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THE WALL BEHIND THE RAISE

Eramet: The Order of Operations

Built from Eramet's published accounts and releases. We have not been retained.

Macro-strategy & Risk · Metals & Mining · Information cut-off 6 August 2026

An independent reading of published information

What the analysis rests on, and what it does not claim.

This is the work of ZMK Advisory, a macro-strategy and risk advisory firm. It was not commissioned, and we hold no position in Eramet.

It is built from Eramet's H1 2026 results, the 2025 Universal Registration Document, and dated company announcements to 6 August 2026. Nothing here comes from a private source.

It argues that the order of the funding plan, rather than its size, is what determines the outcome.

It is not a valuation, a recommendation on the shares, or a comment on any individual.

It asks two questions that only the company can answer.

Every figure is Eramet's own disclosure, or is labelled as ZMK modelling where it appears.

THE ASSUMPTION

Eramet has not published the covenant level that applies from 2027

We use 1.0x, the standing test in the 2025 financing documentation.

If the test is 1.0x

- The capital increase is necessary.
- The requirement runs from €66m to €543m across our operating cases.
- Covenant gearing falls from 117 per cent to 63 per cent on our FY2027 model.

If the test is 1.25x or looser

- Every scenario we model complies without new equity.
- The €500m becomes a liquidity and refinancing decision.
- The sequence in this document still holds, but the urgency changes.

Why we use 1.0x

It is the standing test in the 2025 financing documentation. It is inference, not disclosure, and it is labelled as an assumption wherever it appears in this document.

This is the number we would most like Eramet to confirm.

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Sources: Eramet 2025 Universal Registration Document, financing documentation summary [S6]; H1 2026 results release, 29 Jul 2026 [S3]. The covenant level from the 2027 test dates is not disclosed. The 1.0x level, the requirement range and the FY2027 gearing outcome are ZMK ASSUMPTION and ZMK CALCULATION.

THE SITUATION

Lenders, shareholders and management are solving different problems

The conflict is between priorities, not between people.

LENDERS

Will this company still be financeable in 2029?

They hold every consent the plan needs. €2,513m falls due in 2028–29, and the €935m revolver, €915m of it in 2029, is already fully drawn and matures inside that window.

SHAREHOLDERS

At what price does control change hands?

The Duval vehicles hold 37.22 per cent of the capital, the French State 27.13 per cent. Double voting rights take the concert to 74.86 per cent of the votes.
The issue price moves control between them.

MANAGEMENT

How do we run this while three assets are constrained?

Weda Bay is idle on a 12 Mwmt quota. Grande Côte is not at full capacity before Q1 2027. Centenario is at 90 per cent of nameplate.
None of these can be fixed by a financing decision.

The order is set by the calendar.

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Sources: Eramet H1 2026 results release, 29 Jul 2026, pp.1–13 and p.6 [S3]; H1 2026 results presentation, 30 Jul 2026, slide 18 [S4]; 2025 Universal Registration Document §6.2.2.1 p.577 and §6.4.3–6.4.4 [S6]. Grouping by ZMK Advisory. The €935m revolving credit facility sits on Eramet's maturity ladder as €915m in 2029 and €20m in 2028.

THE CONSTRAINT

Two of the four dates belong to the lenders

All four are disclosed by Eramet. Grouped by the lane that owns them.

SHAREHOLDERS

Q4 2026

Capital increase

€500m authorised at the annual general meeting on 27 May 2026, with execution planned for the fourth quarter.

MANAGEMENT

End-2026

Asset monetisation

The company is seeking agreements signed with partners by end-2026. No asset is named, no price given and no counterparty disclosed.

LENDERS

30 Jun 2027

Covenant test

The waiver covers the June and December 2026 test dates. What applies from 2027 has not been stated.

2028–29

Maturities

€2,513m falls due, equal to 81 per cent of gross debt.

