Mercer International Inc.

Transforming biomass into bioproducts for a more sustainable world

Q3 2026 Earnings Call
November 6, 2026

Juan Carlos Bueno – President & CEO
Richard Short – CFO, Executive VP & Secretary

MERCER international

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

Updates

Restructuring Support Agreement

- Entered into a **Restructuring Support Agreement ("RSA")** on November 2, 2026
  - **$1.1B of senior notes** exchanged for equity
  - Senior Note debt reduced by approximately **88%**
  - No senior note maturities until **2031**
  - **$400M new senior secured notes** through a rights offering
- Implemented through a prepackaged joint Chapter 11 plan of reorganization of Mercer International Inc. parent entity; operating subsidiaries are not impacted
- Plan to be confirmed by the court within about 45 days of filing

Financial Results Overview

EBITDA Increased Quarter-Over-Quarter

EBITDA (US$ millions)	Q2 2026	Q3 2026	Change (+/-)
Pulp Segment[1]	($13)	$6	$19
Solid Wood Segment[1]	($8)	($7)	$1
Corporate & Other	($0)	($2)	($2)
Operating EBITDA[2]	**($21)**	**($3)**	**$18**

Key Drivers

- EBITDA improved by $18M from Q2 2026
- Includes non-cash inventory impairment of $8 million
- $13 million in non-repayable government grants secured at Peace River

Note: Due to rounding, numbers presented in this presentation may not add up precisely to totals and percentages may not precisely reflect the absolute figure

1) Segment Operating EBITDA is a measure of segment profit or loss presented in our financial statements under GAAP
   Refer to the segment information note in our consolidated financial statements for more information
2) Operating EBITDA is a non-GAAP measure. For a reconciliation of Net Loss to Operating EBITDA, refer to slide 24

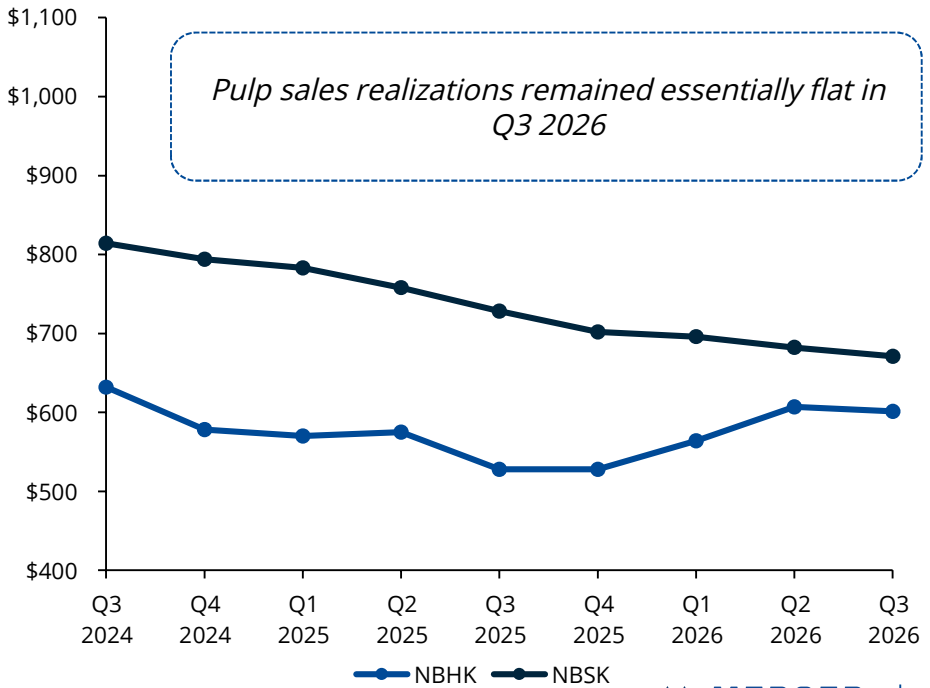
Pulp Prices

Pricing Overview

Region	Q2 2026	Q3 2026
NBSK List Price (US$ / tonne)		
Domestic	$1,577	▼ $1,570
China (net)	$658	▼ $645
Europe	$1,655	▼ $1,625
NBHK List Price (US$ / tonne)		
Domestic	$1,495	▲ $1,535
China (net)(1)	$602	▼ $572
NBSK / NBHK Price Gap (US$ / tonne)		
China	$56	▲ $73

