Company Overview

Business Description

- Headquartered in Vancouver, British Columbia, Mercer International Inc. (NASDAQ: MERC) ("Mercer") and its wholly owned subsidiary Mercer International (Texas) LLC ("Mercer Texas" and, together with Mercer, the "Debtors")[1], together with their non-Debtor affiliates (the "Non-Debtor Affiliates" and, with the Debtors, the "Company"), make pulp, lumber, pallets and engineered wood products used mainly in paper, packaging and construction, with operations in Germany, Canada and the United States.
- Only Mercer, the group's publicly traded parent, and Mercer Texas are Debtors; neither has operations or employees. The business is run through the Non-Debtor Affiliates and organized into two segments across nine facilities:
  - Pulp Segment: two mills in Germany and two in western Canada; three produce northern bleached softwood kraft ("NBSK") pulp, a long-fiber grade that makes tissue and paper stronger, while the Alberta mill can also produce northern bleached hardwood kraft ("NBHK") pulp, a short-fiber grade that makes paper smoother and more opaque
  - Solid Wood Segment: two German sawmills and three North American mass timber plants making cross-laminated timber ("CLT")
- For the twelve months ended September 30, 2026, revenue declined approximately 3.5% to $1.84 billion from $1.91 billion in the prior-year period, while operating EBITDA swung to negative $36.3 million from positive $97.3 million.

[1] Mercer International Inc. and its debtor affiliate filed for Chapter 11 protection on November 9, 2026 (the "Petition Date") in the U.S. Bankruptcy Court for the Southern District of Texas, reporting $1.9 billion in assets and $2.0 billion in liabilities (as of June 30, 2026). For a complete list of Debtor and Non-Debtor entities, see organizational structure chart below.

Corporate History

- Mercer began in 1968 as a Washington business trust investing in real estate before entering the pulp business in 1994 with its acquisition of the Rosenthal mill in Germany.
  - Opened the Stendal mill in Germany in 2004 after an investment of approximately $1.1 billion
  - Acquired the Celgar mill in British Columbia in 2005 for approximately $210 million, before converting to a Washington corporation in 2006
- Acquisitions, 2017–2023: Mercer made five notable acquisitions totaling approximately $803 million, adding a fourth pulp mill and moving into lumber, pallets and mass timber:
  - Friesau, Germany (April 2017): entered wood products by buying a sawmill and biomass power plant for approximately $61.6 million
  - Peace River, Canada (December 2018): paid $344 million for Daishowa-Marubeni International Ltd., whose assets were the Peace River mill in Alberta and a 50% stake in the Cariboo pulp mill joint venture in British Columbia
  - Spokane, WA (August 2021): entered mass timber by paying $51.3 million for a CLT plant; according to trade press, the plant was sold through the Chapter 11 case of Katerra, its prior owner
  - Torgau, Germany (September 2022): bought Holzindustrie Torgau, the world's largest producer of EPAL wood pallets, which also makes lumber and biofuels, for €270 million ($263.2 million)
  - Conway, AR and Okanagan, Canada (June 2023): bought the mass timber assets of Structurlam, a CLT and glue-laminated timber ("glulam") maker, out of its bankruptcy for $82.1 million, including a Conway, AR plant and three British Columbia facilities later consolidated into the Okanagan facility

