

## **Mercer International Inc.**

Transforming biomass into bioproducts for a more sustainable world

## **2026 Annual Meeting of Shareholders**

June 1, 2026

William McCartney — Chairman

Juan Carlos Bueno — President & Chief Executive Officer  
Richard Short — Chief Financial Officer, Executive  
VP & Secretary



# Forward-looking Statement

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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

# Agenda

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- 1 Chairman's Remarks** Introduction of the meeting and officers
- 2 Notice of Meeting** Affidavit of mailing of proxy materials
- 3 Report on Quorum** Inspector's report; meeting duly constituted
- 4 Presentation** Review of 2025 results and business initiatives
- 5 Voting on Matters of Business** Three proposals for shareholder consideration
  - Proposal 1: Election of Directors
  - Proposal 2: Non-binding advisory vote on Executive compensation
  - Proposal 3: Ratification of selection of independent registered public accounting firm
- 6 Voting Results** Preliminary tabulation by the inspector
- 7 Termination & Shareholder Questions** Close of formal meeting; open floor



# Operational Execution & Financial Discipline

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2025 was one of the most challenging years our industry has faced in some time — driven by factors largely beyond our direct control

## ● Trade & Tariff Uncertainty

April 2025 tariff announcements paused construction projects and weakened demand and pricing across pulp and lumber

## ● Currency Headwinds

A weaker U.S. dollar increased our euro- and Canadian-dollar-denominated operating costs in our reporting currency

## ● Elevated Fiber Costs

Fiber costs rose in both Germany and Canada through much of the year on tight supply and strong demand

## ● Global Conflict

The War in the Middle East compounded trade uncertainty, adding freight and chemical cost pressure into 2026

## WHAT WE CONTROL

Market forces shaped the year — but our response is ours to own

- Disciplined cost reduction and efficiency gains
- Improved mill reliability across operations
- Prudent capital and working capital management
- Protecting liquidity through the cycle

# Market Overview & Operational Milestones

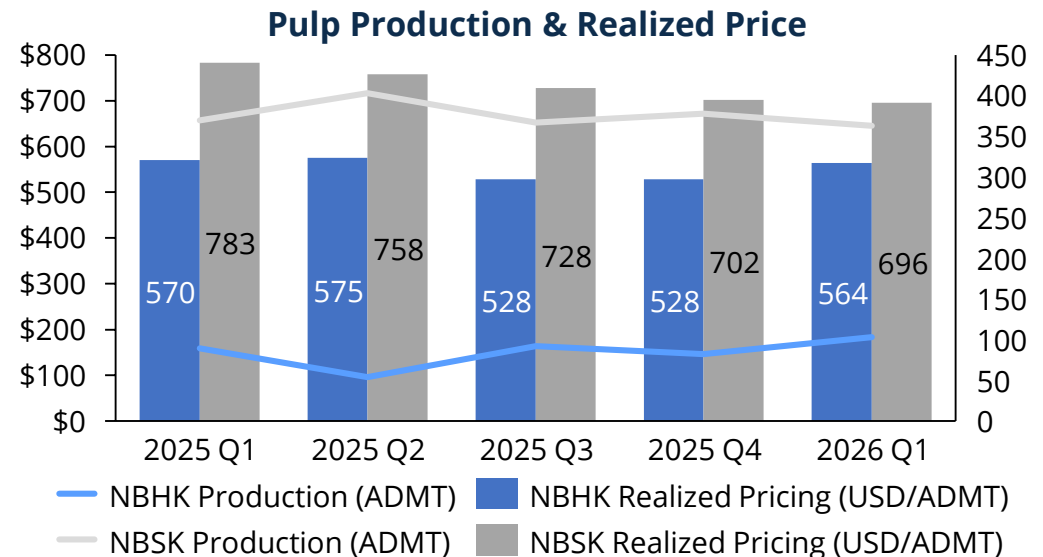
## One Goal, One Hundred



- Target: \$100M in EBITDA improvements by end-2026 vs. 2024 baseline
- ~\$41M in cost savings & reliability gains achieved to date
- On track to achieve the full \$100M target by year-end 2026

## Pulp Segment

- German mills: production strategically curtailed in response to fiber supply constraints — preserving value over the cycle
- Peace River: continued operational progress and a strategic transition toward increased softwood pulp production
- Celgar: consistently meeting or exceeding production targets
- Encouraging signs: NBSK markets improved modestly in Q1 2026; announced capacity closures point to a more balanced supply outlook



# Capital Allocation & Efficiency

## Lumber Segment

- Friesau remains one of our most competitive operations
- Advanced scanning technology being installed at Torgau in Q2 2026 to optimize sales mix
- Early-2026 SPF benchmark prices trending upward



