

The Metals Company

Changing tack; US licence application filed

President Trump's recent executive order on offshore critical minerals and resources has reinvigorated American interest and regulatory activity in deep-sea mining using existing US legislation. The Metals Company (TMC) has since leveraged its leading position to file for commercial recovery and exploitation licences in the US rather than through the International Seabed Authority (ISA). With a mandated 60-day initial turnaround, the timeline for the full process is expected by mid-July, offering the potential for accelerated award and commencement of nodule collection. A licence award is arguably the key to TMC's commercial success.

Year end	Revenue (\$m)	PBT (\$m)	EPS (\$)	DPS (\$)	P/E (x)	Yield (%)
12/23	0.0	(62.0)	(20.00)	0.00	N/A	N/A
12/24	0.0	(61.0)	(18.00)	0.00	N/A	N/A
12/25e	0.0	(40.0)	(14.00)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Filing of licence applications in the US

President Trump has signed an executive order, Unleashing America's Offshore Critical Minerals and Resources, to promote the development of deep-sea mineral extraction, including the Clarion-Clipperton Zone (CCZ) in the United States Outer Continental Shelf. This is to be enacted through the issue of licences under existing Deep Seabed Hard Mineral Resources Act legislation. Note that the US is not a signatory to the United Nations Convention on the Law of the Sea and is therefore not bound by the ISA. The order also directs support from the US National Defense Stockpile and certain financial institutions to promote such activity, along with subsequent processing of minerals. TMC has submitted applications to the National Oceanic and Atmospheric Administration for a commercial recovery permit (25,160km²) and two exploration licences (199,895km²) in the CCZ (the total the area is equivalent to c 5% of the CCZ). The recovery licence block has total current indicated and measured resources of 11.3Mt of nickel, 9.5Mt of copper and 1.7Mt of cobalt and includes NORI-D area, which has been the focus of TMC's development campaigns. Initial assessment of the applications is expected within 60 days (by mid-July), at which point a full timeline to award a commercial licence is expected. TMC no longer intends to pursue a licence through the ISA.

Q1 financials offer no surprises

TMC reported a loss of \$20.6m in Q125. This included share-based payments of \$10.4m, foreign exchange losses of \$1.1m and fair value of warrants of \$0.4m, suggesting an underlying loss from operations of \$8.6m versus \$18.1m in Q124. This was driven by a halving of exploration and evaluation expenses. Cash used in operations was \$9.3m. At the end of the period, TMC had cash of \$2.3m and short-term debt of \$10.0m, along with liquidity of \$43.8m.

Equity issue expands liquidity

TMC has raised \$37m (gross) through the issue of 12.3m shares at \$3.00/share. The shares also carry a warrant to purchase an additional share at an exercise price of \$4.50/share. With the \$43.8m in liquidity at the end of Q125, management believes TMC is fully funded through to permitting for commercial production.

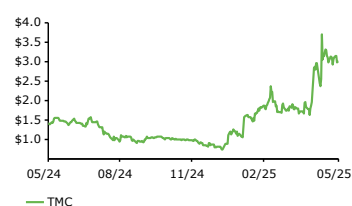
Operational update and Q1 results

Metals and mining

15 May 2025

Price	\$2.99
Market cap	\$1,065m
Net cash/(debt) at 31 March 2025	\$(7.7)m
Shares in issue	358.7m
Code	TMC
Primary exchange	NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	4.9	59.7	95.4
52-week high/low		\$3.8	\$0.7

Business description

The Metals Company is a deep-sea minerals exploration company focused on the collection, processing and refining of polymetallic nodules, containing nickel, copper and cobalt, found on the seafloor in the international waters of the Clarion-Clipperton Zone, 1,300 nautical miles off the coast of Southern California.