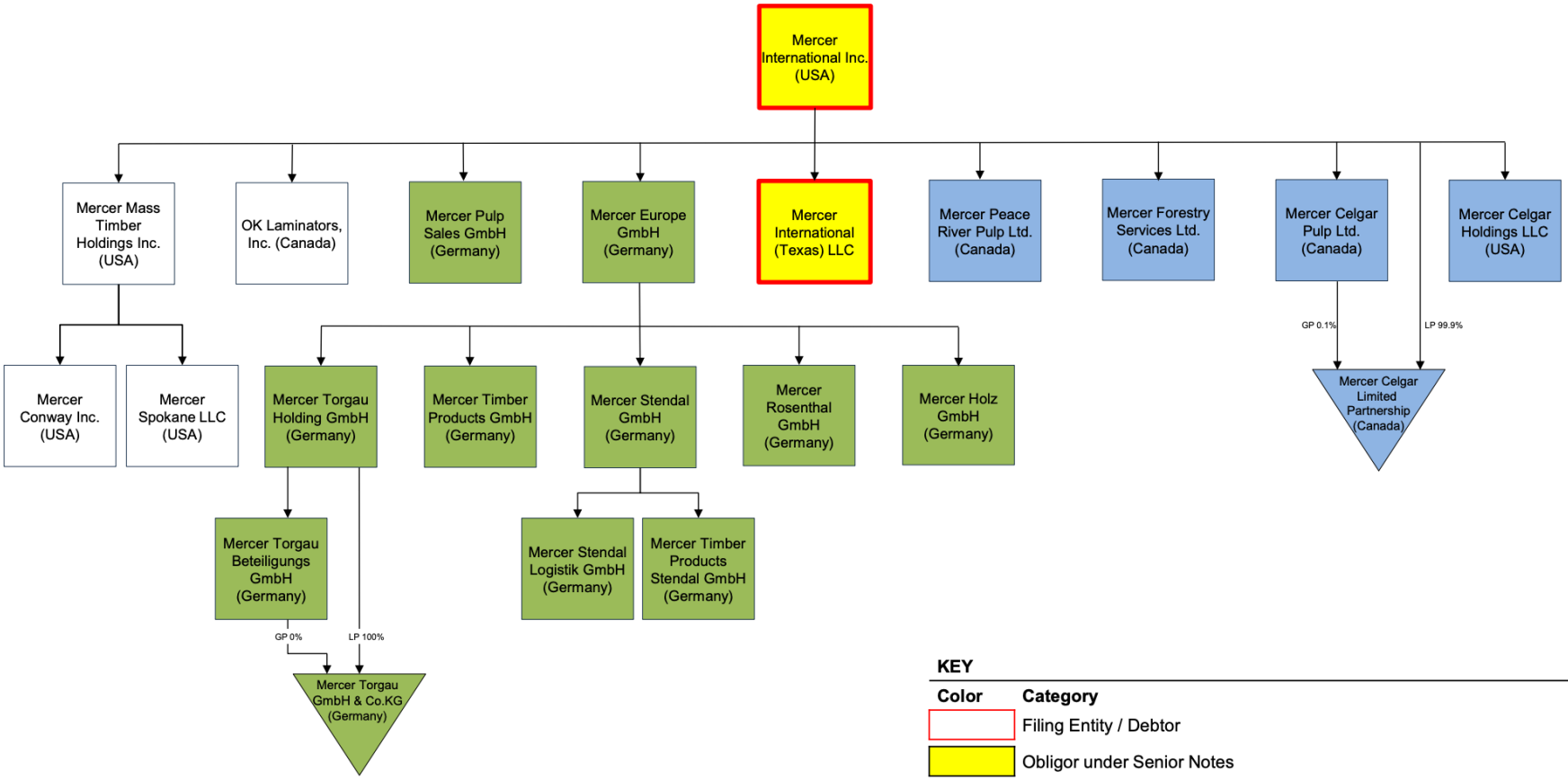
Organizational Structure

- Mercer directly or indirectly owns nine material operating subsidiaries.
- Mercer Texas was formed shortly before the Petition Date and became a guarantor of Mercer's senior notes on November 5, 2026.

Corporate Organizational Structure

Mercer – Simplified Organizational Chart

(as of Petition Date)



KEY

Color	Category
	Filing Entity / Debtor
	Obligor under Senior Notes
	Obligor under Canadian ABL Credit Agreement / Standby LC Agreement
	Obligor under German Revolving Facility Agreement

