

Transforming biomass into bioproducts for
a more sustainable world

New York Institutional Investor Meetings

May 2025



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.



Our Vision

Transforming
biomass into
bioproducts
for a more
sustainable
world

Our Strategic Pillars

Operational Excellence



Maintaining industry
leading core operations

Synergistic Diversification



Synergistic diversification
of operations

Circular Economy



Meaningful contributions
to the circular economy

Our Values

+ Be Safe & Healthy

By improving processes and promoting
awareness

+ Be Bold

By seizing innovative and unique ideas,
solutions, and opportunities

+ Be Respectful

By building a culture of diversity and
inclusion

+ Be Sustainable

By balancing social, environmental, and
economic values

Investment Highlights



Synergistic operational clusters, integrating across the forest product value chain to optimize fiber utilization



Strategic, purposeful diversification to reduce earnings cyclicality



Company wide focus on aggressive cost reduction and strong mill reliability

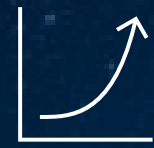


History of proactive capital investments to preserve asset quality and enable future growth



Environmental and social responsibility leader with ESG ingrained in our strategy

Global Megatrends Driving Long-Term Demand



Population Growth



Increasing Urbanization



Climate Change

- + Growing middle class
- + Higher living standards
- + Increasing consumption
- + Housing demographics
- + Changing regulations
- + Fossil fuel replacement
- + Circular economy
- + Resource scarcity

=

348 million

Tonnes of global plastic production

15%

2050 Global carbon emissions from plastic

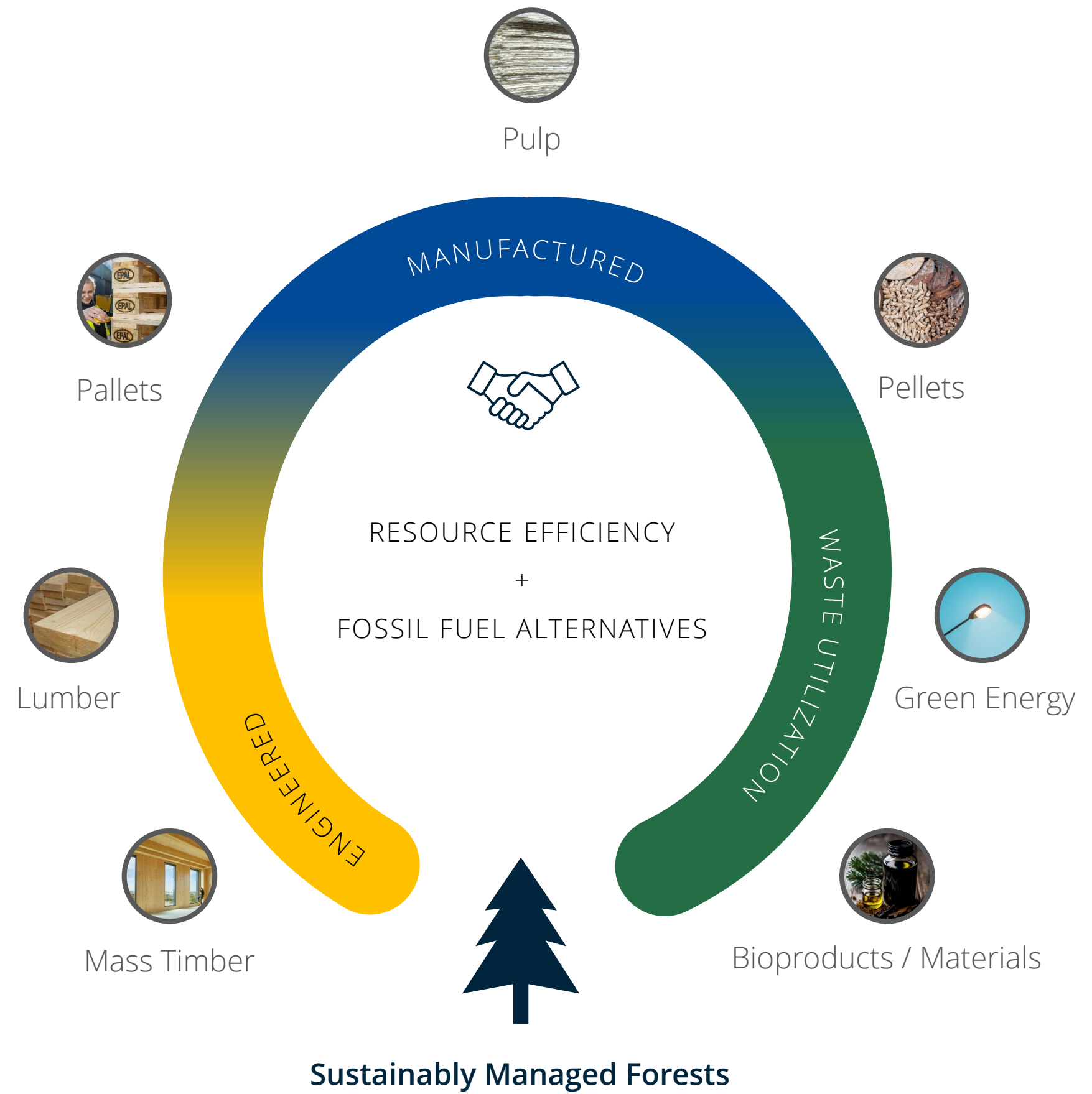
11%

Global carbon emissions from steel / concrete construction

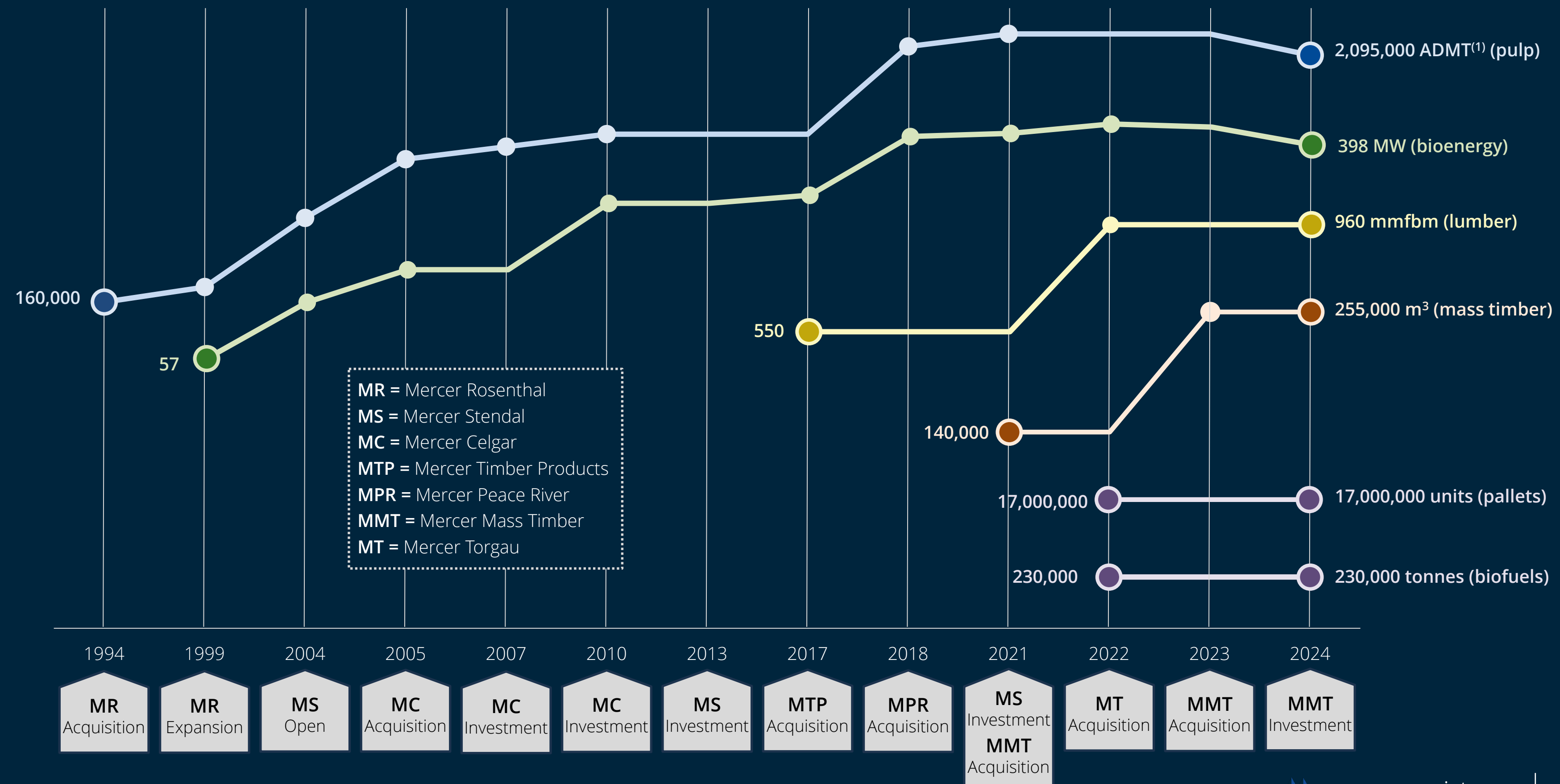


A 5% displacement of plastic and 1% displacement of traditional building materials could create **17 million tonnes of new pulp demand**, and a **\$10 billion market opportunity**.