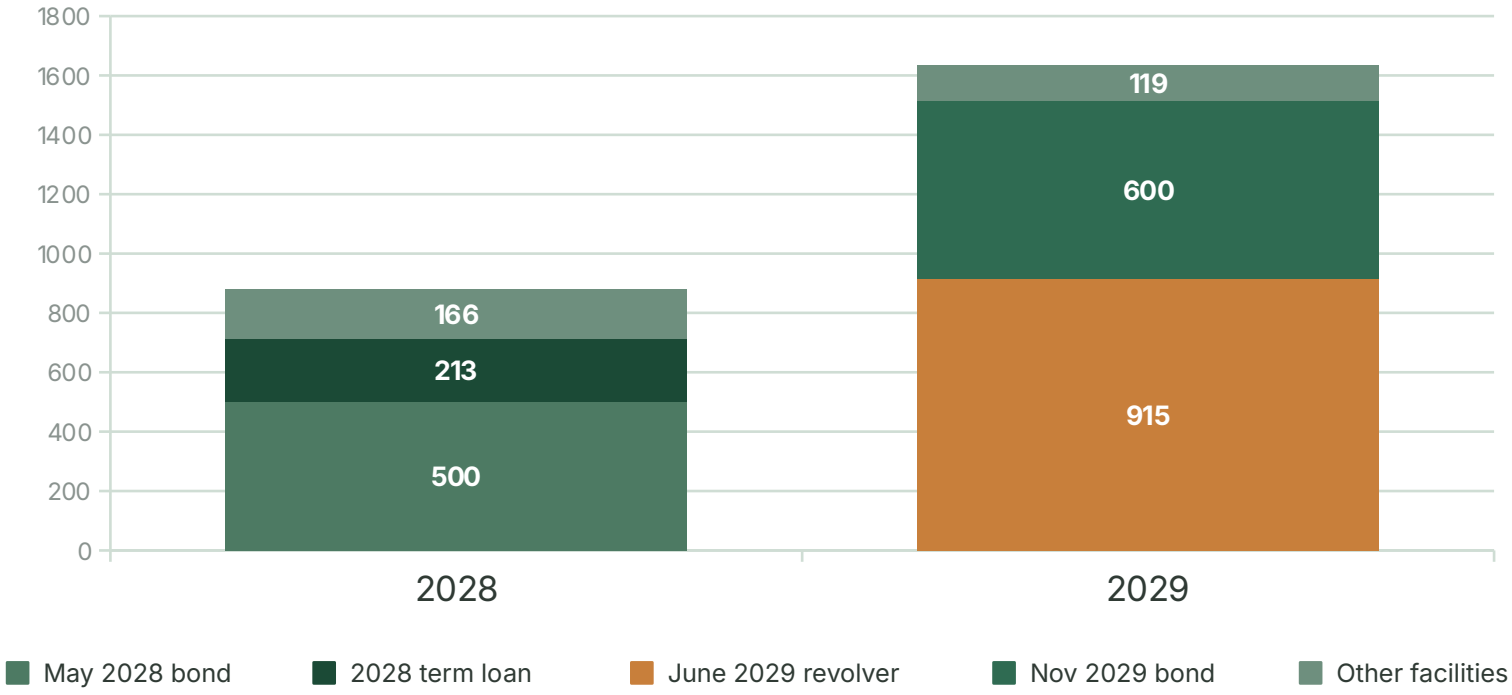
Eramet controls one date, one needs a buyer, and the two the lenders own cannot be moved.

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Sources: Eramet H1 2026 results release, 29 Jul 2026, p.3 (capital increase authorised 27 May 2026, execution planned Q4 2026), p.6 (waiver obtained in Q1 on the June and December 2026 gearing covenant), p.2 (agreements signed with partners by end-2026) [S3]; H1 2026 results presentation, 30 Jul 2026, slide 18 [S4]. Assignment of each date to a lane is ZMK Advisory's.

€2,513m falls due in 2028 and 2029, 81 per cent of gross debt

Named instruments, € million, from Eramet's own maturity chart at 30 June 2026.



€2,513m

Due across 2028 and 2029,
81 per cent of gross debt

Where the weight sits

€915m of it is the revolving facility, fully drawn since January 2026 and maturing inside the window it is meant to bridge.

The four named instruments are €2,228m of the €2,513m. The rest is operating debt and prepayment amortisation.

€2,513m falls due in eighteen months. The plan retires none of it.

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Sources: Eramet H1 2026 results presentation, 30 Jul 2026, slide 18 (debt maturity chart) and slide 50 (bond terms) [S4]; 2025 Universal Registration Document Notes 8.2.2 p.132 and 9.4.4 p.146 [S6]. Other facilities: a €20m revolver tranche, operating debt and lithium prepayment amortisation.

THE SHAREHOLDERS' VIEW

€480m of net proceeds against €2,513m of maturities

The plan was built to clear the covenant. On that measure it works.