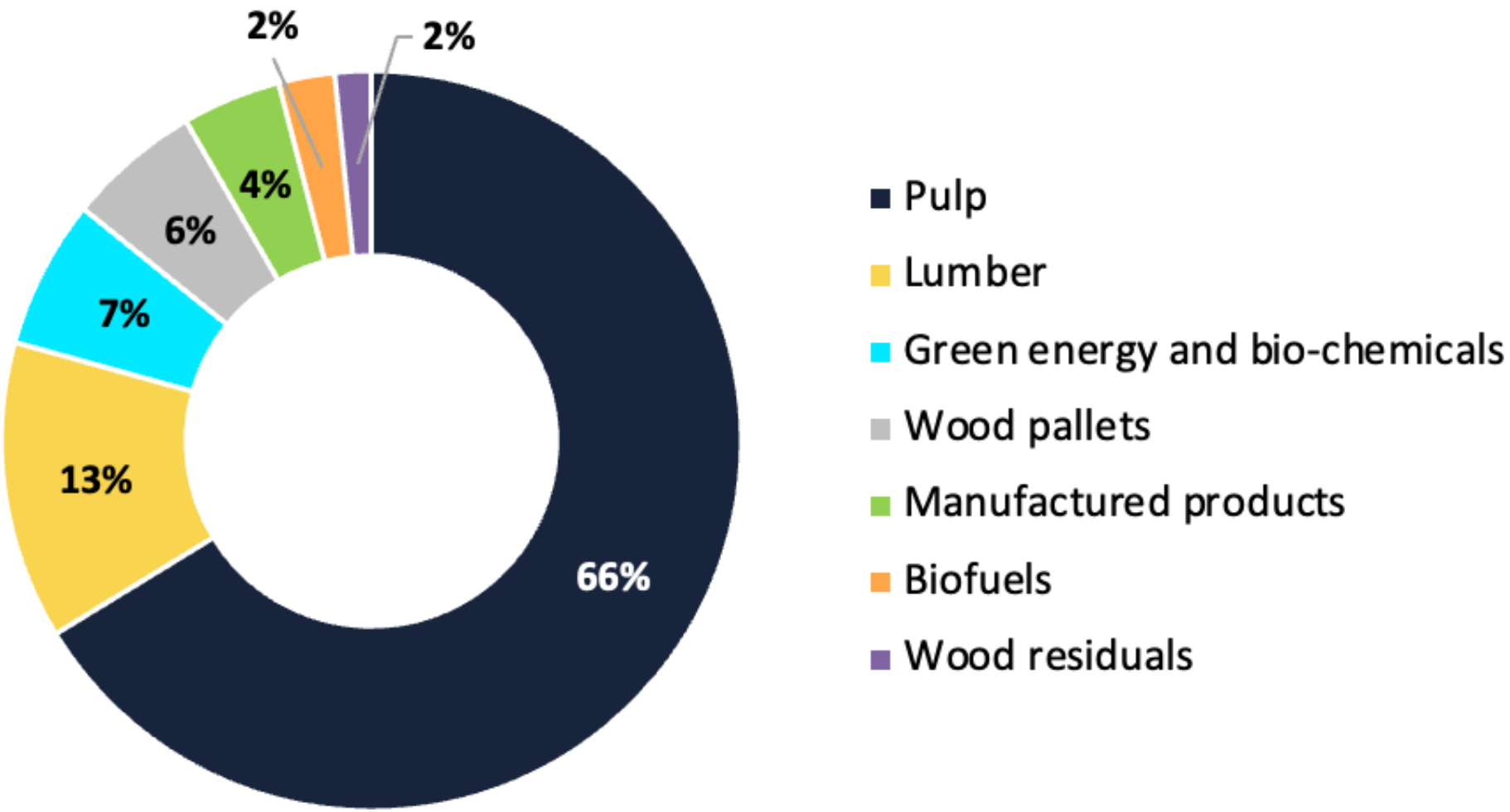
All companies are 100% owned unless otherwise noted

Source: Court Filings

Revenue Breakdown

- For the twelve months ended September 30, 2026, the Company generated approximately $1.84 billion of revenue, down approximately 3.5% from approximately $1.91 billion for the twelve months ended September 30, 2025, consisting of approximately:
  - $1.2 billion from pulp sales
  - $240 million from lumber sales
  - $120 million from green energy and bio-chemical sales
  - $107 million from wood pallet sales
  - $80 million from manufactured products
  - $45 million from biofuel sales and $29 million from wood residual sales
- By destination, LTM revenue consisted of approximately:
  - China: $519 million (28%)
  - Germany: $491 million (27%)
  - United States: $315 million (17%)
  - Other countries: $516 million (28%)

LTM 9/30/26 Revenue by Product



Source: SEC Filings

Pulp Segment

- The Pulp Segment produces and sells pulp, green electricity and bio-chemicals at four mills, with annual capacity in air-dried metric tonnes ("ADMTs"):
  - Germany: Rosenthal (360,000) and Stendal (740,000)
  - Canada: Celgar (520,000) in British Columbia and Peace River (475,000) in Alberta
- Three of the mills produce NBSK pulp, a premium grade valued for its strength and sold mainly to tissue and paper producers; Peace River can produce both NBSK and NBHK pulp.
- The mills also operate as bio-refineries, generating green electricity from biofuels produced during pulping (e.g., black liquor and wood waste) to run mill operations and selling the surplus to third-party utilities or into regional electricity markets.
- For the twelve months ended September 30, 2026, the segment generated approximately $1.31 billion of revenue, consisting of $1.2 billion from pulp and $95.4 million from energy and chemicals.
  - China was the largest market at $516.1 million (approximately 39.3% of segment revenue), followed by Germany at $278.8 million (approximately 21.2%) and the United States at $143 million (approximately 10.9%)
  - The remaining $376.6 million came from other countries