Maximizing Value Through **Purposeful Diversification**



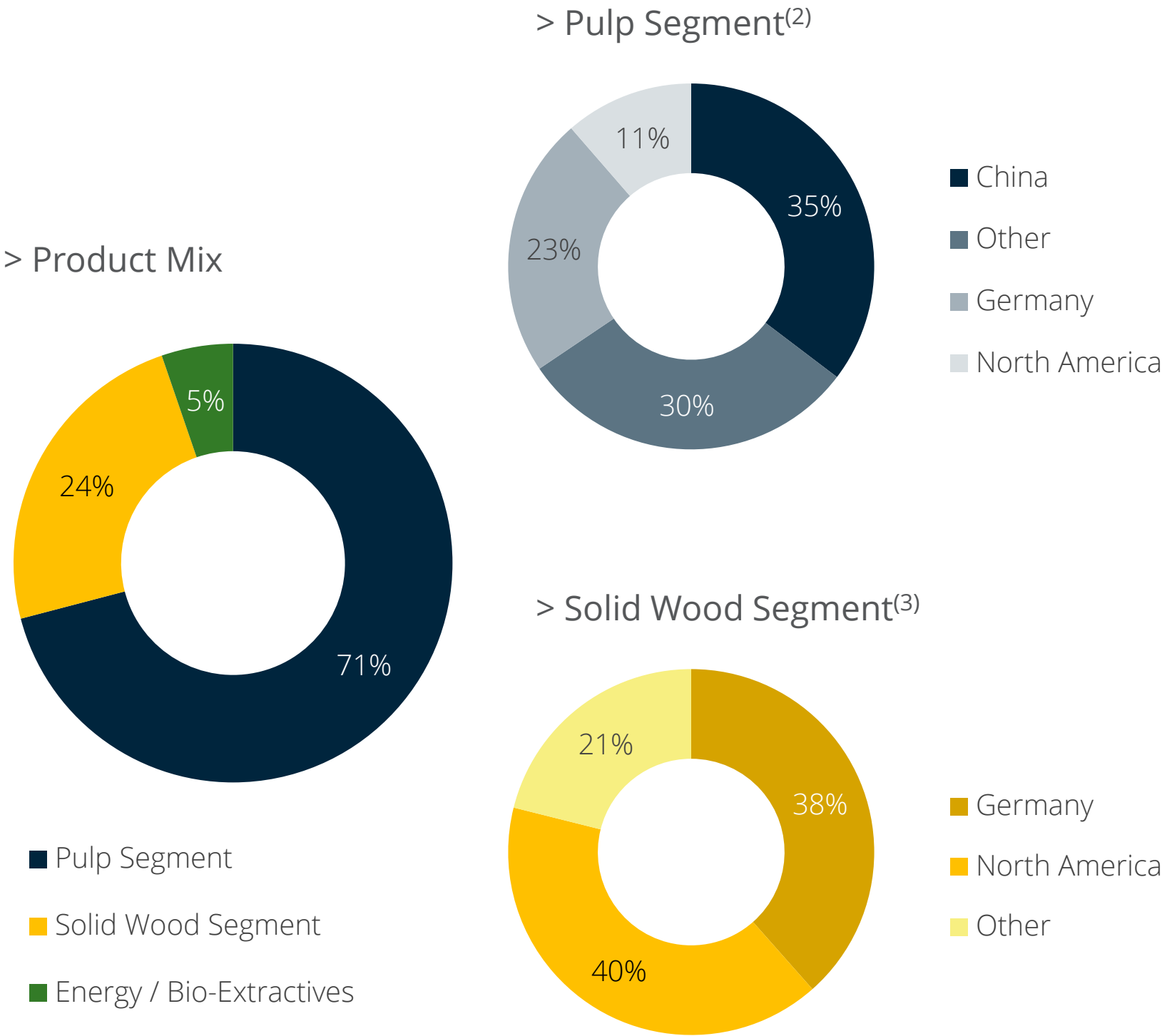
Sustained Growth and Diversification



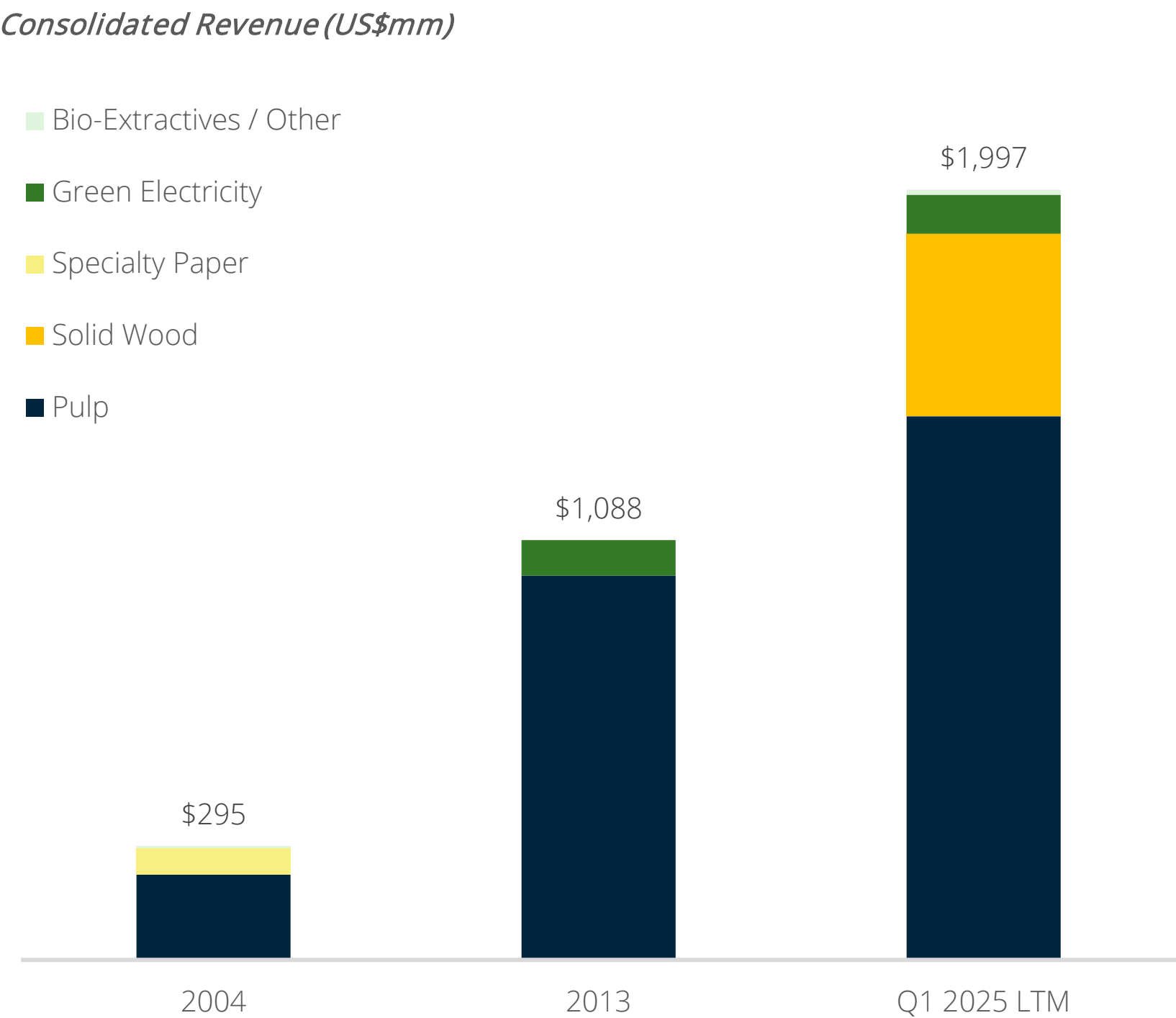
(1) Capacity decreased by ~170,000 ADMT following the divestiture of Mercer's 50% stake in Cariboo Pulp & Paper in Q1 2024

Evolving Sales Mix

Diversified Geographies and Products⁽¹⁾...

