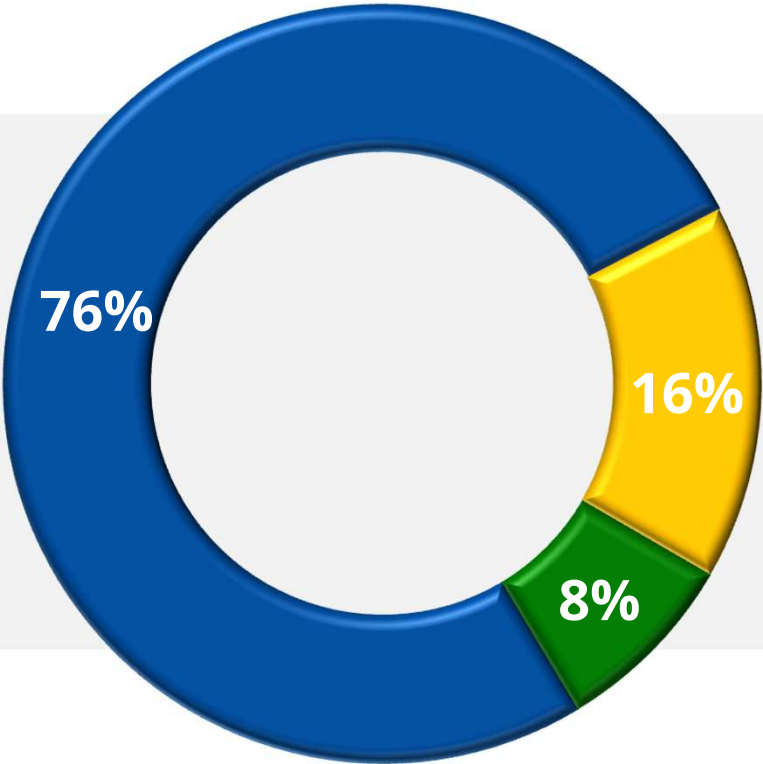
Sustainable. By Design.

Strategically Located Assets



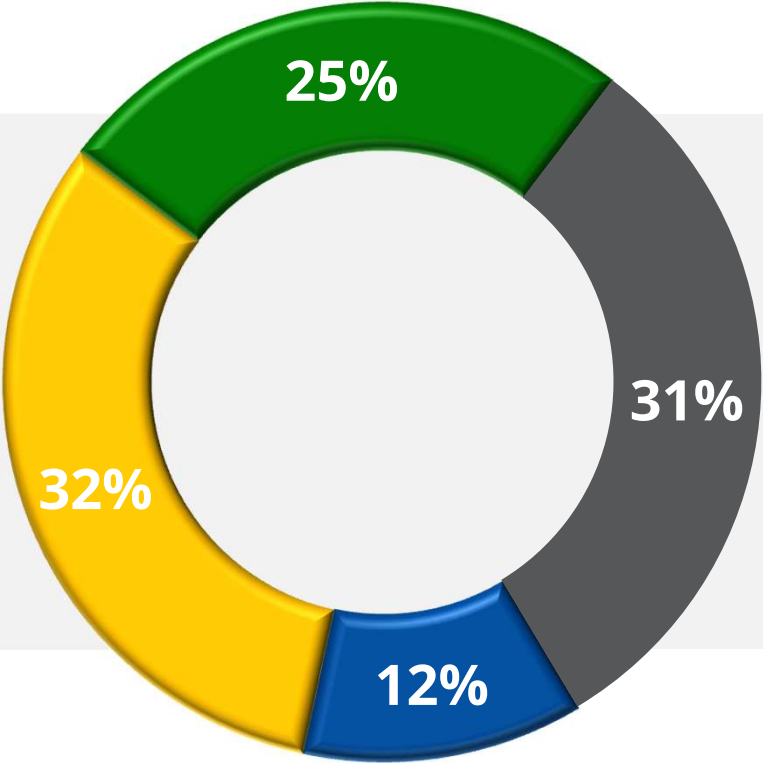
1) Reflects Mercer's 50% share of operations

Product Sales Mix (1)(2)



