



Mercer International Inc.

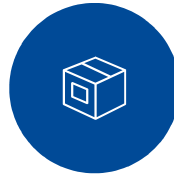
Sustainable. By Design.

Annual General Meeting May 2021

May 2021

Annual General Meeting 2020

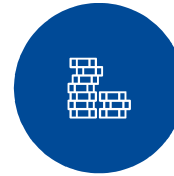
The agenda for Mercer International Inc.'s 2021 Annual General Meeting



Welcome and Business Portion of the Annual General Meeting

Jimmy S.H. Lee, Executive Chairman

- **Proposal 1:** Election of the Board of Directors
- **Proposal 2:** Non-binding Advisory Vote on Executive Compensation
- **Proposal 3:** Ratification of the Selection of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP



Adjournment of Business Portion of the Annual General Meeting



Presentation

*David M. Gandossi,
President and Chief
Executive Officer*



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 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 5 Pillars of Mercer's Strategy

Operate world-class assets

1

Manage the integrity of our
balance sheet and liquidity

2

Develop our talent

3

Grow and diversify where we
have core competencies

4

Ensure sustainable operations

5

Pulp

Wood Products

Wood Extractives

Green Energy

OPERATE World-class Assets

**Sustainable
Growth Strategy**

**High-return
Capital Projects**

**Improved
Production
Performance**



High-return Capital Projects

- \$80 million capital upgrade investments into Mercer operations
- Completed the majority of the Friesau's sawmill expansion project – Friesau will be one of the largest, most modern and efficient sawmills in the world



Maintaining Mill Assets

- Continued investment in Mercer Stendal and Mercer Rosenthal wastewater improvements projects
- Increasing Mercer Stendal's annual pulp capacity by 80,000 ADMTs to 740,000 ADMTs

GROWTH & Diversification



Attractive long-term fundamentals in key markets



Management committed to growth in spaces where we have clear competencies



Prudent and agile balance sheet discipline, commitment to the dividend



Commitment to sustainability, our people and our communities; a sound foundation for value creation

MANAGE Liquidity

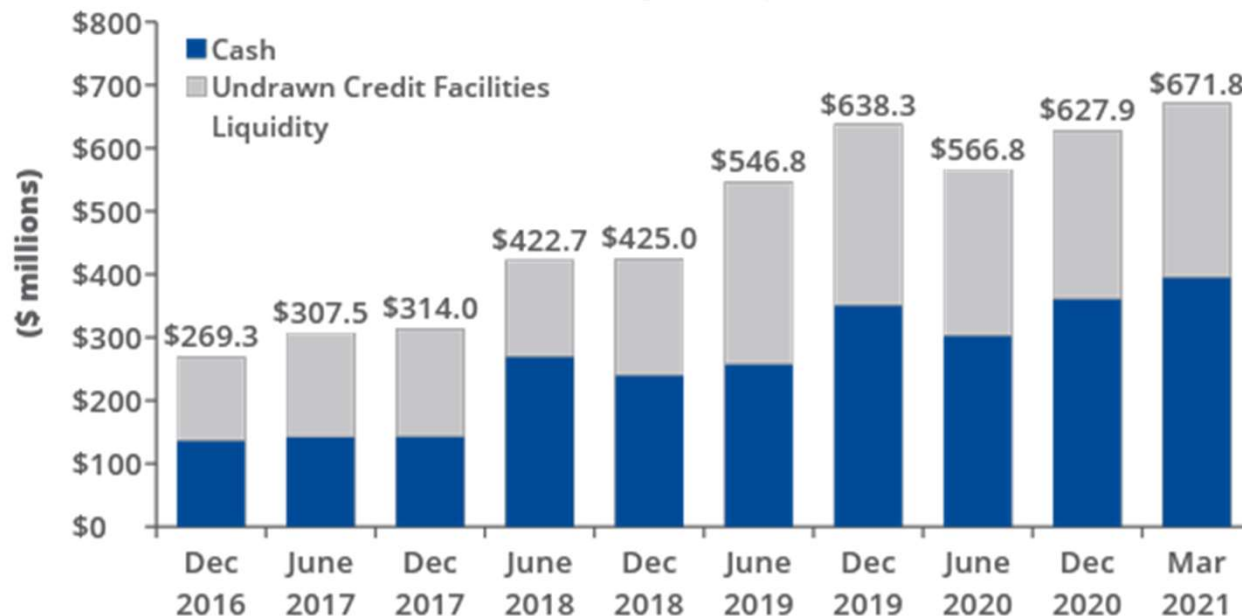
Liquidity is managed to the global economic conditions:

- 2016-2018: Tighter liquidity during stronger economic conditions and expansion period for Mercer
- 2019-2020: Higher liquidity to protect against global economic weakness and to allow Mercer to advance key strategic initiatives such as CAPEX and acquisitions

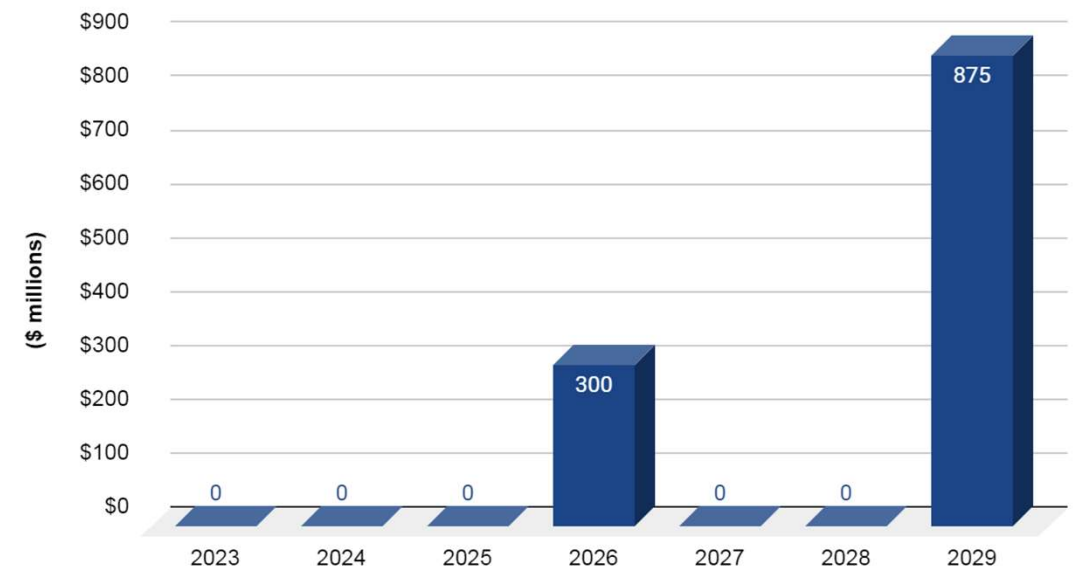
Debt composition is optimized when opportunistic

- Weighted average maturity of senior debt is 2028
- Weighted average coupon of 5.22%; a reduction of 0.76% and 1.49% since December 31, 2020, December 31, 2017, respectively
- Current debt rating of B+ (Moody's); Ba3 (S&P)
- Net debt: EBITDA since 2015 has averaged 3.1x⁽²⁾

Liquidity(1)



Senior Debt Composition



1) Liquidity calculated as total cash and cash equivalents and combined availability under revolving credit facilities.
 2) Operating EBITDA is a non-GAAP measure.