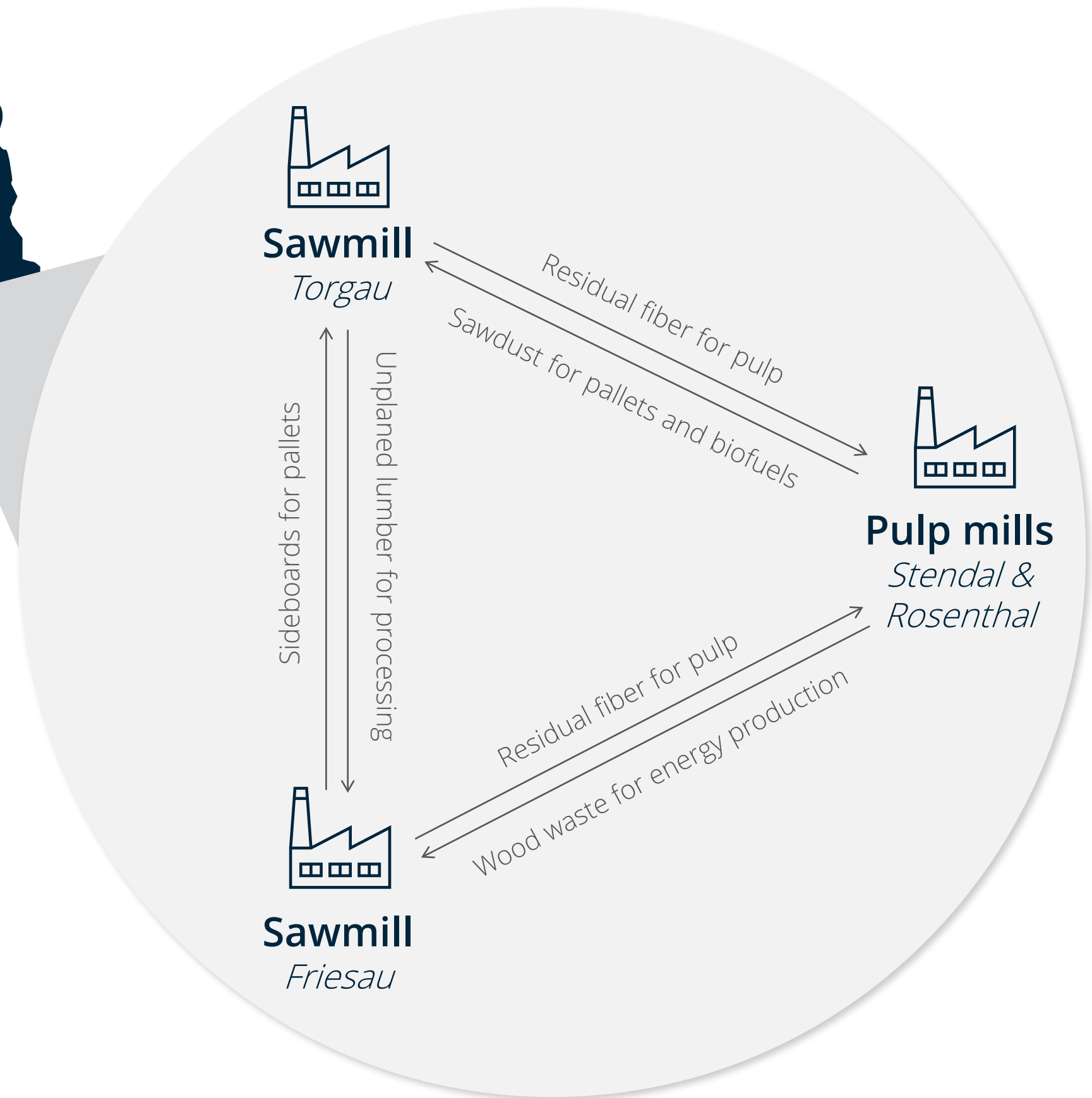
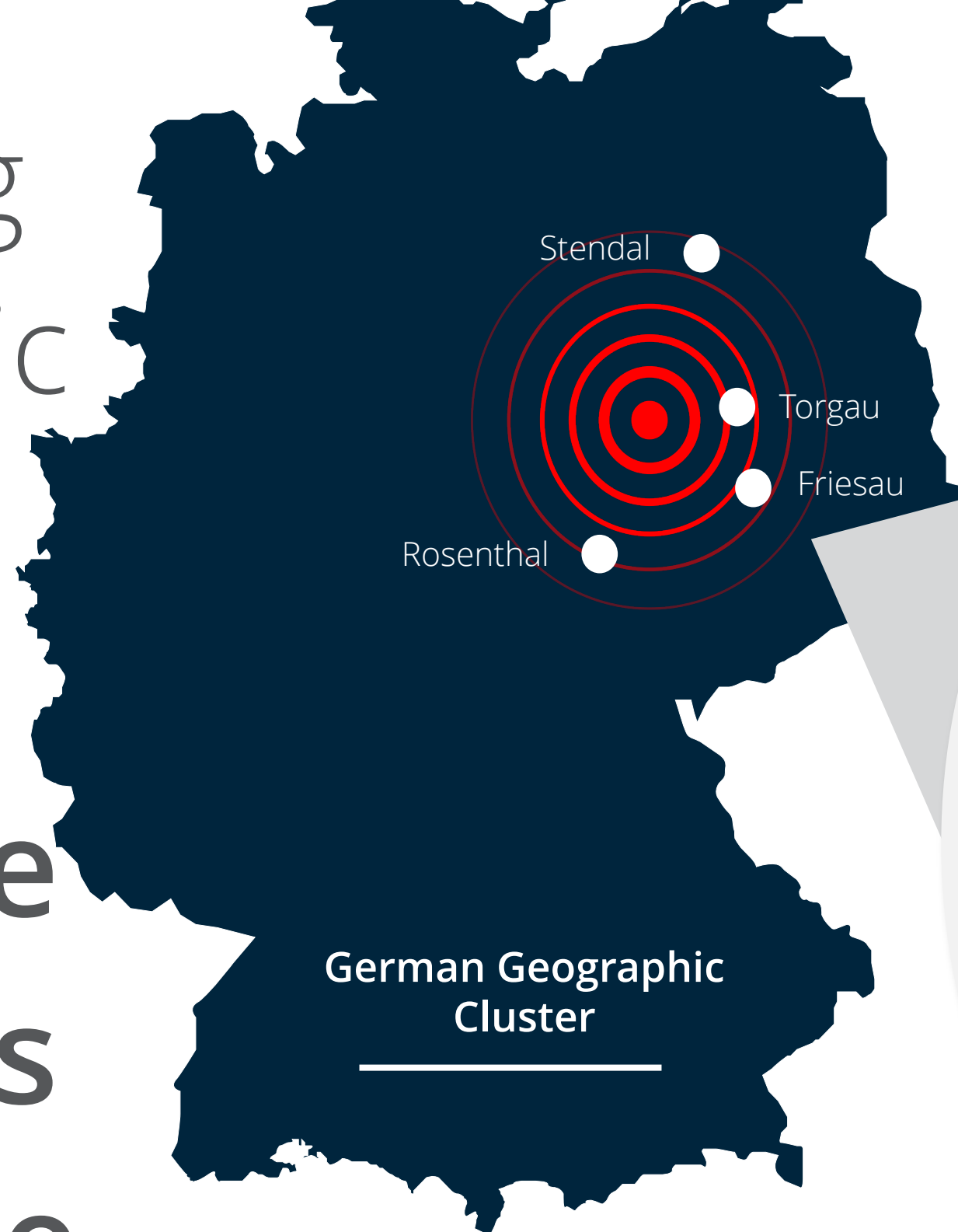


...Continued Commitment to Sustained Growth



(1) Q1 2025 LTM by revenue; (2) Includes energy / bio-extractives; (3) Includes lumber, mass timber, wood residuals, and pallets & biofuels

Leveraging Geographic Clusters to Maximize Synergies and Value



Strategic Focus



Targeting **\$100 million** in cost savings by 2026 compared to our 2024 baseline, achieved through two key avenues

① Maximizing the Operating Rates of Our Mills

- Increasing operating margins to provide more funds to allocate towards debt payments
- Strong focus on mill reliability initiatives

② Direct Cost Savings

- Aggressive cost reduction programs across all assets
- Prudent capital management
- Operational rationalization



Committed to increasing shareholder value by **reducing leverage** amidst global economic uncertainty