What the €480m achieves

- €480m net of fees, straight into shareholders' equity.
- Covenant gearing falls from 117 per cent to 63 per cent on our FY2027 model.
- Liquidity covers the group through 2027.
- Authorised 27 May 2026. Price and pre-commitment are still open.

What remains after it

- €2,513m of 2028 and 2029 maturities, unchanged.
- The revolving facility is fully drawn and matures June 2029, inside the window it bridges.
- Liquidity of €1,251m, down €275m in the half. No undrawn facility disclosed.

The proportion

€480m of net proceeds is 19 per cent of the €2,513m falling due in 2028 and 2029.

€480m of net proceeds addresses the covenant. It does not materially reduce the wall behind it.

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Sources: Eramet H1 2026 results release, 29 Jul 2026, p.2 (liquidity and the drawn revolving facility), p.3 (funding plan pillars), p.5 (gearing) [S3]. FY2027 gearing of 63 per cent with the raise and 117 per cent without is ZMK CALCULATION off a fully built FY2027 model, on an assumed 1.0x covenant Eramet has not disclosed. The 19 per cent proportion is ZMK arithmetic on the two disclosed figures.

CONTINUITY OF DECISION-MAKING

Eramet is financing to 2029 without a permanent chief executive

Every counterparty to this plan has to form a view on who will deliver it.

Chief executive

A chief executive appointed in May 2025 left in February 2026, after eight months. The chair holds it pending, in Eramet's words, "a process to select a new Chief Executive Officer". Still vacant at 6 August.

Finance function

Three finance directors between September 2025 and May 2026.

Roles still open

Three appointments material to this plan are unfilled: permanent chief executive, chief procurement officer, transformation director.

Why it bears on the sequence

- Lenders price uncertainty about who is in charge.
- The appointment needs no shareholder capital and no lender consent.
- It can start now and run alongside the financing.

This is the only step Eramet can take without an outside counterparty.

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Sources: Eramet, general meeting of 26 May 2025 (appointment of the chief executive); Eramet, Announcement from the Board of Directors regarding the management of the Group, 1 February 2026 (termination of the mandate, the interim arrangement and the selection process); Eramet corporate governance page, as at 15 July 2026; CFO appointment releases, 2 Sep 2025 and 26 May 2026. Observation and framing by ZMK Advisory. This page addresses the structure of decision-making and makes no assessment of any individual.

Intrinsic performance added €164m in the first half

The same half left three divisions constrained. None clears before 2027.

What improved in the first half

- Adjusted EBITDA €276m, up €85m on the half.
- €164m of the improvement came from the business itself.
- Volumes and grade €109m, productivity and fixed costs €34m, procurement €25m, other −€4m.
- Capital expenditure down 53 per cent to €100m.

Nickel, quota decision pending

The 2026 quota was set at 12 Mwmt against 32 Mwmt granted for 2025. In care and maintenance since May; a revision was filed in July.

Mineral sands, Q1 2027

A February fire at the Grande Côte plant cut output 64 per cent, with a €112m impairment. Full capacity not before Q1 2027.

Lithium, ramping

Centenario reached 90 per cent of nameplate in June, with the ramp continuing toward 24 kt-LCE.

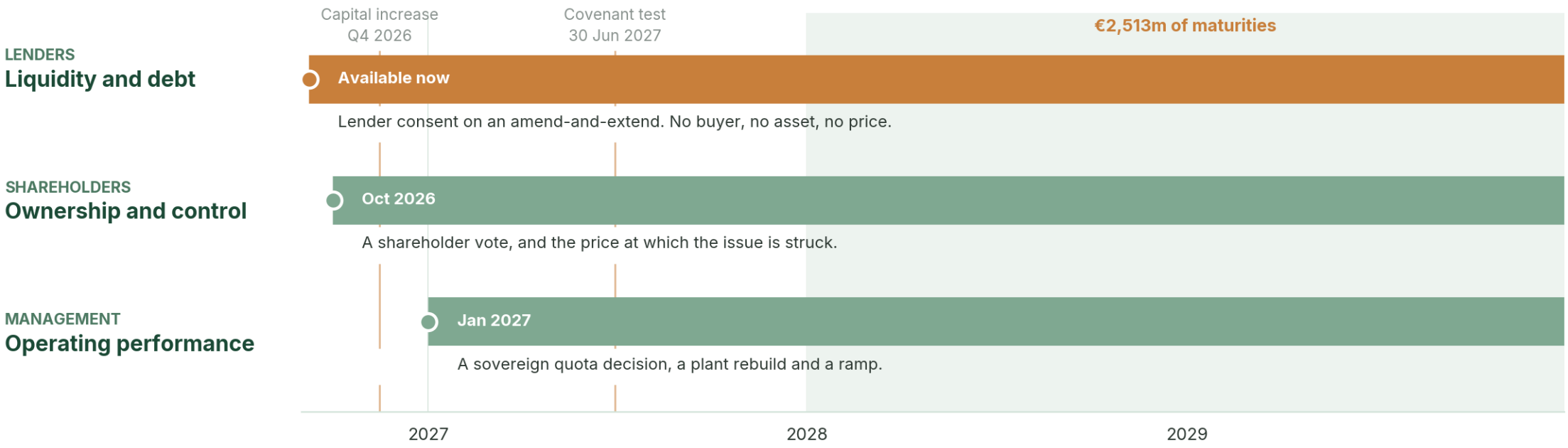
Eramet cannot trade its way out of the 2027 window.