SUSTAINABLE Operations

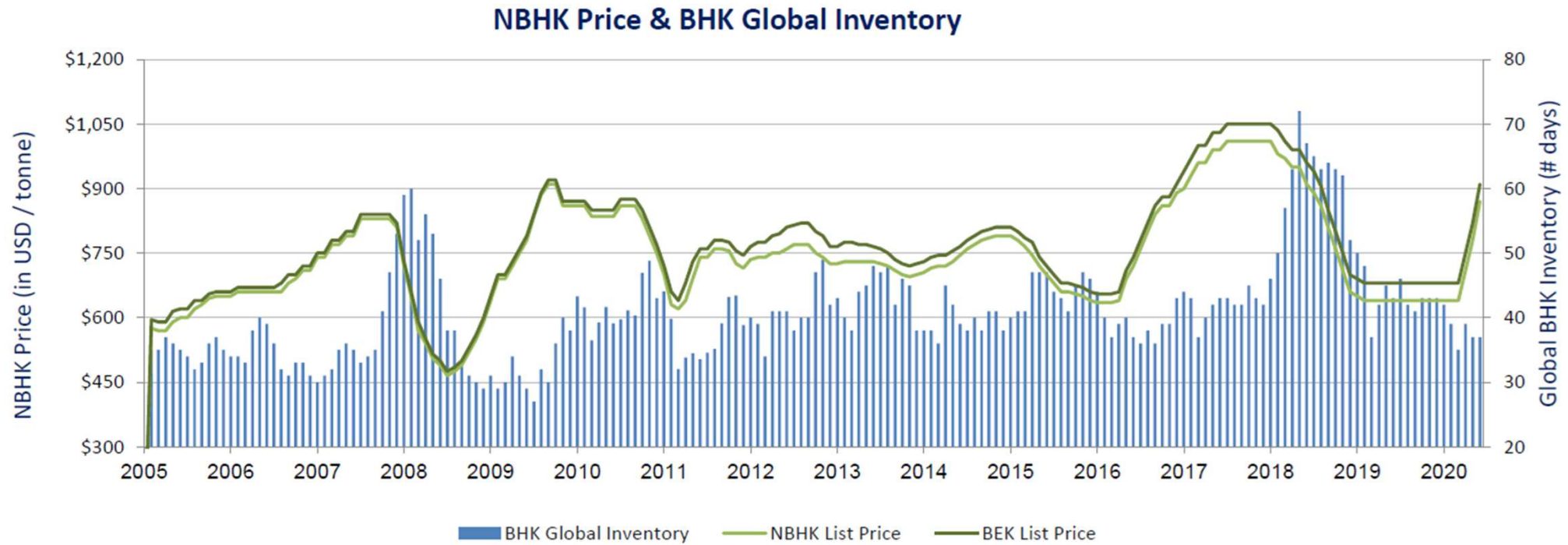
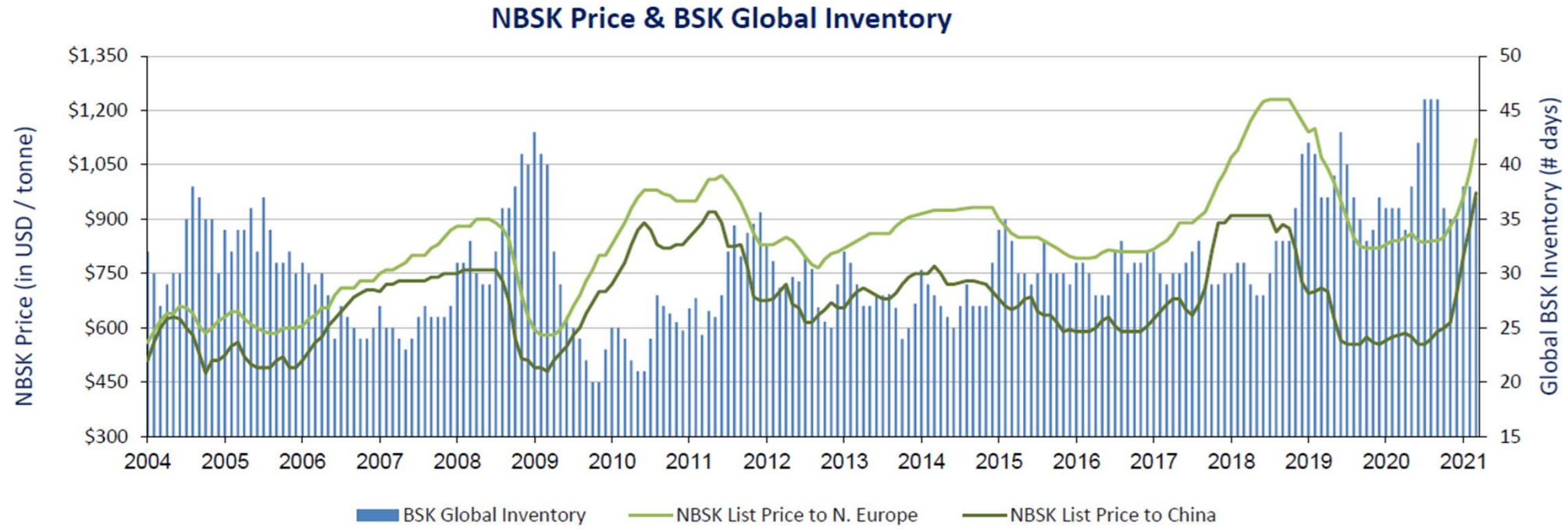
Modern assets and pulping innovation make our processes sustainable; continuous improvement culture keeps us advancing.



- Published 2020 and 2021 Sustainability Objectives, Targets, and Progress documents
- Established GHG emission reduction targets for each Mercer Operation
- Conducted a climate change scenario analysis
- Completed Scope 3 carbon emission study

- Completed a 2020 Mercer-wide Employee Engagement Survey
- Launched Diversity, Equity, and Inclusion initiatives through working groups
- Continued commitment and focus on health & safety programs & initiatives on journey to zero workplace injuries
- Stakeholder, community, and Indigenous Rights Holder engagement initiatives

VARIABLE Market Conditions





Thank you

Mercer International Inc.

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