Realized Prices in Q3

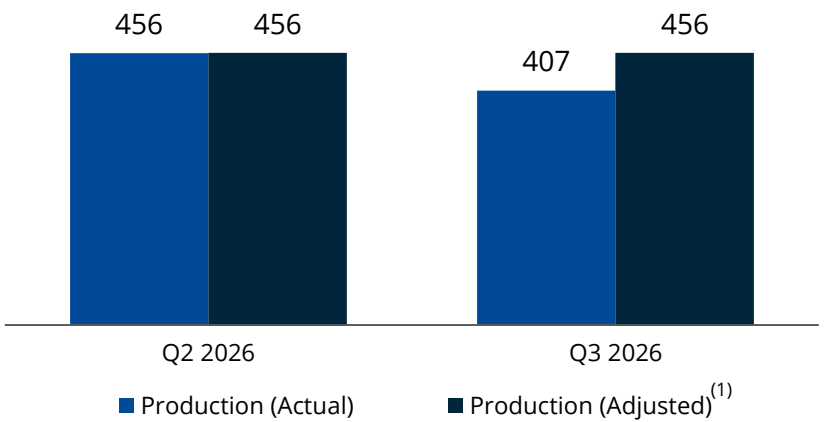
Realized Pulp Price (US$ / tonne)



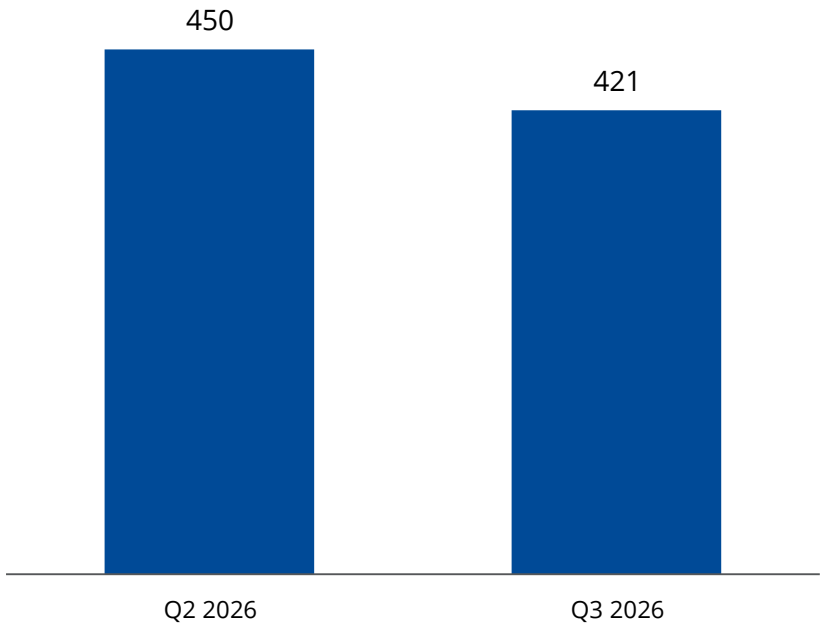
1) Bleached eucalyptus kraft

Key Performance Indicators

Production Volume (000s tonnes)



Sales Volume (000s tonnes)