Next events

Q2 results August 2025

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The Metals Company is a research client of Edison Investment Research Limited

Exhibit 1: Financial summary

Year to December (\$m)	2022	2023	2024	2025e
	US GAAP	US GAAP	US GAAP	US GAAP
INCOME STATEMENT				
Revenue	0.0	0.0	0.0	0.0
Exploration & evaluation costs	(66.2)	(44.8)	(40.2)	(15.0)
General & administrative costs	(20.9)	(18.4)	(20.9)	(25.0)
EBITDA	(84.4)	(59.7)	(53.8)	(39.9)
Underlying operating profit	(87.1)	(63.2)	(61.0)	(40.0)
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	1.8	0.0
Share-based payments	(17.1)	(9.2)	(20.2)	(15.0)
Reported operating profit	(104.2)	(72.4)	(79.5)	(55.0)
Net Interest	1.1	1.3	0.0	0.0
Exceptionals, warrants etc	(67.8)	(2.6)	0.0	0.0
Profit Before Tax (norm)	(86.0)	(61.9)	(61.0)	(40.0)
Profit Before Tax (reported)	(170.9)	(73.7)	(79.5)	(55.0)
Reported tax	0.0	(0.0)	0.0	0.0
Profit After Tax (norm)	(86.0)	(62.2)	(63.5)	(48.0)
Profit After Tax (reported)	(170.9)	(73.8)	(79.4)	(55.0)
Net income (normalised)	(86.0)	(62.2)	(63.5)	(48.0)
Net income (reported)	(170.9)	(73.8)	(79.4)	(55.0)
EPS - normalised (c)	(36)	(22)	(20)	(13)
EPS - normalised fully diluted (c)	(32)	(20)	(18)	(14)
EPS - basic reported (c)	(71)	(26)	(25)	(15)
Dividend (c)	0	0	0	0
BALANCE SHEET				
Fixed Assets	44.8	60.1	57.7	46.0
Intangible Assets	42.8	43.2	43.0	43.0
Tangible Assets	2.0	2.8	2.7	3.1
Investments & other	0.0	14.2	12.0	0.0
Current Assets	49.7	8.8	5.3	0.0
Stocks	0.0	0.0	0.0	0.0
Debtors	0.0	0.0	1.9	0.0
Cash & cash equivalents	46.8	6.8	3.5	0.0
Other	2.9	2.0	0.0	0.0
Current Liabilities	(41.7)	(31.3)	(54.5)	(42.8)
Creditors	(41.7)	(31.3)	(42.8)	(42.8)
Tax and social security	0.0	0.0	0.0	0.0
Short term borrowings	0.0	0.0	(11.8)	0.0
Other	0.0	0.0	0.0	0.0
Long Term Liabilities	(11.7)	(26.6)	(25.6)	(25.3)
Long term borrowings	0.0	0.0	0.0	(13.7)
Other long term liabilities	(11.7)	(26.6)	(25.6)	(11.6)
Net Assets	41.1	10.9	(17.1)	(22.0)
Minority interests	0.0	0.0	0.0	0.0
Shareholders' equity	41.1	10.9	(17.1)	(22.0)
CASH FLOW				
Operating Cash Flow	(84.4)	(59.7)	(53.8)	(39.9)
Working capital	17.8	(0.8)	12.4	0.0
Exceptional & other	0.0	0.9	(2.2)	0.0
Tax	0.0	0.0	0.0	0.0
Net operating cash flow	(66.6)	(59.6)	(43.6)	(39.9)
Capex	(1.2)	(0.5)	(0.5)	(0.5)
Acquisitions/disposals	0.0	0.0	0.0	0.0
Net interest	0.0	0.0	(0.1)	0.0
Equity financing	29.7	20.1	28.9	35.0
Dividends	0.0	0.0	0.2	0.0
Net Cash Flow	(38.1)	(40.0)	(15.1)	(5.4)
Opening net debt/(cash)	(84.9)	(46.8)	(6.8)	8.3
FX	0.0	0.0	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0
Closing net debt/(cash)	(46.8)	(6.8)	8.3	13.7

Source: Company accounts, Edison Investment Research

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