## Mass Timber

- Backlog ~\$171M (Q1 2026); ~60% data center / hyperscaler projects
- Ramping Conway to two shifts, with Spokane to follow
- 2026 revenue expected \$100M+ — more than double 2025



## Bioenergy

- Subdued German economy and ample supply kept pricing under pressure
- Biofuel prices rose ~15% in Q1 2026 on seasonal demand
- A smaller, complementary part of the portfolio

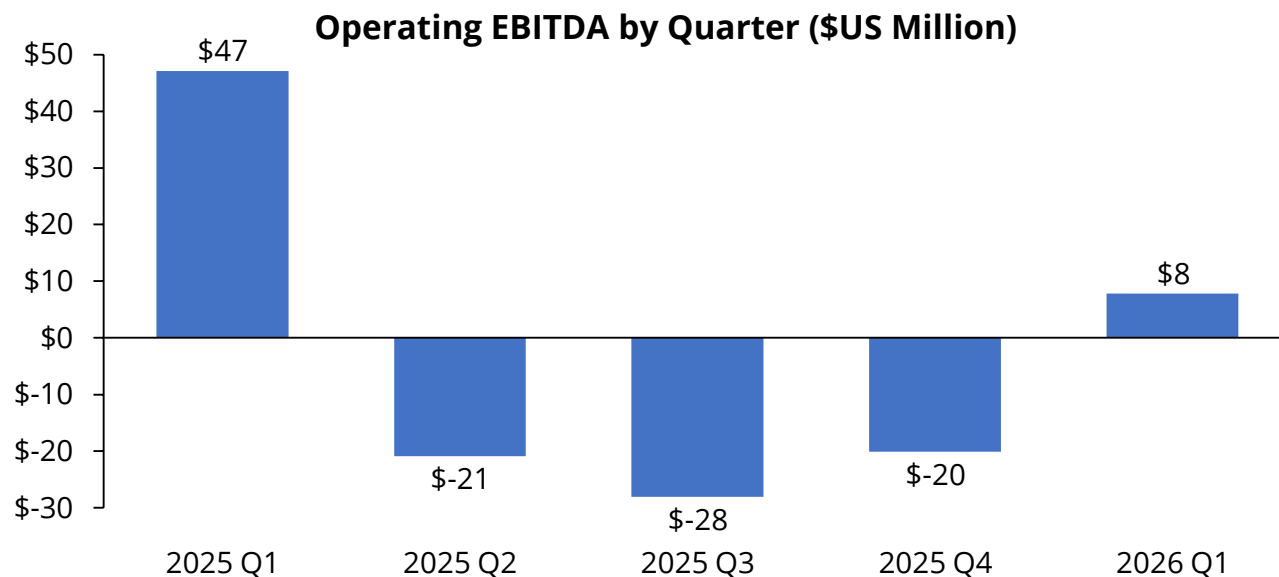


## Supply Chain Resilience

- ~45% of Celgar's fiber sourced from the U.S. — a competitive advantage
- Peace River fiber supported by Indigenous community partnerships
- Favorable freight contracts; historically competitive shipping costs



# 2025 Financial Performance



## FULL-YEAR 2025 RESULTS

2025: Mercer reported total revenues of \$1,868 million, an Operating EBITDA loss of \$22 million, and a net loss of \$498 million (\$7.44/share)

Q1 2026: Operating EBITDA returned to positive \$8M, up \$28M over Q4 2025

## Q4 2025 Results

- Q4 2025 net loss of \$309M (\$4.61/share)
- Non-cash impairments of \$239M in Q4 (\$216M long-lived assets, \$23M inventory)
- \$204M Peace River impairment — a U.S. GAAP requirement reflecting hardwood market weakness

## Capital Structure & Liquidity

- Q1 2026 liquidity ~\$229M (\$85M cash, \$144M undrawn revolvers)
- Obtained a waiver of the German revolving credit facility leverage covenant; compliance expected by Q4 2026
- Bondholder consent solicitation approved by 80%+ of holders
- Evaluating strategic alternatives; Board special committee appointed
- Dividend remains suspended pending stronger market conditions

# Sustainability & Safety

Advancing the transformation of our pulp mills into biorefineries with multiple sustainable revenue streams