Pulp Segment



GERMANY



Mercer Rosenthal

- Rosenthal am Rennsteig
- 360,000 tonnes NBSK
- 57 MW green energy



Mercer Stendal

- Arneburg
- 740,000 tonnes NBSK
- 148 MW green energy



CANADA



Mercer Celgar

- Castlegar
- 520,000 tonnes NBSK
- 100 MW green energy

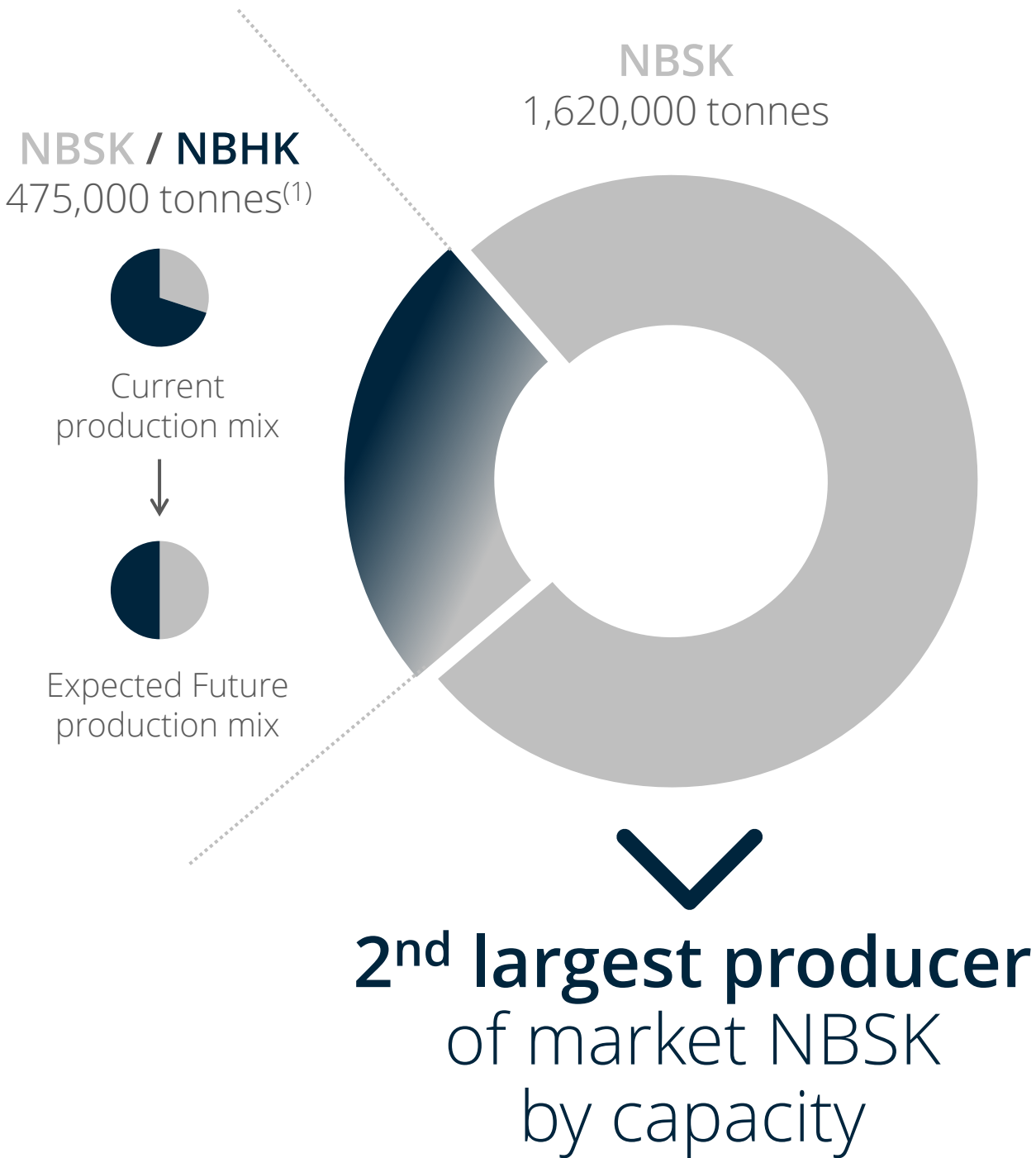
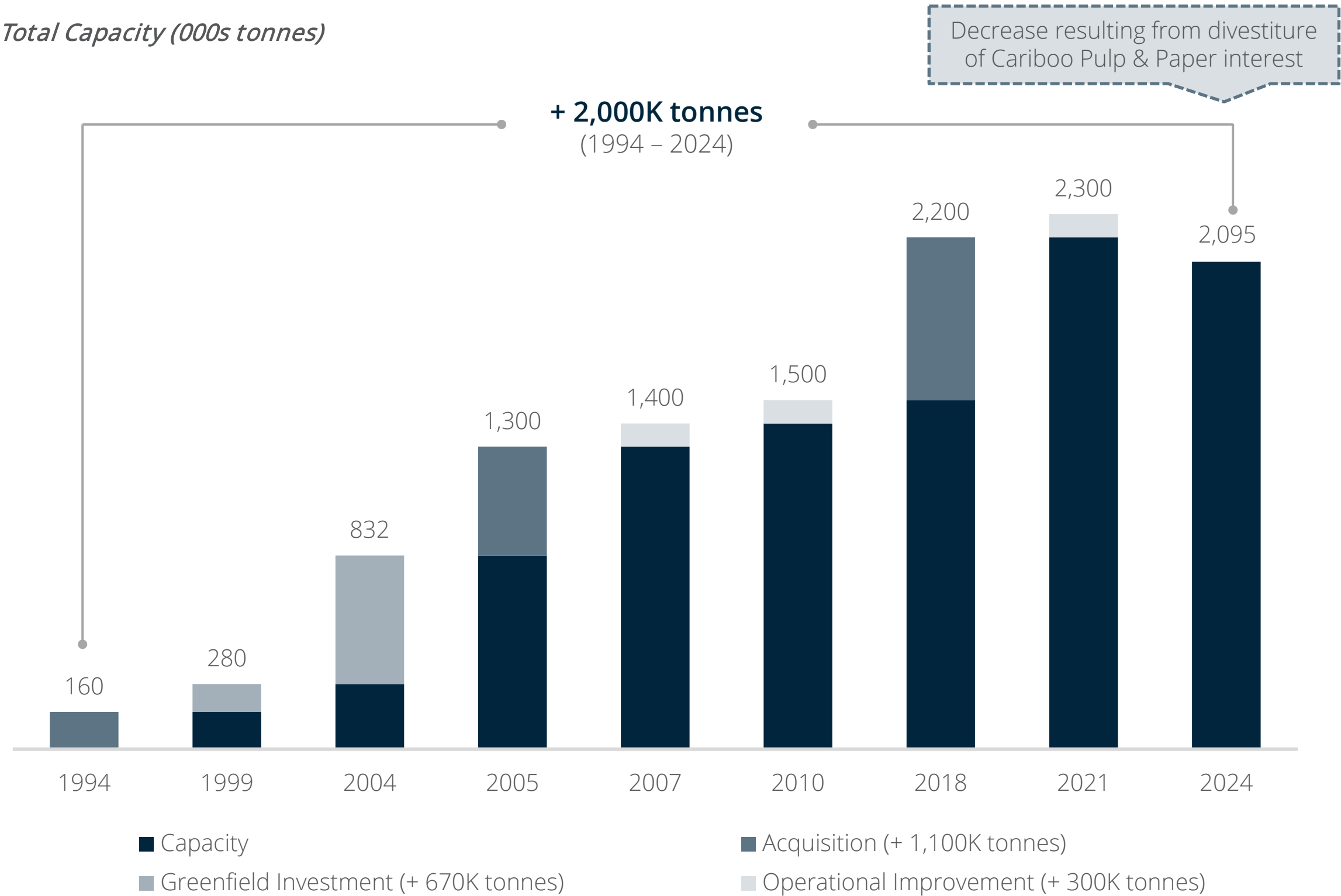


Mercer Peace River

- Peace River
- 475,000 tonnes NBSK / NBHK
- 65 MW green energy

Continued Optimization

Mercer's Pulp Capacity has Increased Over 10-Fold Since 1994



Solid Wood Segment



GERMANY



Mercer Timber Products (Friesau)



Saalburg-Ebersdorf

- 550,000 mfbm sawn lumber
- 13 MW green energy



Mercer Torgau



Torgau

- 410,000 mfbm sawn lumber,
- 17 million pallets
- 80,000 tonnes briquettes
- 150,000 tonnes pellets
- 15 MW green energy



USA



Mercer Spokane



Spokane Valley

- 140,000 m³ CLT / glulam



Mercer Conway



Conway

- 74,000 m³ CLT / glulam



CANADA



Mercer Okanagan

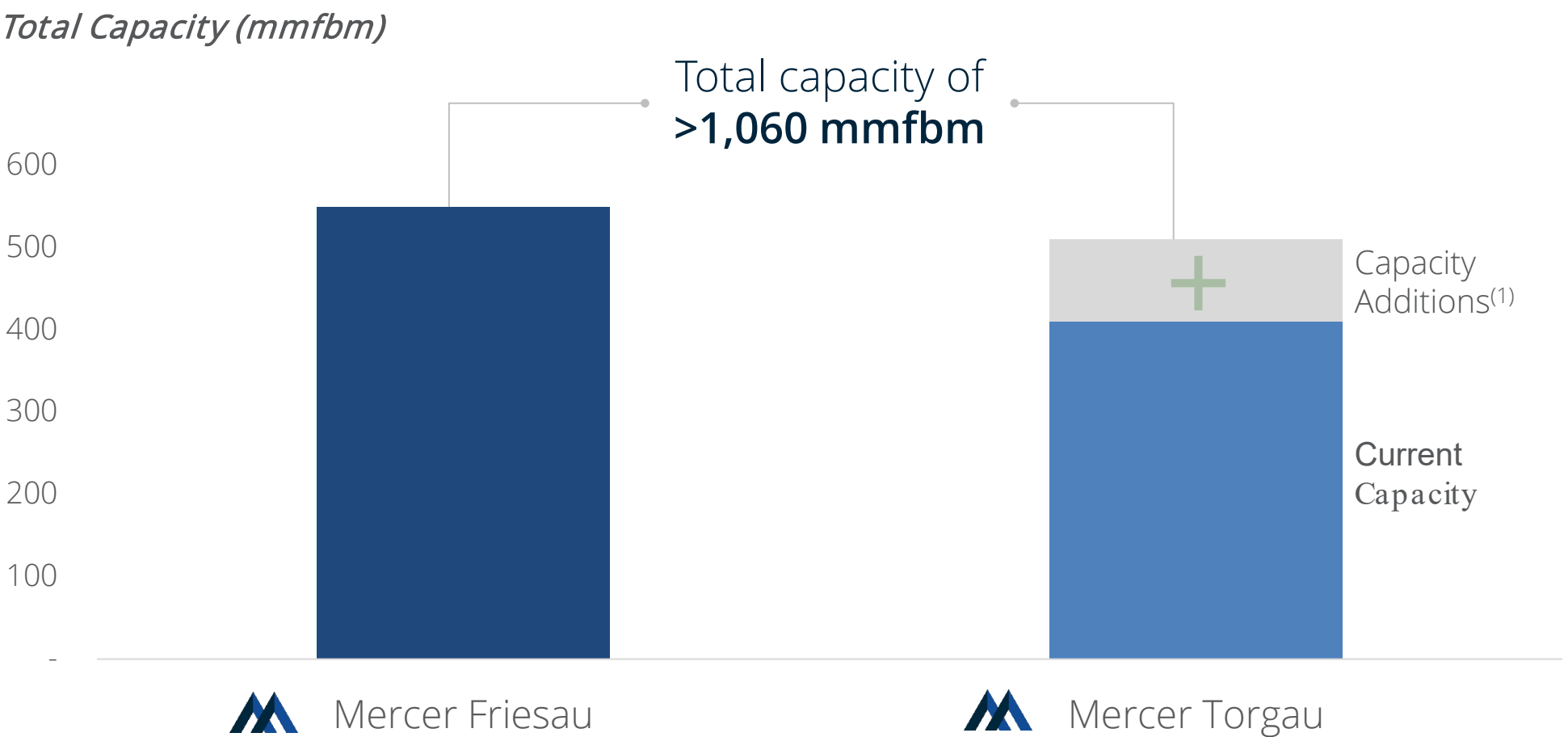


Okanagan Falls

- 41,000 m³ CLT / glulam

Continued Expansion to Capture Synergies

Mercer's two sawmills are amongst the largest globally....



Expansive range of metric and US dimension grades for **flexibility** in targeting **all major world markets** coupled with **strategic investments to ramp up lumber capacity** at Torgau starting this year

...And is the Largest EPAL Pallet Producer



(1) Capacity additions based on forecasted capital investments

Grounded in Wood Science. Driven by Innovation.