Solid Wood Segment

- The Solid Wood Segment produces and sells lumber, wood pallets, engineered wood products, biofuels, electricity and wood residuals through two German sawmills and three mass timber plants in the United States and Canada.
  - Lumber is sold to distributors, construction firms, secondary manufacturers, retail yards and home centers in the United States, Europe and Asia; pallets go mainly to European customers
  - Mass timber plants make CLT and glulam used in residential and commercial construction
  - Wood residuals are used internally, sold to third parties or converted into pellets and briquettes, and certain facilities generate renewable electricity from biomass
- For the twelve months ended September 30, 2026, the segment generated approximately $504.8 million of revenue: $239.6 million from lumber, $107.4 million from pallets, $79.6 million from manufactured products, $45 million from biofuels, $22 million from energy and $11.2 million from wood residuals.
  - Germany was the largest market at $211.3 million (approximately 41.9%), followed by the United States at $171.8 million (approximately 34%), with the remaining $121.7 million mostly from other countries
- Mercer's mass timber order book and commitments stood at approximately $151 million at September 30, 2026, anchored by large-scale data center infrastructure projects expected to begin contributing to results in late 2026 and into 2027.
  - On its November 2026 earnings call, management said approximately 62% of the backlog consisted of data center projects sponsored by hyperscalers, the largest cloud computing companies

Operations Overview (cont'd)

Facilities

- As of the Petition Date, the Company operates nine facilities: four pulp mills and five solid wood facilities, comprising two sawmills in Germany and three mass timber plants in the United States and Canada.

Facility	Location	Year Acquired	Products
Celgar Facility	Castlegar, British Columbia	2005	NBSK pulp
Stendal Facility	Arneburg, Germany	Company built	NBSK pulp
Rosenthal Facility	Rosenthal am Rennsteig, Germany	1994	NBSK pulp
Peace River Facility	Peace River, Alberta	2018	NBSK and NBHK pulp
Torgau Facility	Torgau, Germany	2022	Lumber, wood pallets and biofuels
Friesau Facility	Friesau, Germany	2017	Lumber
Okanagan Facility	Okanagan Falls/Penticton, British Colur	2023	CLT and glulam
Conway Facility	Conway, AR	2023	CLT and glulam
Spokane Facility	Spokane Valley, WA	2021	CLT

Workforce

- As of the Petition Date, the Non-Debtor Affiliates employed all of the Company's approximately 3,500 workers, a majority under collective agreements, including approximately:
  - 2,310 in Germany
  - 1,070 in Canada
  - 145 in the United States

Source: Court Filings

Prepetition Obligations

Debtors' Prepetition Obligations
USD in Millions *As of November 09, 2026*

Debt Instrument	Agent / Lender	Rate	Maturity	Borrowers	Guarantors / Obligors	Security	Amount Outstanding
Unsecured Obligations:							
2028 Senior Notes[1] *($400 million)*	Computershare Trust Company, N.A. (Trustee)	12.875%	10/01/2028[2]	Mercer International Inc.	Mercer International (Texas) LLC[3]	Unsecured	$ 400.0 [4]
2029 Senior Notes *($875 million)*		5.125%[4]	02/01/2029[2]				875.0 [5]
Total Other Obligations							**$ 1,275.0**
Total Debt							**$ 1,275.0**

1) $200.0 million issued in September 2023. An add-on offering of $200.0 million was completed in October 2024.
2) Mercer skipped the approximately $25.8 million October 1, 2026 interest payment on the 2028 Senior Notes and entered into a grace period. On October 30, 2026, the grace period was extended from 30 days to 90 days. On November 6, 2026, both Senior Notes Indentures were supplemented to exclude the Chapter 11 filing as an Event of Default.
3) Mercer International (Texas) LLC was added as guarantor of both the 2028 and 2029 Senior Notes on November 5, 2026. No operating subsidiary guarantees the Senior Notes, leaving them structurally subordinated to Mercer's Non-Debtor subsidiaries' debt obligations.
A) Excludes approximately $31.6 million of accrued and unpaid interest as of the Petition Date, which includes the October 1, 2026 coupon that Mercer did not pay.
B) Excludes approximately $12.2 million of accrued and unpaid interest as of the Petition Date.

Source: Bondoro, Court filings

Prepetition Obligations (cont'd)

Debtor Funded Debt

- The Debtors' funded debt consists of two series of unsecured notes totaling approximately $1.3 billion (see table on prior page).

Non-Debtor Facilities

- At the Non-Debtor level, the Company had approximately $367.8 million outstanding under two secured credit facilities, along with a standby letter of credit facility and an unsecured demand loan:
- Canadian ABL Facility ($80.8 million): asset-based revolver of up to C$160 million from three banks, with Royal Bank of Canada as agent, maturing January 21, 2027.
  - Secured by substantially all assets of its borrowers and guarantors, which are certain Canadian subsidiaries; approximately $80.8 million outstanding as of the Petition Date
- German RCF ($287 million): revolving facility of up to €370.1 million to certain German subsidiaries, maturing September 15, 2027.
  - As of the Petition Date, approximately $287 million was drawn and approximately $24 million of letters of credit were outstanding
- Other facilities: (i) a standby letter of credit facility for the Canadian mills, with approximately C$4.1 million ($2.9 million) of letters of credit outstanding at the Petition Date, and (ii) a €2.6 million unsecured demand loan at Mercer Rosenthal GmbH.