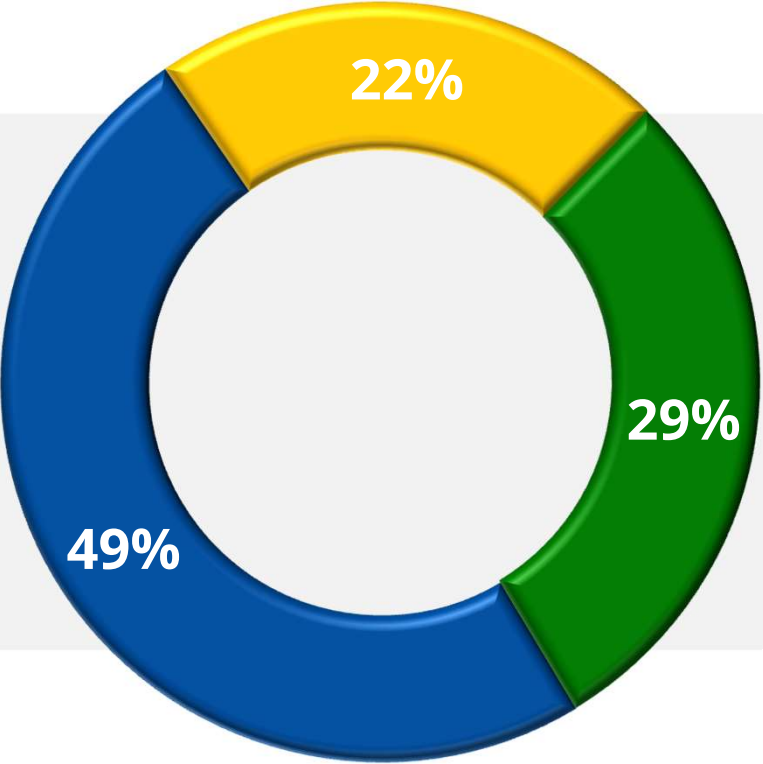
Products

● Pulp ● Lumber ● Energy / Bio-extractives



Pulp Segment

● US ● Germany ● China ● Other



Wood Products Segment (3)

● US ● Germany ● Other

1) Q2 2022 LTM by revenue
 2) Excludes energy sales from 50% owned Cariboo mill
 3) Includes wood residual sales

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
- **2021 green electricity sales:** \$5.4 million
- **2021 bio-extractives sales:** \$0.1 million

Key Features:

- Built in 1999 – modern and efficient
- Strategically located in central Europe, allowing customers to operate using a 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 2021, the mill sold 76,690 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
Rosenthal

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
- **2021 green electricity sales:** \$65.4 million
- **2021 bio-extractives sales:** \$7.1 million

Key Features:

- Completed in 2004, it's one of the newest and largest pulp mills in the world
- 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
- 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 2021, exported 464,695 MWh of green electricity
- Regularly setting new performance records
- 2021 expansion project increased mill capacity to 740,000 tonnes



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
- **2021 green electricity sales:** \$4.8 million
- **2021 bio-extractives sales:** \$0.06 million

Key Features:

- Modern and efficient
- Efficiency logistics to major markets
- Green Energy Project was completed in September 2010
- One of the largest biomass power plants in Canada
- In 2021, the mill sold 81,521 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:** 70 MW
- **Certification:** ISO 9001 and ISO 14001
- **2021 green electricity sales:** \$10.7 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 2021, the mill sold 79,065 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
- **2021 green electricity sales:** \$5.6 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)
- **2021 lumber sales:** \$293.2 million
- **2021 wood residuals sales:** \$6.4 million
- **2021 green electricity sales:** \$11.5 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 Torgau



- **Location:** Torgau, Germany (~115 km south of Berlin)
- **Lumber production capacity:** 410,000 Mfbm
- **Electricity generating capacity:** 15 MW
- **Pallet production capacity:** 17 million
- **2021 sales:** €227.1 million ⁽¹⁾

Key Features:

- Integrated sawmill and value-add pallet production facility
- ~150 km northeast of Rosenthal and Friesau
- Key products include lumber and wood pallets, biofuels, and energy
- Sawmill residuals used to produce heating pellets and briquettes, bark used to generate electricity and thermal energy
- World's largest producer of EPAL pallets