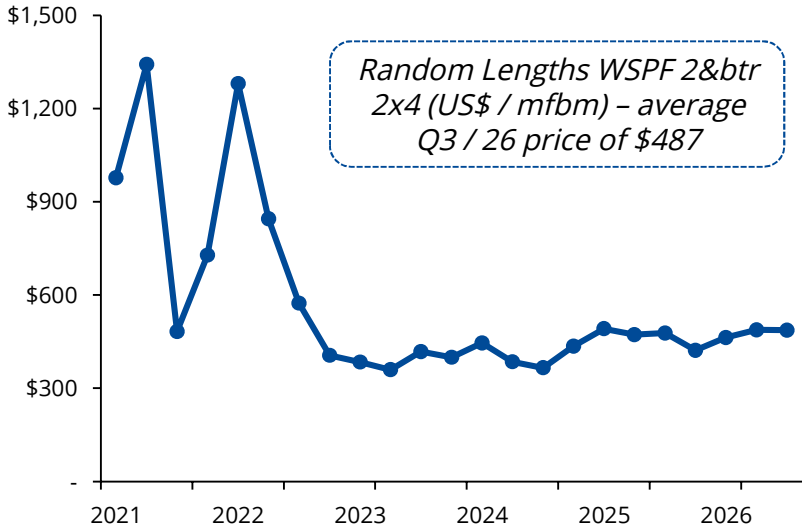
Maintenance Downtime

Period	Planned	Unplanned
Q3 2026	44 Days 49,000 tonnes	

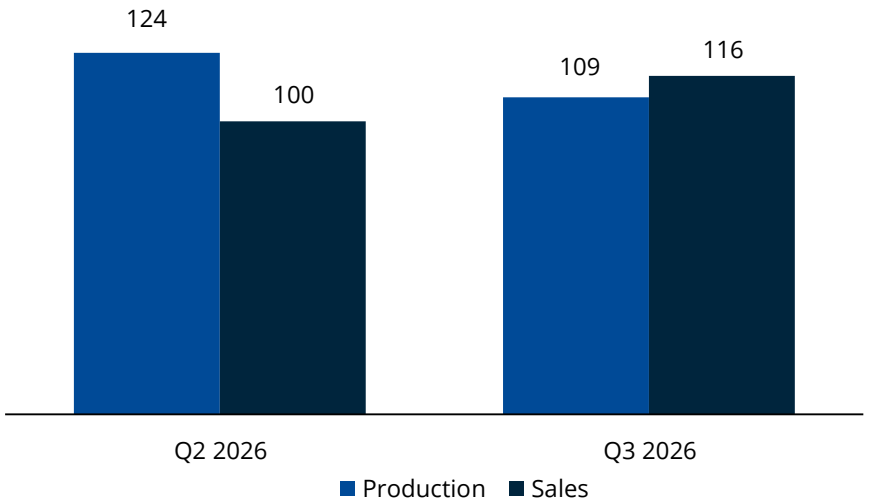
1) Adjusted production adds back lost tonnes from planned maintenance downtime

Lumber Overview

Benchmark Lumber Price

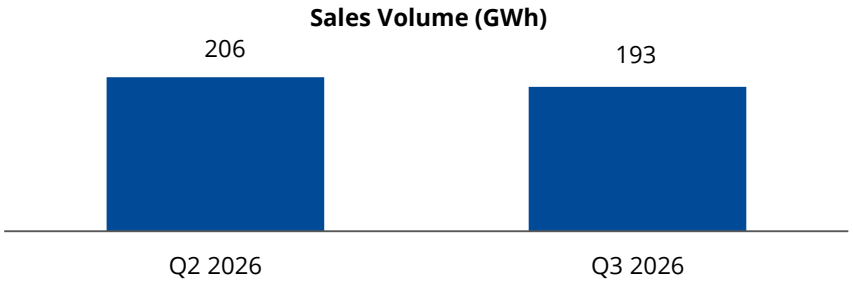


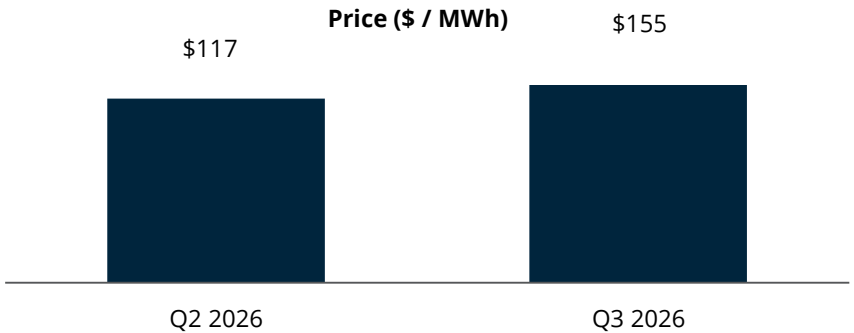
Lumber Operations (mmfbm)



Electricity, Fiber and Mass Timber

Electricity





Fiber Costs

- Modest cost reductions across all segments, supported by improved availability at Celgar and reduced sawlog costs at German sawmills amid weak demand for sawlogs

Mass Timber

- Lower revenues in Q3 vs. Q2 due to production issues at Conway and project construction delays
- Current order book expected to provide stable production through 2027

Financial Position

Summary

US$mm unless otherwise stated

Measure	Q2 2026	Q3 2026	Change (+/-)
Net Loss	**($76)**	**($59)**	**$17**
Loss per Share	($1.13 / share)	($0.88 / share)	$0.25/ share
Cash flows			
Cash flows used in operating activities	($15)	($20)	($5)
Capital expenditures	($12)	($13)	($1)
Liquidity Position	**$192**	**$144**	**($48)**
Cash	$79	$71	($8)
Undrawn Revolvers	$113	$73	($40)