Mercer Mass Timber

Speed of Assembly

Mass timber construction is ~30% faster than traditional steel and concrete construction

Sustainability Impact

Sustainably sourced renewable wood sequesters carbon and has a lower intensity than steel and concrete

Jobsite Efficiency

Rapid assembly improved efficiency and occupation, and reduces demand for skilled workers

Biophilic Properties

Wooden environments can improve productivity, learning, and overall wellbeing

Design Precision

High-precision manufacturing for specific end-use applications with little or no job site waste

Cost Competitive

Lightness (compared to concrete) and rapid assembly results in lower capital costs

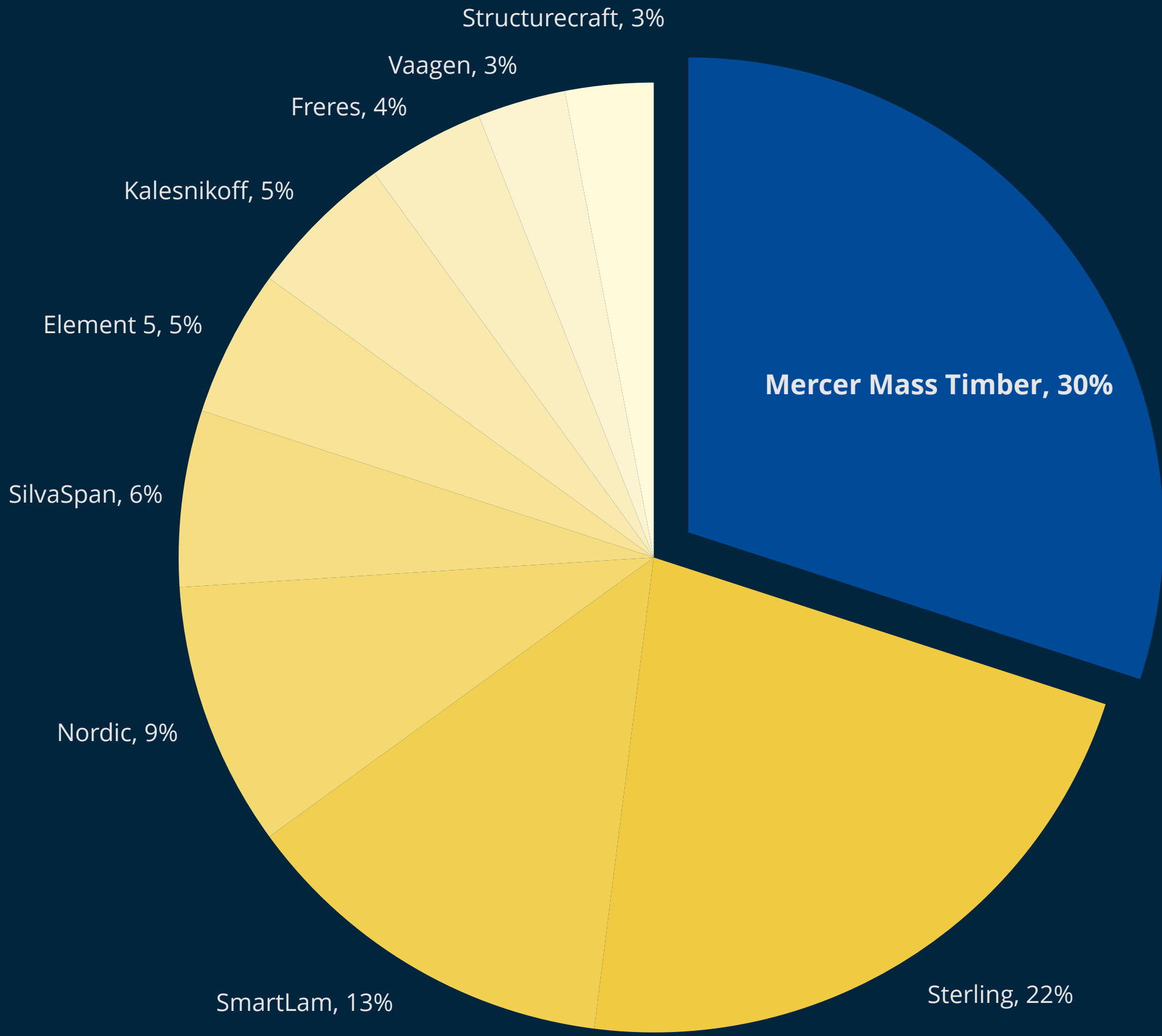
Largest Mass Timber Panel Manufacturer by Installed Capacity in North America

3 North American facilities with wide geographic reach

2 State-of-the-art facilities in Northwest and Southwest United States

45,000 m³
Total glulam capacity

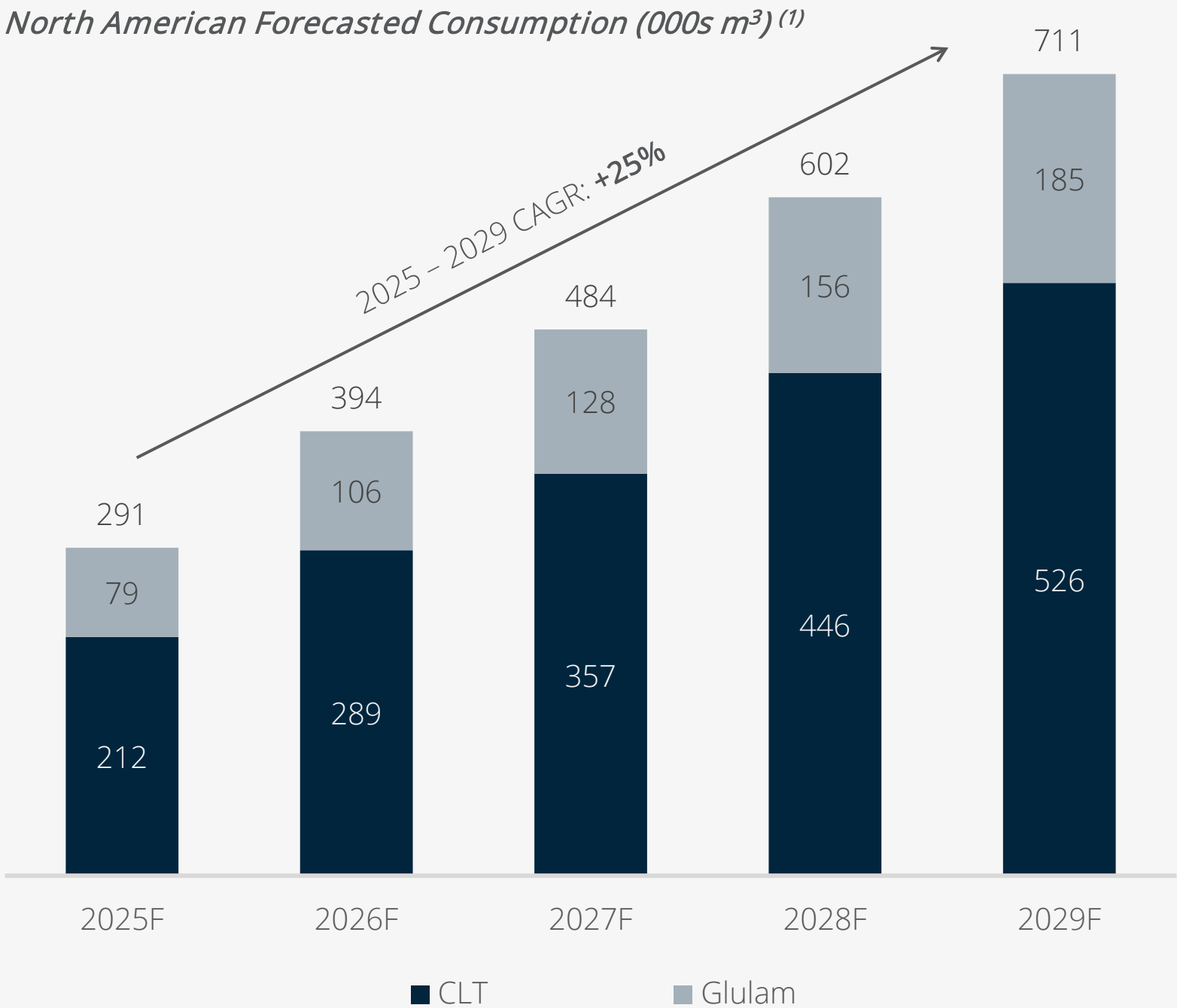
210,000 m³
Total CLT capacity



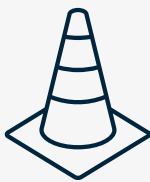
Source: FEA 2024 Mass Timber Annual Report

Mass Timber Market Overview

Unprecedented Growth



Source: FEA 2024 Mass Timber Annual Report
(1) As of mid-2024.



Mass Timber is on the Rise

From 2014 to 2024, the floor area of US Projects started or completed has grown from 0.2 million ft² to 7.4 million ft², with 75.3 million ft² currently in design



Evolving Building Codes

Government appetite for tall wood buildings continues to increase, with both Canada and the US now permitting up to 18 stories.



Intensifying ESG Efforts

Mass timber buildings emit anywhere from 14% to 52% less carbon than buildings made from steel and concrete.