2 Largest Unsecured Creditors

USD in Millions *As of November 09, 2026*

	Creditor	Nature of Claims	Amount of Claim
1	Computershare Trust Company, N.A.	5.125% Senior Unsecured Notes due 2029	$ 875.0
2	Computershare Trust Company, N.A.	12.875% Senior Unsecured Notes due 2028	400.0
		2 Largest Unsecured Claims	**$ 1,275.0**

Source: Bondoro, Court filings

Events Leading to Bankruptcy

Debt-Funded Growth

- Between 2017 and 2023, Mercer spent approximately $803 million on acquisitions, more than half of it to build out its solid wood business.
  - According to the Disclosure Statement, approximately $396.6 million went to solid wood acquisitions from 2021 through 2023, alongside approximately $96.3 million of segment capital expenditures
  - The expansion was funded largely with debt and available cash: from year-end 2020 through 2023, senior note and credit facility borrowings rose approximately $430 million, to approximately $1.58 billion
- The solid wood business added scale but not earnings: after generating approximately $122 million of EBITDA in 2021, the segment recorded negative Segment Operating EBITDA in each year from 2023 through 2025.

Pulp Prices and Weak Demand

- Market conditions for pulp have remained challenging, particularly for NBSK in China and North America; according to the Debtors, Chinese demand has been constrained by an oversupplied paper market and economic and trade uncertainty.
  - Per Mercer's November 2, 2026 cleansing materials, Chinese softwood imports have decreased and more than 2.7 million tons of softwood pulp capacity have been removed from the market since 2023
  - NBSK accounted for approximately 82% of Mercer's pulp production in the first nine months of 2026; weaker demand has reduced the prices it receives
  - China NBSK net price averaged approximately $672 per ADMT in H1'26 vs. approximately $764 in H1'25; Mercer's average NBSK sales realizations fell approximately 11%, and global NBSK and NBHK net prices are 20% to 30% below their 2022 peak
- In solid wood, European demand remained subdued; although average lumber prices rose approximately 5% in H1'26, lumber revenues declined on lower sales volumes.

Events Leading to Bankruptcy (cont'd)

Costs Increase

- Alongside weaker pricing, the Company faced rising production costs, most significantly for wood fiber, particularly in Germany, where reduced fiber availability and increased demand for wood as an energy source pushed prices higher.
  - The cleansing materials link both trends to the Russia-Ukraine conflict: German wood pellet production has grown at an approximately 28.2% annual rate since 2019, increasing competition for wood chips, while Russian wood fiber flows to Northern Europe have ceased
- Mercer's pulp fiber cost per ADMT rose at an approximately 13.3% annual rate from 2021 through Q1'26, while its average pulp price fell at an approximately 2.3% annual rate.
  - In H1'26, per unit pulp fiber costs increased approximately 18%, prompting production cuts at the German pulp mills
  - Per unit lumber fiber costs rose approximately 32%, with fiber representing approximately 85% of lumber cash production costs

Other Macroeconomic Headwinds

- Geopolitical conflicts and energy costs: according to the Debtors, the conflicts in Ukraine and the Middle East disrupted global energy markets and weighed on demand, with higher oil and energy prices adding to freight, fiber and other production costs.
- Foreign exchange: Mercer incurs most costs in euros and Canadian dollars but prices most products in U.S. dollars, so a weaker dollar raises its costs.
  - In H1'26, the Company recorded a negative FX impact of approximately $15.7 million on operating loss vs. H1'25
- Trade policy: U.S. softwood lumber imports have been subject to a 10% duty since October 14, 2025 under a presidential proclamation, affecting Mercer's German lumber exports to the U.S.
  - U.S. tariffs have also redirected Chinese exports, reducing demand for softwood pulp

Events Leading to Bankruptcy (cont'd)

Impact on Results

- According to the Debtors, these conditions contributed to weaker demand across key markets and significant margin compression, despite ongoing cost-reduction and efficiency efforts.
  - Operating EBITDA declined from approximately $243.7 million in 2024 to negative $22 million in 2025, and was negative $13.1 million in H1'26 vs. positive $26.5 million in H1'25
  - In H1'26, the Company recorded approximately $51 million of inventory impairment charges, primarily against pulp and fiber inventory, due to low pulp prices and high fiber costs
  - Cash used in operating activities was approximately $100.8 million in H1'26 vs. approximately $7.5 million a year earlier
- Combined with approximately $1.6 billion of funded debt and approximately $122 million of annual cash interest expense, these pressures rendered the existing capital structure unsustainable.