Key Points

- One Goal, One Hundred: On track to meet goals by the end of 2026 through savings programs and unlocking significant reliability improvements
- Net Loss includes $8 million non-cash inventory impairment
- Working capital remained flat (excluding non-cash inventory impairments)

Balance Sheet Restructuring

Restructuring Support Agreement reached with majority of bondholders and shareholders:



- Stronger balance sheet and improved liquidity
- Mills continue to operate as usual with no interruptions
- Strengthened position to navigate pulp, lumber and geopolitical headwinds

Q3 Overview

Q3 Performance Summary

- **Pulp Sales Realizations:** Remained stable as soft demand was balanced by industry-wide downtime
- **Maintenance:** Q3 results negatively impacted by significant planned downtime
- **Fiber Costs:** Decreased modestly (lower for Canadian pulp and German sawmills, partially offset by higher German pulp wood costs)

Funding Momentum

- Peace River mill successfully secured government support amounting to $13M in government grants and $13M in repayable contributions

Torgau Restructuring Progress

- Torgau restructuring plan launched in Q2 is expected to be fully implemented by the end of Q2 2027, reducing headcount by ~400 positions



One Goal, One Hundred



- Targeting $100 million in EBITDA improvements by the end of 2026 compared to 2024
- As at September 30, 2026, we have achieved ~$76 million in cost savings and reliability improvements compared to 2024
- Status: On track to meet goals by the end of 2026 through savings programs and unlocking significant reliability improvements

Fiber Costs

Segment	Q3 vs. Q2	Q4 Outlook	Driver
German Pulp Mills	▲ Higher	▲ Higher	Wood energy demand (see drivers below)
Canadian Pulp Mills	▼ Lower	▼ Lower	Improved fiber availability and Celgar supply contract renegotiation
Sawmills	▼ Lower	— Flat	Weak sawlog demand

Why German fiber costs remain near historic highs

Tight Residual Supply

Lower sawmill output due to dampened lumber demand has limited residual supply

Energy shock

War in Ukraine cut Russian wood flows into Europe and sent energy costs to record levels.

→

Wood-heat policy

Wood burning for energy is permitted, and Germany subsidizes home wood heating

→

Pellet demand

Pellet producers now compete directly with our mills for pulp fiber

Pulp Markets

Softwood

- NBSK pulp markets were mostly flat
- Supply constraints balanced weak demand in Europe and China and high Chinese port inventories
- North America list prices remained stable

Hardwood

- Today, the softwood-hardwood differential in China is about $30 per tonne
- North America prices increased 3%
- China prices were down 5%

Short-term Outlook

- **NBSK Outlook:** Modestly higher Q4 pricing, as reduced supply offsets low demand.
- **NBSK Supply:** Tightening due to Northern Hemisphere maintenance and mill closures.
- **NBHK Outlook:** Slight Q4 price improvements expected due to similar supply constraints.

Pulp Production

Q3

· Planned

Rosenthal

26 days

~22,500 t

· Planned

Peace River

14 days

~19,800 t

· Planned

Stendal

4 days

~6,600 t

Lost Tonnes from Planned Downtime and Strategic Curtailments

71,000 tonnes

Q4

· Unplanned[1]

Rosenthal

24 days

~20,000 t

· Planned

Celgar

18 days

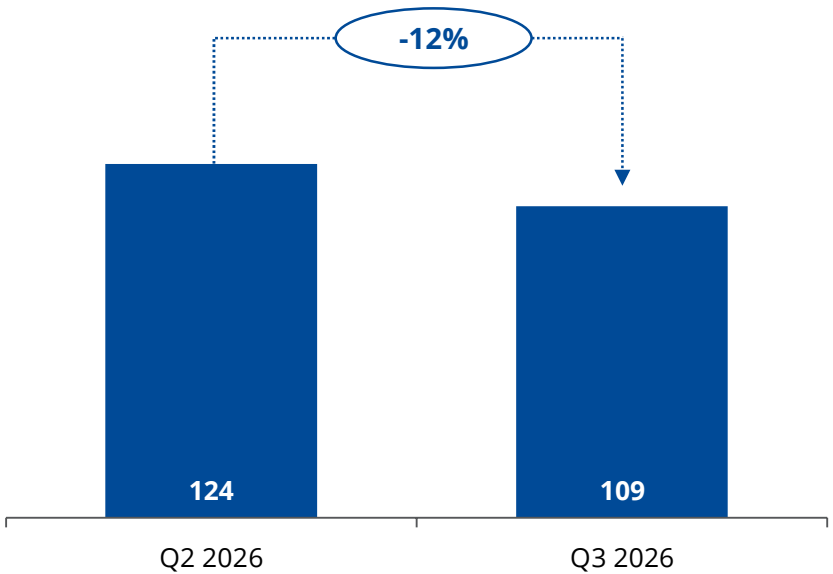
~23,000 t

German mills will continue strategically operating at reduced rates

1) Unplanned: effluent plant equipment repair.