Bioenergy and Biomaterials

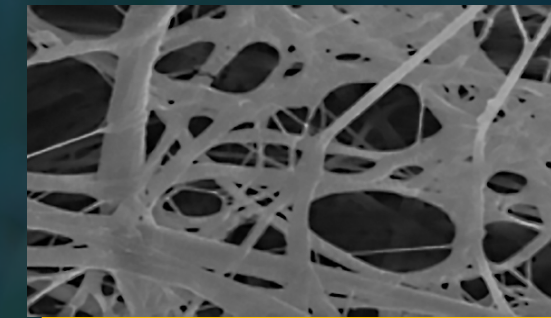


Green Energy



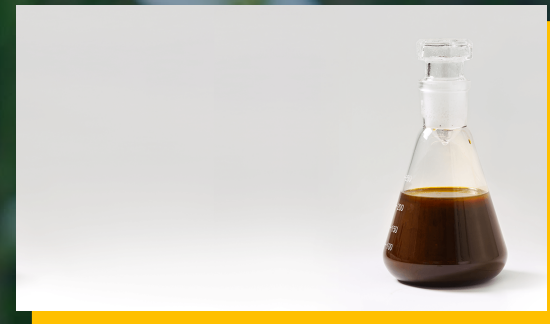
- Over 900 GWh of surplus electricity from biomass every year, enough to power ~80,500 homes without fossil fuels.

Performance BioFilaments



- Mercer's joint venture with Resolute Forest Products to develop commercial applications for cellulose filaments, in unconventional industries.

Tall Oil



- A clean, renewable alternative to petrochemicals such as crude oil, produced at our Stendal and Rosenthal mills.

Turpentine



- A sustainable extractive of pulp mill processes, indispensable to producers of fragrances for scenting products like perfumes and deodorants.

Mercer Lignin Centre

Overview



Mercer Lignin Centre

📍 Mercer Rosenthal

- 250 tonnes high quality lignin / year

Mercer Lignin Centre is a **state-of-the-art facility** located at the Rosenthal pulp mill for **full utilization** of wood resources

- Lignin is a traditionally underutilized natural polymer in plant cell walls and can be refined into valuable aromatic compounds and chemical building blocks

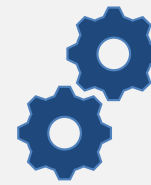
Industries



Chemicals



Energy Storage



Manufacturing



Environmental Remediation



End Uses

Phenolic Compounds for Epoxy Resins

Epoxy resins are key in applications such as adhesives, coatings, and composite matrices used in automotive, aerospace, and construction sectors

Graphitized Lignin for Battery Anodes

Graphitized lignin is an attractive candidate for anodes in lithium-ion batteries, offering a renewable and potentially lower-cost alternative for powering electric vehicles, portable electronics, and grid storage systems

Carbon Black Production

Lignin can be processed into carbon black, a reinforcing filler commonly used in the tire and rubber industry, additionally, carbon black is used in plastics, inks, and coatings

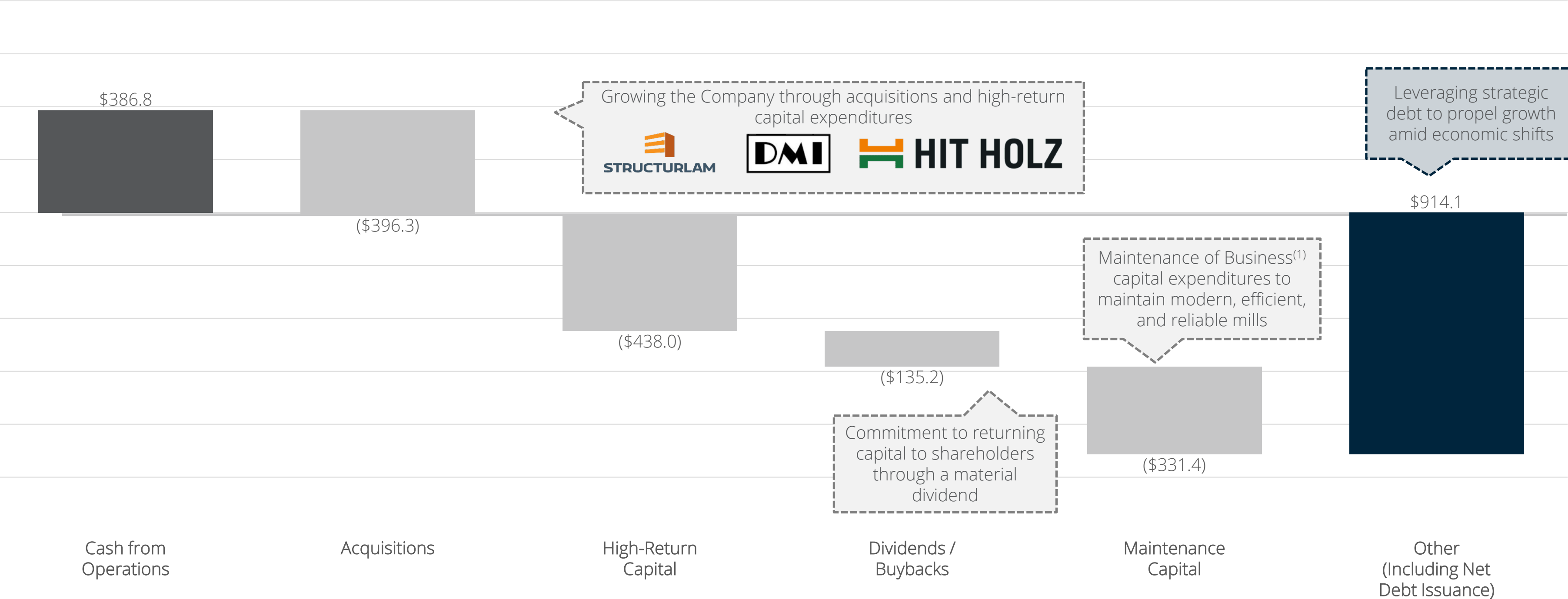
Activated Carbon for Filtration and Adsorption

Lignin can be processed into activated carbon, which is widely used for water and air purification

Balanced Capital Allocation

Capital Allocation is Balanced and Consistent with Mercer's Strategy

Cumulative Capital Allocation, 2019-2024 (US\$mm)



(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

Shifting Strategy in Line with Economic Conditions

Past



Strategy: Inorganic growth through acquisitions, expansion of product offerings

Economy: *Economic tailwinds, lower interest rates and increasing commodity prices*



Present



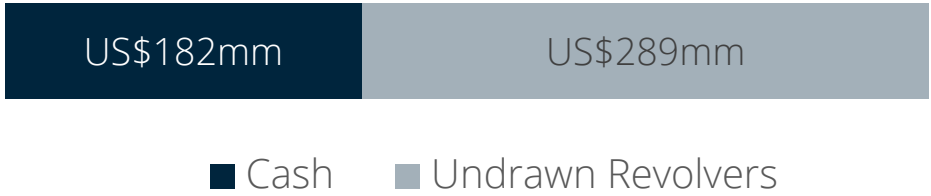
Seeking to reduce debt / deleverage to lower weighted average coupon rate on debt:

- \$100 million company-wide cost savings by the end of 2026
- Strong mill reliability & operational rationalizations

Evolving economic conditions, elevated interest rates, moderated wood product prices, and dynamic trade landscapes

Maturity	Previous Debt	October '24 Refinancing	Current Debt	Coupon Rate
	(US\$mm)			(%)
2025	–	–	–	–
2026	\$300	(\$300)	–	–
2027	–	–	–	–
2028	\$200	+ \$200	\$400	12.88%
2029	\$875	–	\$875	5.13%
Total	\$1,375	(\$100)	\$1,275	–

- Weighted average maturity of senior debt: 2029
- Weighted average coupon: 7.56%
- Current debt rating: B (S&P); B2 (Moody's)
- Liquidity (as of Q1 2025):



Sustainability Framework

ESG-Linked Loan

Mercer's Sustainalytics ESG Risk Rating has Improved by 4.0 Points since 2023

- Mercer has a €370 million revolving credit facility with a five-year term, with borrowing costs linked to ESG performance.