## Peace River · Carbon Capture

Svante carbon capture pilot operational; encouraging early results



## Rosenthal · Lignin Pilot Plant

Building the knowledge base for potential commercial-scale production



## Stendal · Sustainable Aviation Fuel

Advancing work to lower emissions and improve mill economics

## Technology & Systems

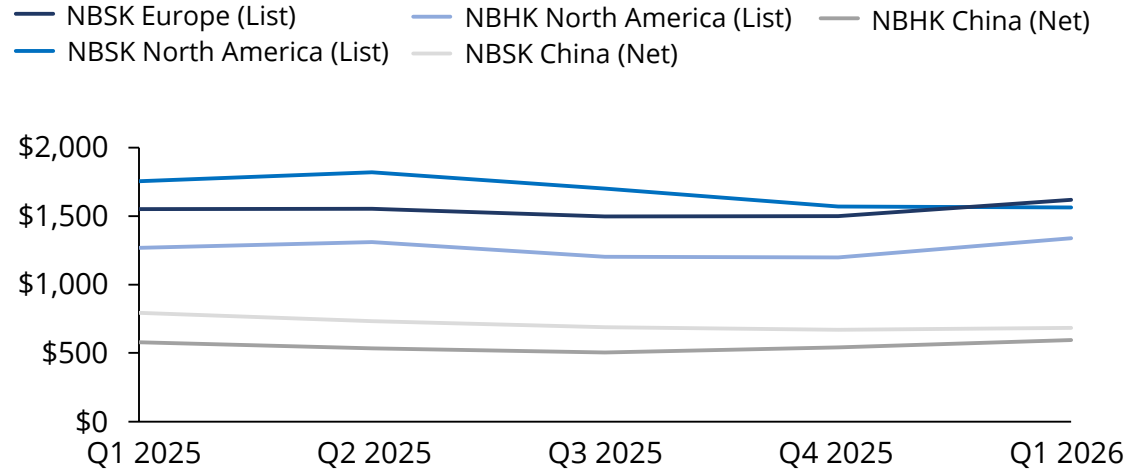
SAP rollout continuing across all facilities — real-time visibility, better decisions, and the data foundation for future AI-enabled operations

## Our People & Safety

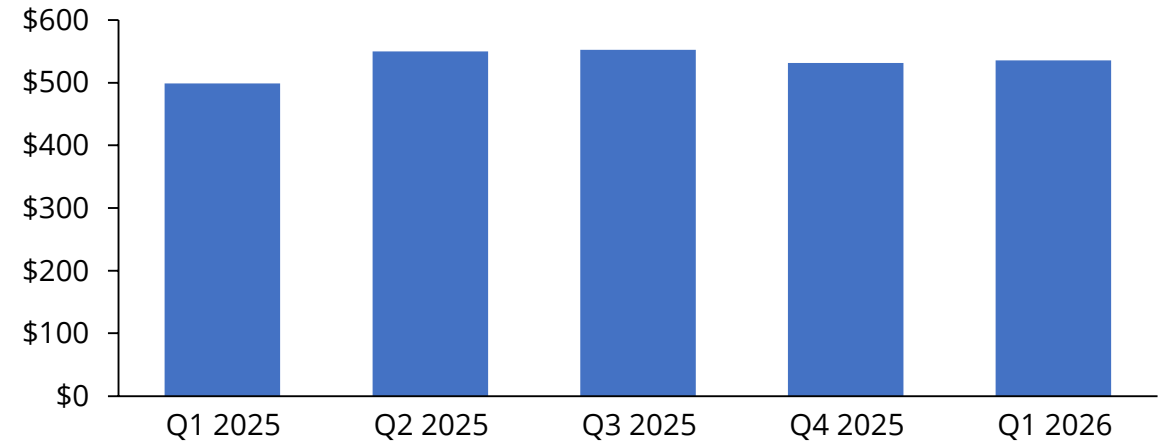
Employee engagement improved across all twelve measured categories; 2025 safety targets essentially met. Committed to our 2030 carbon reduction targets

# Market Expectations

**Pulp Benchmark Prices by Region (\$USD/ADMT)**



**Lumber Sales (\$USD/Mfbm)**



## Pulp

- Modest NBSK price improvement expected across markets; hardwood pricing relatively flat
- Trade uncertainty remains an overhang; supply side drives the balance

## Lumber

- Modest seasonal demand lift expected through the summer building season
- Medium term: favorable demographics and reduced North American capacity

## Mass Timber

- Production and sales expected to increase significantly through 2026
- Remains a key growth engine for Mercer

**Trade & Policy:** CUSMA renegotiation this summer may introduce additional uncertainty

**Board Oversight:** Committees provide guidance across HR, health & safety, environment and strategy

# Future Forward

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## Control What We Can Control

2026 will present challenges, but our short-term strategy positions Mercer to weather the cycle and benefit as conditions improve

1

### Complete

One Goal, One Hundred and pursue further cost reductions

2

### Spend Wisely

Disciplined 2026 capital expenditure of \$60-\$80M

3

### Execute

Reliability, quality and execution at the highest level

4

### Strengthen

Proactively address the capital structure and balance sheet

## The Investment Case for Mercer

**Mass timber** — a double-digit growth engine

**Pulp-to-biorefinery** — diversified, higher-margin revenue streams

**Sawmills** — fiber security

**A sustainable business** — renewable from forest origin to finished product



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