Sources: Eramet H1 2026 results release, 29 Jul 2026, pp.7–13 and App. 3 p.17 [S3]; H1 2026 results presentation, 30 Jul 2026, slide 15 (adjusted EBITDA bridge: intrinsic +€164m, one-off −€32m, external −€47m, inside which price was a positive €63m) [S4]; PT Weda Bay Nickel RKAB notification, 11 Feb 2026 [S8].

TIMING

The only problem Eramet can solve today is the one it has scheduled last

The other two wait on a shareholder vote and a sovereign quota decision.



Nothing in the calendar explains this order.

Sources: as on the preceding pages. Dates are Eramet-disclosed. The classification of control, of earliest availability and of what gates each action is ZMK Advisory's, applied to those dates and constraints.

PRECEDENT

The Vallourec repair was paid for by creditors, not shareholders

Eramet's published plan asks nothing of its creditors.

€1,331m

Converted by creditors at Vallourec, 74 per cent of the total

€1,868m

Eramet net debt at 30 June 2026, against €500m of authorised equity

Vallourec was in safeguard. Eramet is solvent.

What happened at Vallourec

- €1,800m of debt removed in the 2021 restructuring.
- Creditors converted €1,331m of it.
- Above 90 per cent creditor-funded, counting the backstopped rights issue.
- Net debt reached zero by end-2024, a year ahead of plan.

What it means for Eramet

- No creditor participation is disclosed in any of the three published pillars.
- Creditors hold the waiver, the amend-and-extend, the covenant reset and consent over disposals.
- That consent has value and is not being used.

The limit of the comparison

- A company paying its debts on time has no mechanism to compel a write-down.
- Creditor concessions at Vallourec followed from a process Eramet is not in.
- The comparison holds on who funded the repair, and on nothing else.

Creditor consent is worth money, and it is cheaper before the covenant test than after it.

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Sources: Vallourec, financial restructuring plan announcement, 3 February 2021, and subsequent reporting. Comparison by ZMK Advisory. Eramet net debt of €1,868m at 30 June 2026 and the €500m authorisation per the H1 2026 results release [S3].

THE SEQUENCE

Three steps take €1,413m off the 2028–29 wall

None of them needs a buyer or a price. Two need lender consent.

1 **Extend the revolving facility**

Moves €915m, 36 per cent of the 2028–29 maturities, beyond the window, for an arrangement fee and no principal repayment. The largest single reduction available, and not one of the three published pillars.

2 **Tender for the 2028 bond, before the extension is announced**

Uses the cash remaining after the covenant requirement. Eramet retires the bond for less than face value, and the discount is wider while the extension is still unannounced.

3 **Then apply the balance of the raise**

€198m against the 2028 term loan, once the first two steps are secured.

€1,100m

Left to refinance after the three steps, from €2,513m

€770m

With €330m from a Weda Bay disposal, the page 13 midpoint.

Why this order

An agreed extension removes refinancing risk from the 2029 revolver, and the 2028 bond reprices with it.

€1,413m of the wall can be moved before anyone sets a price.

Basis: each step applies to a named instrument on the maturity ladder: the €915m June 2029 revolver, €300m of the €500m May 2028 bond, and €198m of the €213m 2028 term loan. Step values, tender pricing and the remaining requirement are ZMK CALCULATION and ZMK ASSUMPTION. Weda Bay proceeds of €330m are a ZMK ESTIMATE.

CONSEQUENCE

Eramet does not have to sell anything to clear the covenant

The authorised equity and the three financing steps are enough on our FY2027 model.