2023 ESG Risk Rating

21.4

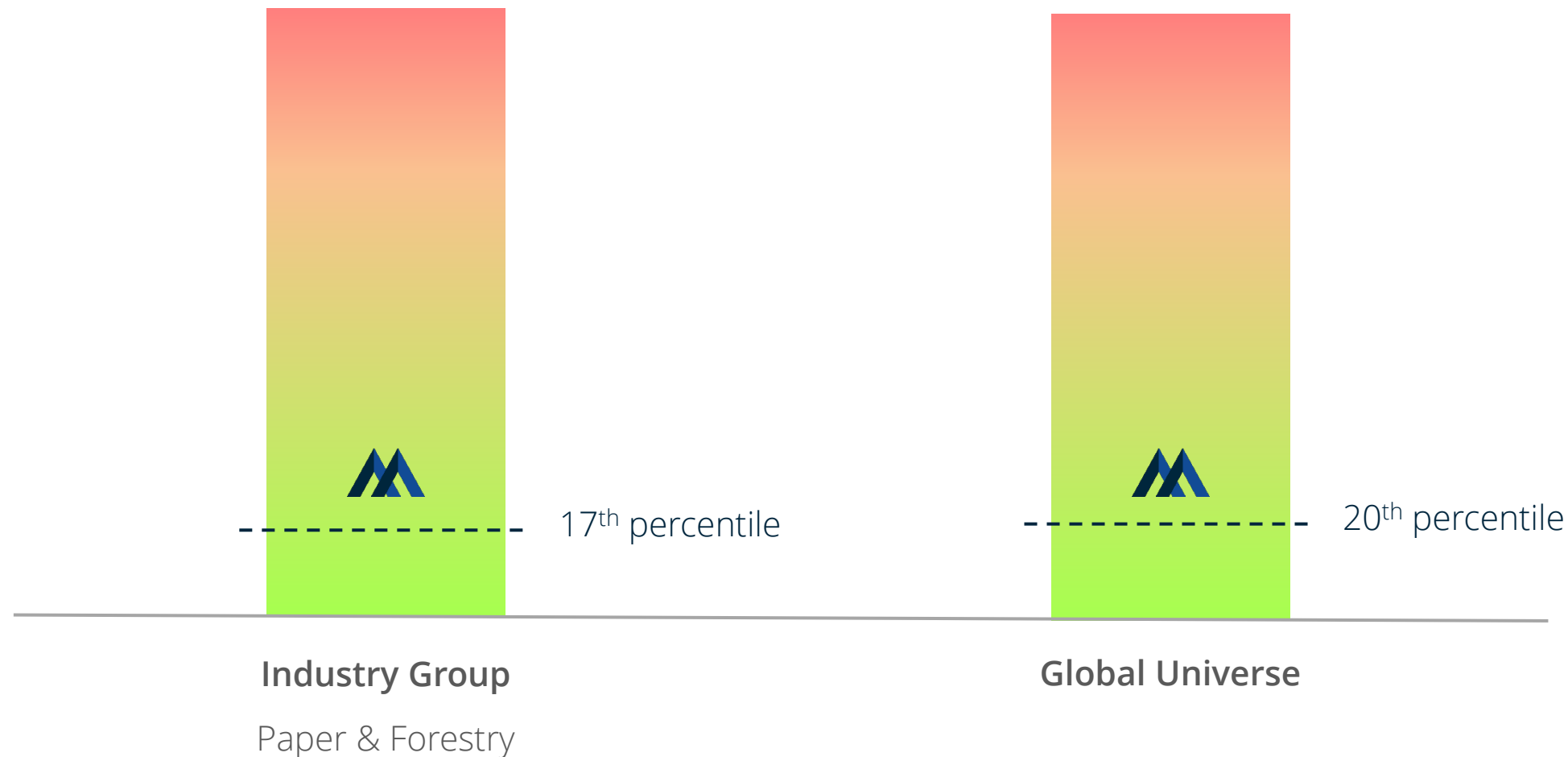


2024 ESG Risk Rating⁽¹⁾

17.6



Mercer is Among the Lowest Risk Within its Industry Group and Globally



(1) As of October 19, 2024; For the full report, consult the link [here](#)

Entering a New Frontier – Integrated Biorefineries

R&D driven through strategic financial partnerships

Operational pilot plant & exploring commercialization

Green Carbon Products



- Advanced to the Front-End Engineering and Design Phase 2 (FEL-2) to install a carbon capture plant at one of our pulp mills
- Exploring stable carbon products such as biochar to support climate mitigation strategies

Synthetic Aviation Fuel



- Enabling greener air travel, SAF is a key renewable fuel synthesized from biomass intermediates, serving as a direct substitute for traditional fossil jet fuel

Syngas



- A versatile gaseous fuel produced via wood fiber conversion, essential as a chemical building block for producing sustainable liquid fuels and to replace natural gas consumption

Lignin



- A sustainable polymer recovered from pulp mill processes, valuable as a renewable feedstock for creating bio-based chemicals, resins, and advanced materials



Managing Tariff Related Uncertainties



As it Stands Today

Our products are not subject to tariffs



Considerations Moving Forward

- Pulp and mass timber imports from Canada and lumber imports from Germany are not currently subject to tariffs, but under a Section 232 review
- Wood chips imported from the U.S. poses potential counter-tariff risk if trade tensions escalate
- Beginning to see exposure in the form of secondary effects



Conclusion

- We are closely monitoring the tariff situation and working closely with our industry associations
- We are taking proactive steps, including more dialogue with our customers, to mitigate potential risks to our business
- Our focus will be to largely leverage the strong relationships we have built with customers and suppliers and our geographic and market diversification to navigate this period of uncertainty and volatility

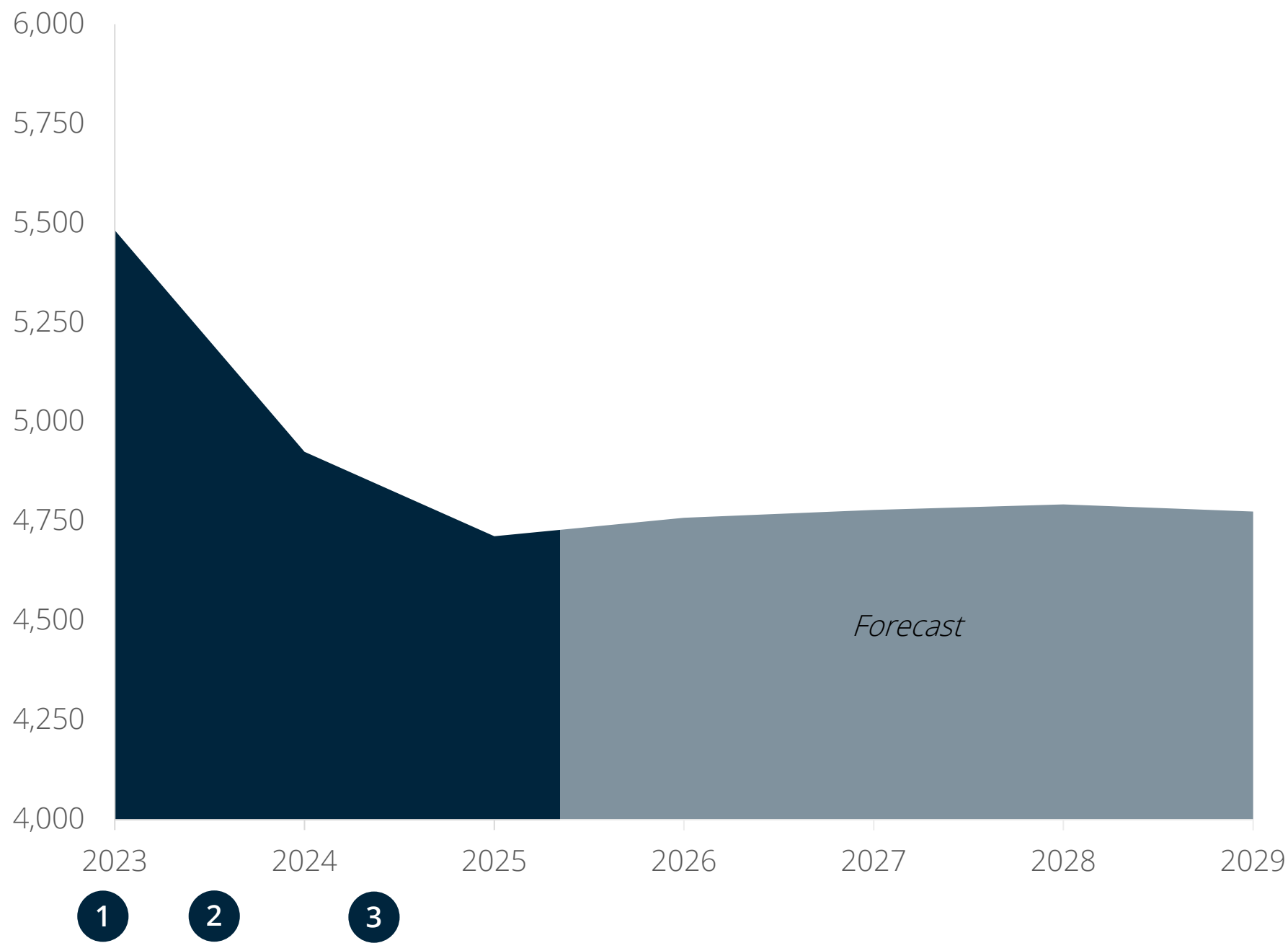
Current and Forward-Looking Market Conditions

●	Softwood Pulp	<ul style="list-style-type: none"> + Lack of material greenfield NBSK capacity additions coupled with closures / curtailments (e.g. Metsa Fibre, Canfor Prince George, Paper Excellence Ashdown, Stora Enso) is maintaining favorable supply-demand fundamentals. + Steady demand coupled with global supply constraints will continue to create favorable conditions for softwood pulp prices. Prices moved up in Q1 2025, and further upward pressure expected in most markets in Q2 due to supply demand dynamics.
●	Hardwood Pulp	<ul style="list-style-type: none"> - Most growth in hardwood shipments will be from new eucalyptus capacity coming online from Liansheng, Arauco, UPM, and Suzano; late 2024 saw downward pressure on hardwood pulp prices as the market digested this new source of supply. + Q1 2025 saw modest price improvements in China due to seasonally strong demand and supply constraints from announced curtailments and producer maintenance downtime.
●	Lumber	<ul style="list-style-type: none"> - Expected lumber pricing to be modestly weaker in the US market at the end of Q2 due to the impact of the current economic environment on customer demand + Supply-demand rebalancing is underway due to production curtailments by major producers (Canfor, West Fraser, Weyerhaeuser and Interfor). Proposed softwood lumber tariff hikes and transportation challenges are driving short-term market volatility.
●	Mass Timber	<ul style="list-style-type: none"> + Order book growing due to strong interest in mass timber projects and expected strong 2026 production and sales. + North American construction CLT consumption more than doubled between 2019 and 2024; annual North American mass timber consumption forecasted to grow at a 25% CAGR between 2025 and 2029
●	Green Energy	<ul style="list-style-type: none"> + Rising demand for renewable energy, along with increased electrification of economies and AI-driven energy needs are sustaining robust growth in electricity demand. This trend is expected to accelerate as economies transition to lower-carbon energy systems and integrate advanced technologies requiring substantial energy inputs.