German RCF Covenant Breach and Waiver

- At March 31, 2026, the German borrowers breached the German RCF's maximum leverage ratio.
  - On May 4, 2026, lenders waived the covenant for the first three quarters of 2026 in exchange for tighter terms, including a €300 million utilization cap, temporary security over certain assets, higher interest margins and restrictions on distributions to Mercer
- In August 2026, management determined that a breach at the December 31, 2026 test was probable; the Plan provides for the German RCF to be repaid in full and terminated on the Effective Date.

Events Leading to Bankruptcy (cont'd)

Prepetition Restructuring Efforts

- The Company faced near-term maturities under the Canadian ABL Facility (January 21, 2027) and the German RCF (September 15, 2027); per the cleansing materials, repaying both on December 31, 2026 would create a peak liquidity need of approximately $428 million in July 2027, before further Senior Notes interest. The Company lacked the liquidity to repay the facilities at maturity.
  - Cost and liquidity: continued the "One Goal One Hundred" cost-savings program, which realized approximately $75.7 million of savings by October 2026
  - Governance: in February 2026, the Board formed a Special Committee of independent directors to oversee liquidity and capital structure alternatives
  - Advisors: engaged Houlihan Lokey as investment banker in December 2025, Latham & Watkins and Hunton Andrews Kurth as legal counsel and Alvarez & Marsal as financial advisor
  - Lender discussions: talks with Canadian ABL and German RCF lenders on extensions and refinancings did not produce a transaction on commercially viable terms
- Noteholder negotiations: by July 2026, the Company had begun discussions with Senior Notes holders, later focusing on an ad hoc group including Millstreet, Redwood Capital Management and Mackay, advised by Paul, Weiss and Ducera Partners (the "Majority Ad Hoc Group"), along with certain large equity holders.
  - Agreement in principle on a commercial term sheet was reached in September 2026; the RSAs, Plan, Rights Offering and backstop commitment were finalized during late September and October
- Missed interest payment: on October 1, 2026, Mercer did not make the approximately $25.8 million interest payment due on the 2028 Senior Notes and entered a 30-day grace period, later extended to December 30, 2026.
  - In early November, both Senior Notes Indentures were supplemented to add Mercer International (Texas) LLC as a guarantor and to provide that the Chapter 11 filing would not constitute an Event of Default

Chapter 11 Filing

Plan Overview

- The Debtors' prepackaged Chapter 11 plan contemplates exchanging the $1.275 billion of Senior Notes for new equity and secured notes.
  - Reduces funded debt by approximately $900 million, from approximately $1.6 billion to approximately $700 million, principally by equitizing approximately $1.1 billion of the notes
  - Cuts annual cash interest by approximately $100 million
- The cases will be funded entirely with unencumbered cash, without DIP financing or the use of cash collateral.
  - Although the Debtors have no operations or customer receipts, they are funded by cash from the Non-Debtor Affiliates, including distributions, cost reimbursements, management fees and intercompany loan repayments

Restructuring Support Agreements

- On November 2, the Debtors entered into Restructuring Support Agreements with holders of approximately 88.58% of Senior Notes principal and approximately 43.1% of Mercer's existing equity.
- Certain members of the Majority Ad Hoc Group entered into a Backstop Commitment Letter, agreeing to fully backstop the Rights Offering.
- The Plan is a "straddle" prepackaged plan: solicitation of Senior Notes holders began before the Petition Date, while equity holders will vote after the filing, with a voting deadline of December 10, 2026.

Chapter 11 Filing (cont'd)

Key RSA Terms

- Commitments and covenants:
  - Consenting holders must vote to accept the Plan and not opt out of its releases
  - Until December 31, 2026, the Company's cash plus revolver availability may not fall below $30 million
  - Without consent of holders of a majority of the consenting noteholders' notes (the "Required Consenting Senior Noteholders"), the Company may not amend or refinance its bank facilities, sell material assets or seek government financing
- Milestones:
  - Disclosure Statement conditionally approved within three days of filing; backstop order within 22 days of the Petition Date; Confirmation Order within 45 days
  - Effective Date by the earlier of December 31, 2026 and 14 days after confirmation, subject to a 30-day extension for regulatory approvals
- Termination:
  - The noteholder RSA terminates automatically two business days after a missed milestone unless extended
  - The Required Consenting Senior Noteholders may terminate if any other funded debt is accelerated or any non-Debtor subsidiary commences an insolvency proceeding
- Transfer restrictions:
  - Consenting noteholders may not acquire Senior Notes or equity if doing so would bring their combined ownership above 9.9% of Mercer's existing equity