Lumber Production

Quarterly Lumber Production (mmfbm)



Approximately 12% decrease in lumber production compared to Q2 2026 due to planned maintenance

Torgau scanner installation upgraded lumber sales profiles, driving higher Q3 sales realizations on dimensional lumber

Solid Wood Segment

Q3 Results

~$7M

segment EBITDA loss

- Weak demand and high fiber costs
- Conway unplanned downtime
- Mass timber project delays
- Fixed costs of Conway's two-shift transition

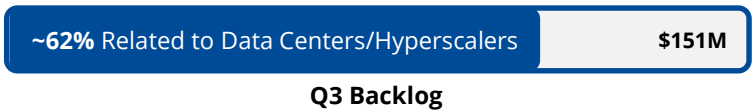
Q4 Outlook

- **U.S.:** pricing likely to stay volatile near term amid construction headwinds
- **Europe:** prices expected to stay flat
- **Conway:** full second shift expected to drive meaningful operating efficiencies

Meaningful long-term improvement depends on better economic conditions + lower long-term interest rates

Mass Timber

- Mass timber revenues were down compared to Q2, predominantly due to project delays
- Production and sales to increase significantly in Q4 due to timing of projects
- Total project backlog reached ~$151 million, driven by steady ongoing project inquiries



Q3 Backlog

- Our capacity and geographic footprint position us well to capture sustained demand for hyperscalers



Solid Wood Segment

Q3 Market

- Stagnant European economy and high U.S. mortgage rates continue to dampen demand
+ Reduced Canadian lumber supply drove higher U.S. prices; lumber realizations improved vs. Q2

50% of Q3 lumber volume sold in the U.S.

Mid-Term Drivers of Positive Supply-Demand Dynamics



Favorable Homeowner Demographics



Sawmill Curtailments

Pallets & Biofuels



Pallet

- Shipping pallet market remains weak due to overhang of European economy (especially Germany)
- Expecting generally stable pricing for the remainder of 2026



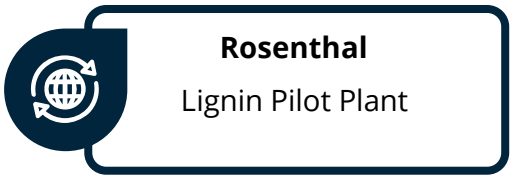
Biofuels

- Biofuel prices were flat in Q3 relative to Q2
- Biofuel prices expected to increase in Q4 due to seasonably cooler weather

Outlook

- Industry headwinds are proving more severe than anticipated, exacerbated by the conflict in the Middle East. Our short-term strategy and focus on controllable elements will allow us to navigate the downturn
- We expect to emerge as a financially stronger company by the end of 2026 due to the balance sheet restructuring transaction.
- Current market conditions validate our long-term strategic plan to transform pulp mills into biorefineries, which will introduce additional revenue streams, balance the product mix, and build greater resilience









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Reconciling Net Loss to Operating EBITDA

Note: For other reconciliations of Net 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 long-lived 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 long-lived 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, income taxes, 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 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.

Operating EBITDA is a non-GAAP financial measure at the consolidated level and is considered different from Operating EBITDA at the segment level, referred to as "Segment Operating EBITDA", which is our single measure of segment profit or loss presented in our financial statements under GAAP. For more information on Segment Operating EBITDA, refer to the segment information note within our consolidated financial statements.

Reconciling Net Loss to Operating EBITDA

Consolidated (US$ millions)	Q2 2026	Q3 2026
Net loss	($76)	($59)
Income tax recovery	($13)	($11)
Interest expense	$31	$32
Other income	($1)	($1)
Operating loss	**($59)**	**($39)**
Add: Depreciation and amortization	$38	$36
Operating EBITDA	**($21)**	**($3)**

Note: See next slide for additional disclosures

Reconciling Non-GAAP Earnings Per Share

Non-GAAP impairment (US$ millions, except per share data)	Amount	Per Share
Net loss	($59)	($0.88)
Impairment of inventories	$8	$0.12
Income tax effect of inventory impairment	($1)	($0.02)
Adjusted Net Loss	($52)	($0.78)