Canadian NBSK Supply Overview

Substantial Decrease in Total Canadian NBSK Capacity Over the Last Few Years

Total Canadian NBSK Capacity (000s tonnes)

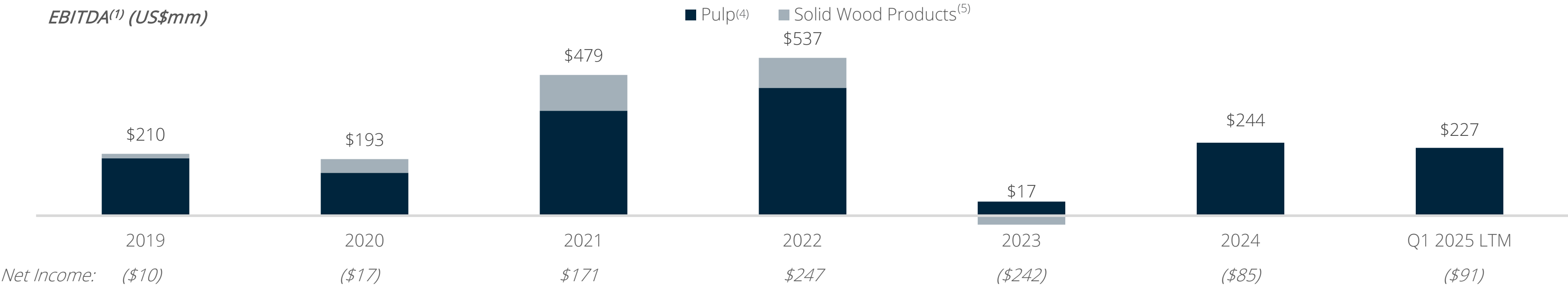


Source: PPPC, as of May 2025

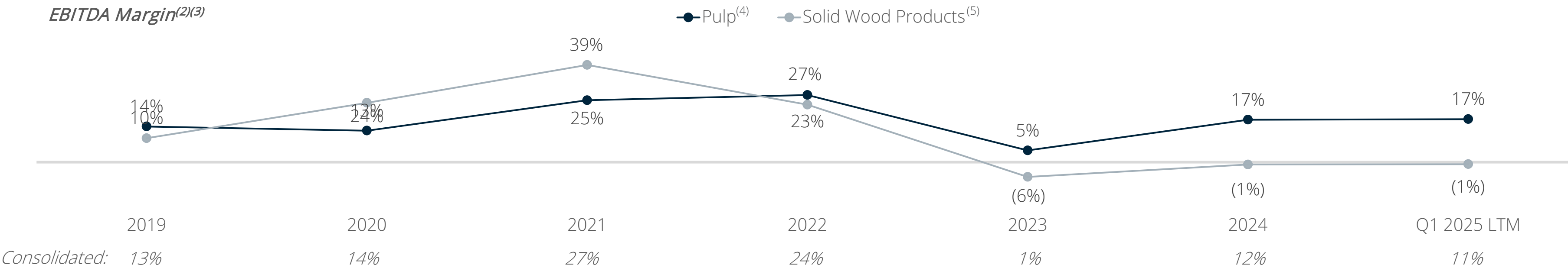
Notable Capacity Changes (> 100,000 tonnes)				
Company	Mill	Location	Change (000s tonnes)	Effective Date
West Fraser	Hinton	Hinton, AB	(100)	2022, Q4
Canfor	Prince George	Prince George, BC	(250)	2023, Q2
Domtar	Espanola	Espanola, ON	(110)	2023, Q4
Aditya Birla Group	AV Terrace Bay	Terrace Bay, ON	(320)	2024, Q1
Canfor	Northwood	Prince George, ON	(300)	2024, Q3

Financial Performance

Cyclical Earnings through the Cycle, Strongly Influenced by Commodity Pricing (Pulp, Lumber)



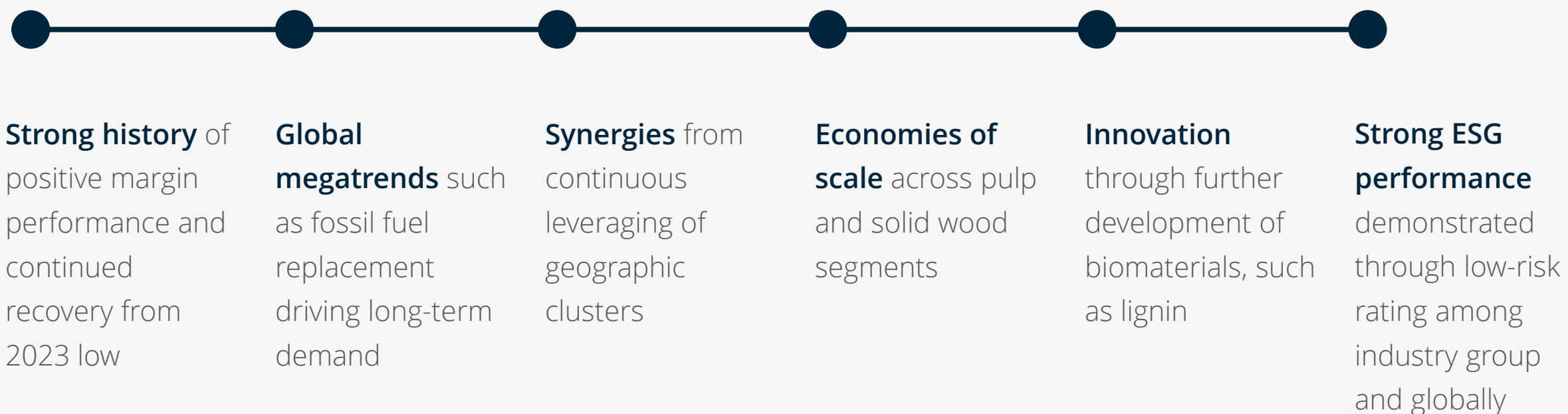
History of Positive Margin Performance, Gradual Recovery from 2023 Low



(1) EBITDA is a non-GAAP measure. Please refer to the final slide for a reconciliation of Net Income (Loss) to Operating EBITDA; (2) Calculated as Operating EBITDA / Revenue; (3) Excludes unrealized MPR synergies and energy sales from 50% owned Cariboo mill (divested in Q1 2024), recorded as an equity investment; (4) Excludes corporate segment; (5) Includes Mercer Mass Timber



With a history of growth, and sustainability and synergistic diversification ingrained in its strategy, Mercer is well-positioned to drive its future growth engines.



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Reconciling Net Income (Loss) to Operating EBITDA

<i>Consolidated (US\$mm)</i> ⁽¹⁾⁽²⁾⁽³⁾	2019	2020	2021	2022	2023	2024	Q1 2025 LTM
Net Income (Loss)	(\$9.6)	(\$17.2)	\$171.0	\$247.0	(\$242.1)	(\$85.1)	(\$90.8)
Add: Income Tax Provision (Recovery)	\$19.2	\$6.1	\$89.6	\$98.3	(\$27.8)	(\$1.8)	\$5.3
Add: Interest Expense	\$75.8	\$80.7	\$70.0	\$71.5	\$89.1	\$109.2	\$109.7
Add: Loss on Extinguishment of Debt	\$4.8	–	\$30.4	–	–	\$0.9	\$0.9
Add: Other Income (Expense)	(\$6.1)	(\$5.9)	(\$14.4)	(\$24.4)	(\$8.0)	(\$8.2)	(\$3.0)
Operating Income (Loss)	\$84.0	\$63.7	\$346.6	\$392.4	(\$188.8)	\$15.0	\$22.2
Add: Depreciation and Amortization	\$126.4	\$128.9	\$132.2	\$144.2	\$172.5	\$170.8	\$170.6
Add: Impairment on Assets Held for Sale	–	–	–	–	\$33.7	–	–
Add: Impairment on Disposal of Joint Venture	–	–	–	–	–	\$23.6	–
Add: Impairment on Goodwill	–	–	–	–	–	\$34.3	\$34.3
Operating EBITDA	\$210.4	\$192.7	\$478.8	\$536.5	\$17.5	\$243.7	\$227.1

<i>Segmented (US\$mm)</i>	Pulp + Corporate		Solid Wood	
	Q4 2024	Q1 2025	Q4 2024	Q1 2025
Operating Income (Loss)	\$67.4	\$19.0	(\$17.0)	(\$12.3)
Add: Depreciation and Amortization	\$36.5	\$28.3	\$12.4	\$12.0
Operating EBITDA	\$103.9	\$47.3	(\$4.7)	(\$0.3)

Note: The above reconciles net income (loss to EBITDA); some numbers may not add due to rounding; See next slide for additional disclosures

(1) Includes MPR results since acquisition on December 10, 2018; (2) Excludes unrealized MPR synergies and energy sales from 50% owned Cariboo mill (divested in Q1 2024), recorded as an equity investment; (3) Includes Mercer Torgau results since acquisition on September 30, 2022

Reconciling Net Income (Loss) to Operating 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 loss plus depreciation and amortization and non-recurring capital asset impairment charges. We use Operating EBITDA as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider it to be a meaningful supplement to operating loss as a performance measure primarily because depreciation expense and non-recurring capital asset impairment charges are not actual cash costs, and depreciation expense varies widely from company to company in a manner that we consider largely independent of the underlying cost efficiency of our operating facilities. In addition, we believe Operating EBITDA 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 loss, including financing costs and the effect of derivative instruments. Operating EBITDA is not a measure of financial performance under GAAP, and should not be considered as an alternative to net loss or operating loss as a measure of performance, or as an alternative to net cash from (used in) operating activities as a measure of liquidity. Operating EBITDA is an internal measure and therefore may not be comparable to other companies.

Operating EBITDA has significant limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that Operating EBITDA does not reflect: (i) our cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) changes in, or cash requirements for, working capital needs; (iii) the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our outstanding debt; (iv) the impact of realized or marked to market changes in our derivative positions, which can be substantial; and (v) the impact of non-recurring impairment charges against our investments or assets. Because of these limitations, 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 as calculated by us may differ from Operating EBITDA or EBITDA as calculated by other companies. We compensate for these limitations by using Operating EBITDA as a supplemental measure of our performance and by relying primarily on our GAAP financial statements.