Exit Capital Structure

- The reorganized Company would emerge with approximately $626 million of new first-lien senior secured notes and approximately $68.4 million drawn under a new ABL facility.
  - Notes comprise $420 million of new money, $150 million of takeback and $56 million of put option premium notes, all on identical terms
  - Interest at 12.25% cash, or 13.75% with up to 12.75% payable in kind, for the first 24 months, then 12.50% cash
  - Expected to be secured by a first lien on Mercer Mass Timber Inc.'s assets and a second lien on the bank facilities' collateral
- Rights Offering and New ABL Facility proceeds will be used to repay and terminate the German RCF (with its letters of credit transferred to the New ABL Facility or cash collateralized) and to reduce the Canadian ABL Facility by at least $41 million.
- Rights Offering: Senior Notes holders may purchase up to $420 million of New Money Senior Secured Notes, inclusive of $20 million of original issue discount, for up to $400 million of cash.
  - Participants also receive stapled equity of 40% of the new common stock and 40% of the new convertible preferred stock ("Stapled Equity")
  - Subject to a dollar-for-dollar reduction for amounts drawn under the New ABL Facility at closing, but only to the extent closing liquidity exceeds $300 million, and the reduction cannot take liquidity below that level
- Backstop: certain members of the Majority Ad Hoc Group committed to fully backstop the Rights Offering in exchange for a $56 million put option premium (14% of the $400 million commitment).
  - Payable in additional notes, or in cash if the backstop commitment terminates before the Effective Date for reasons other than a backstop party breach

Exit Capital Structure (cont'd)

- Takeback Notes: holders of Senior Notes Claims will receive $150 million of new takeback senior secured notes, maturing four years and 364 days after issuance.
  - Issued under a single indenture with the New Money Senior Secured Notes and the $56 million of put option notes; all three share the same terms
- New ABL Facility: a new asset-based revolver of up to $300 million, which may be structured as a global facility or regional facilities.
  - Size will be reduced by any amount the Canadian ABL lenders agree to reinstate, extend or provide
  - Entry into the facility is a condition to the Effective Date; Houlihan Lokey has launched a financing process with lenders, with initial market feedback expected by mid-November

Exit Capital Structure

Capitalization as of 12/31/26		
New 1L Notes	$	626.0
New ABL Facility		68.4
Capital Leases		47.0
Total Funded Debt[1]	**$**	**741.4**
Less: Cash		(100.0)
Net Funded Debt	**$**	**641.4**

Notes:

1. Excludes $30.4M of L/Cs outstanding, including $2.9M Demand Loan Facility, and $325.0M of Convertible Preferred Equity.

Source: Court Filings

Reorganized Equity

- On the Effective Date, existing Mercer common stock will be cancelled, and the reorganized Company will issue new common stock and $325 million of new convertible preferred stock to noteholders, rights offering participants and existing shareholders; both will be diluted by a management incentive plan.
  - Mercer expects Nasdaq to delist its existing common stock and intends to apply to list the new common stock on a national exchange
- New Common Stock: held 51.5% by noteholders, 40.0% by rights offering participants as Stapled Equity and 8.5% by existing shareholders.
  - Before dilution from a management incentive plan reserving up to 8.5%
- New Convertible Preferred Stock: $325 million held 56.5% by noteholders, 40% by rights offering participants as Stapled Equity and 3.5% by existing shareholders.
  - Ranks senior to the new common stock
  - Carries an 8% dividend, payable in kind at reorganized Mercer's election, stepping up to 10%, 12% and 14% from the third, fourth and fifth anniversaries of closing

Plan Classes and Treatment

- Of the Plan's eight classes, only Class 3 (Senior Notes Claims, covering both series) and Class 8 (Existing Equity Interests) are impaired and would vote.
- Class 3 (Senior Notes Claims): allowed at approximately $1.32 billion, equal to principal plus accrued and unpaid interest as of the Petition Date.
  - Holders receive their pro rata share of 51.5% of the New Common Stock, 56.5% of the $325.0 million of New Convertible Preferred Stock, $150.0 million of takeback senior secured notes and subscription rights in the Rights Offering
  - Rights Offering participants receive an additional 40.0% of the New Common Stock and 40.0% of the New Convertible Preferred Stock as Stapled Equity
  - Projected recovery of 38.2% to 58.1% per the Disclosure Statement, based on a $1.3 billion midpoint enterprise value, depending on Rights Offering participation
- Class 8 (Existing Equity Interests): holders receive their pro rata share of 8.5% of the New Common Stock and 3.5% of the New Convertible Preferred Stock, diluted only by the management incentive plan and conversion of the preferred stock.
- Unimpaired classes: all other classes, including general unsecured and trade claims and section 510(b) claims, are unimpaired.