The no-disposal case

- FY2027 covenant gearing of 63 per cent, compliant.
- €1,100m left to refinance, against €2,513m today.
- On our model this case works on its own. What the portfolio is worth then becomes a separate question.

What that changes for a seller

- A sale now has to be worth more than holding.
- Only Weda Bay clears that bar, on some quota outcomes.
- Announcing a deadline before running a process invites a discount.

WEDA BAY: THE PRICE BELOW WHICH ERAMET IS BETTER OFF KEEPING IT

€183m
If the 12 Mwmt restriction holds

€336m
On partial restoration of the quota

€663m
If the July 2026 revision is granted

€250–420m
What a disciplined process could realise. ZMK estimate.

At the 5.0x multiple we apply to the group elsewhere, the base-case threshold rises to about €475m, and no achievable price clears it.

The portfolio decision is now about price, not about the covenant.

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Sources: Eramet 2025 Universal Registration Document Notes 11.5.1–11.5.2 p.160, Weda Bay carrying value of €367m with no goodwill and dividends of €34m in 2025 [S6]; H1 2026 results release, p.11, the July 2026 RKAB revision request [S3]. Gearing outcomes, retention values and thresholds are ZMK CALCULATION and ZMK ASSUMPTION on an assumed 1.0x covenant.

FOR THE EXECUTIVE COMMITTEE

Two questions the filings do not answer

We have modelled around both. Either answer changes what this document concludes.

1. What covenant level applies from the 2027 tests?

- Page 3 sets out what each level implies. The level itself is not disclosed.
- At 1.0x the capital increase is necessary. At 1.25x or looser it is a financing choice.

2. Has the revolving facility extension been sought?

- The largest single reduction available in 2028 and 2029, at €915m, or 36 per cent of the wall.
- It needs lender consent and an arrangement fee, and nothing else.
- It is not one of the three published pillars. If it is already under negotiation, the sequencing argument here falls away.

Both answers exist inside Eramet. Neither is public.

Basis: both questions follow from material set out earlier in this document and in the supporting analysis. Neither presumes an answer.

THE NEXT MOVE

Two actions are right under either covenant answer

Neither needs a buyer, a price, or the answer to the questions on page 14.

What Eramet can do now

- Name a permanent chief executive, for the reason set out on page 8.
- Open the amend-and-extend conversation with the revolving facility lenders, ahead of the June 2027 test.
- Neither action depends on the covenant level, the issue price, or a buyer.

Where ZMK Advisory can help

- Pressure-test the sequence against the financing documentation.
- Model the covenant at each level, across the operating cases.
- Prepare the lender approach, and the terms worth seeking.

Both can begin this quarter.

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Basis: both actions follow from material set out earlier in this document. ZMK Advisory has not been retained by Eramet and holds no position in the company.

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SUPPORTING ANALYSIS

The evidence behind each page

The full analysis runs to fifty-five pages. Every figure in this document traces to it.

WHAT IT HOLDS

- An integrated three-statement model, FY2027 to FY2029
- The covenant tested at four levels, from 1.0x to 2.0x
- Seven scenarios run through that model. Two breach the covenant.
- An initiative register: €191m point, €126m confidence-weighted
- Six portfolio cases, scored on gearing, refinancing and equity value
- Six financing structures. Three close before the June 2027 test.
- Five falsification tests, three turning on undisclosed documents
- A source register of eleven documents, and the basis of preparation

BACKUP

The equity through the governance cycle

Monthly closing price, Euronext Paris, January 2017 to September 2026.



1	23 May 2017	Christel Bories appointed Chair and Chief Executive
2	1 Mar 2022	Cycle peak, monthly close of €149.60
3	26 May 2025	Paulo Castellari appointed Chief Executive
4	1 Feb 2026	Mandate terminated at eight months. Chair takes the role on an interim basis
5	27 May 2026	€500m capital increase authorised at the annual general meeting
6	29 Jul 2026	H1 2026 results. Funding plan described as essential for the Group in H2

Nine years, one cycle, and a leadership question still open.

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Price series: Eramet S.A. (ISIN FR0000131757), monthly closing prices from Interactive Brokers, retrieved 8 September 2026. Events: Eramet board and general meeting releases of 23 May 2017, 26 May 2025, 1 February 2026 and 27 May 2026, and the H1 2026 results release of 29 July 2026. Event selection and annotation by ZMK Advisory. Past price movement is not evidence of causation.