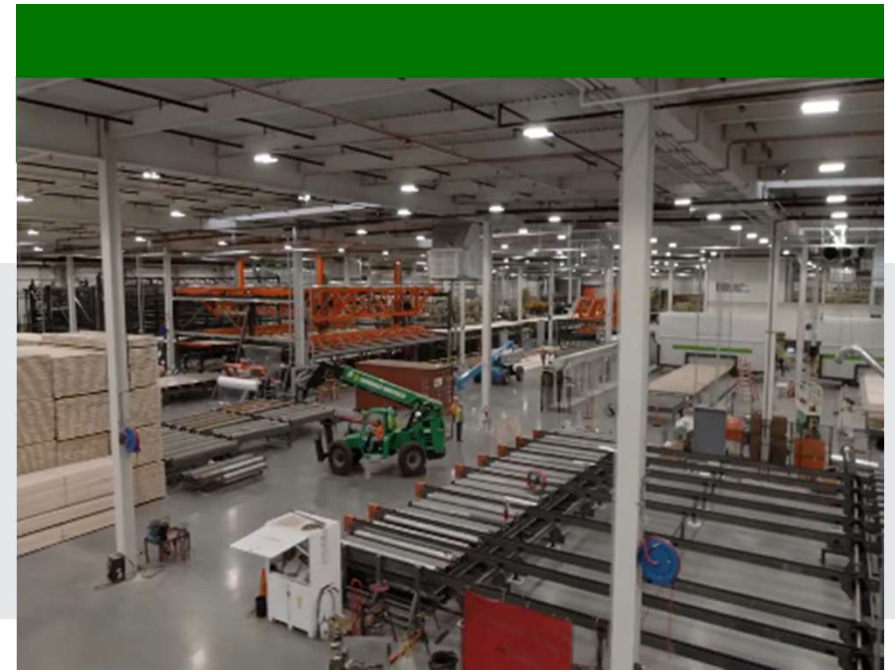
1) Includes revenue from non-operating activities

Mercer Mass Timber

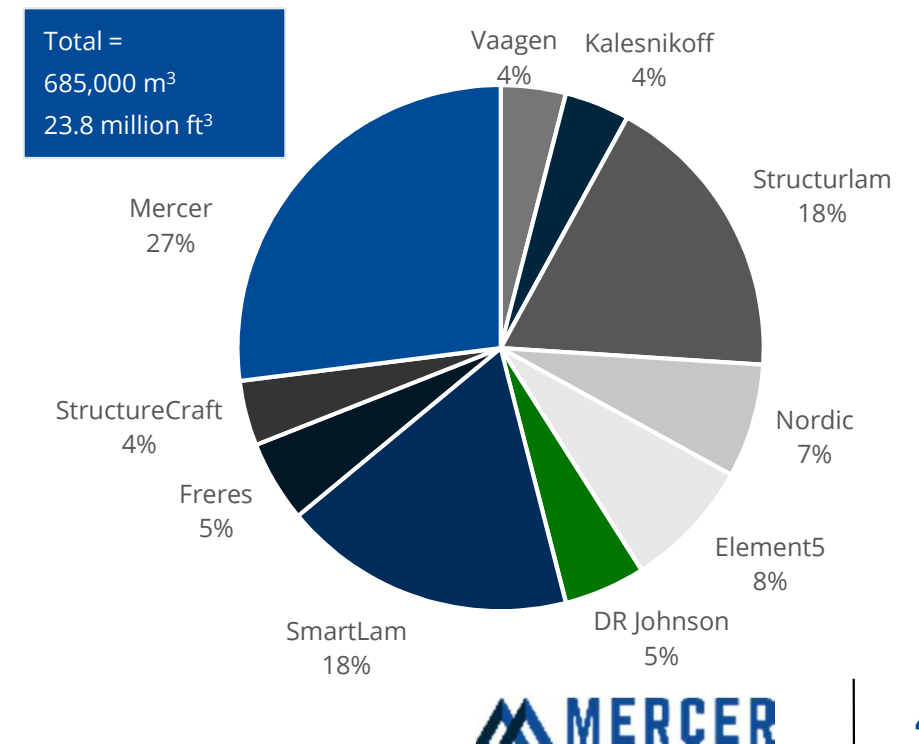
- **Location:** Spokane, Washington, United States
- **CLT production capacity:** 140,000 m³
- **Factory size:** 253,000 ft²
- **Product:** high-capacity cross-laminated timber

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



North American Mass Timber Panel Capacity 2020 ⁽¹⁾



1) Source: FEA

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