Financial Projections

- The Company projections assume a recovery beginning in 2027.
  - Revenue projected to grow from approximately $1.89 billion in 2026 to approximately $2.23 billion in 2027 and approximately $2.7 billion by 2031
  - EBITDA projected to rise from negative $4 million in 2026 to $171.3 million in 2027 and $311.1 million in 2028, and to approximately $387 million by 2031 (approximately 14% margin)
- The forecast assumes the Iran conflict is resolved by late 2027 or early 2028, lowering gas prices in Germany, but assumes no resolution of the Russia-Ukraine conflict and no change to U.S. tariffs.

First-Day Relief

- Cash Management (Docs. 8, 39): interim approval to continue the cash management system of six accounts holding approximately $4.35 million and continue intercompany transactions, with net cash to non-Debtor affiliates capped at the RSA-approved budget.
- Critical Vendors (Docs. 9, 40): final approval to pay approximately $1.14 million in prepetition trade claims in the ordinary course, consistent with the approved budget.
  - Vendors accepting payment must continue providing services on customary trade terms
- Insurance (Docs. 10, 43): final approval to maintain 27 insurance policies carrying approximately $17 million in annual premiums, including approximately $1 million owed as of the Petition Date, and pay related deductibles and broker fees.
  - The order also modifies the stay to permit D&O insurers to pay defense costs
- Taxes (Docs. 11, 42): final approval to pay prepetition, postpetition and straddle-period taxes and fees, which, according to the Debtors, are de minimis.
- NOL Trading (Docs. 12, 44): final approval of notice and objection procedures for holders of 4.5% or more of common stock to protect approximately $70 million of federal NOLs and approximately $402 million of disallowed business interest carryforwards.
  - Proposed trades require 20 business days' advance notice, subject to a 15-business-day objection period

Recoveries Against Hypothetical Chapter 7 Liquidation

Class	Designation	Plan Treatment	Est. Plan Recovery – Low	Est. Plan Recovery – High	Est. Chapter 7 Recovery – Low	Est. Chapter 7 Recovery – High
1	Secured Claims	Unimpaired	100%	100%	N/A	N/A
2	Other Priority Claims	Unimpaired	100%	100%	100%	100%
3	Senior Notes Claims[2]	Impaired – Voting	38.2%	58.1%	3%	5%
4	General Unsecured Claims	Unimpaired	100%	100%	3%	5%
5	Intercompany Claims	Unimpaired	100%	100%	0%	0%
6	Intercompany Interests	Unimpaired	100%	100%	0%	0%
7	510(b) Claims	Unimpaired	100%	100%	0%	0%
8	Existing Equity Interests	Impaired – Voting	N/A	N/A	0%	0%

Source: Court Filings

Financial Projections

Income Statement

	Year:	2027	2028	2029	2030	2031
Revenue:						
Pulp & Lumber Revenue	(A)	$ 1,784.9	$ 1,927.7	$ 1,964.3	$ 2,081.0	$ 2,104.3
Energy Revenue	(B)	123.0	118.7	108.4	102.3	103.5
Mass Timber Revenue	(C)	136.6	163.0	197.0	228.6	258.5
All Other Revenue	(D)	188.3	217.5	224.5	228.8	237.8
Total Revenue		**$ 2,232.8**	**$ 2,426.9**	**$ 2,494.2**	**$ 2,640.7**	**$ 2,704.0**
Cost of Sales	(E)	(1,945.1)	(1,996.2)	(2,108.4)	(2,136.6)	(2,189.6)
Gross Margin		**$ 287.7**	**$ 430.7**	**$ 385.8**	**$ 504.1**	**$ 514.5**
SG&A	(F)	(116.4)	(119.6)	(123.2)	(125.6)	(127.3)
EBITDA		**$ 171.3**	**$ 311.1**	**$ 262.6**	**$ 378.4**	**$ 387.2**
Depreciation		$ (152.2)	$ (156.1)	$ (149.9)	$ (135.4)	$ (136.2)
Interest Income / (Expense)		(99.8)	(108.6)	(108.9)	(109.6)	(108.3)
Other Income / (Expense)		(0.0)	(0.0)	(0.1)	(0.0)	(0.0)
Income (Loss) Before Income Taxes		**$ (80.7)**	**$ 46.4**	**$ 3.7**	**$ 133.5**	**$ 142.7**
Income Tax Benefit (Expense)	(G)	11.4	(23.2)	(22.4)	(42.0)	(54.0)
Net Income		**$ (69.3)**	**$ 23.1**	**$ (18.7)**	**$ 91.5**	**$ 88.7**

Source: Court Filings