

The Metals Company

Q3 balance sheet strength positive

The Metals Company's (TMC's) quarterly report provided no surprises as the company continues to progress its deep sea licensing application and associated operations. The cash position is significantly improved, ensuring sufficient funds for at least the next 12 months. Key remains the award of a licence and news of any progress from the US administration, which appears to be moving steadily forward.

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

Source: Company data. Note: PBT and EPS (fully diluted) are underlying excluding share-based payments or change in royalty liabilities.

Q325 results: No surprises

TMC reported a Q325 net loss of \$184.5m, or \$0.46 per share (Q324 net loss of \$20.5m, or \$0.06 per share). Q3 included share option charges of \$37.9m and a change in the fair value of royalty liabilities of \$131.0m. Underlying operating loss (pre share-based payments) was \$17.5m (Q324: \$17.1m) with an increase in professional fees (\$4.6m versus \$2.6m), reflecting the ongoing licensing process, against a reduction in exploration and evaluation expenses (\$9.6m versus \$11.8m).

Financial position strong – \$165m of cash

Cash at the end of Q3 was \$115.6m. Liquidity is currently \$165m comprising of \$121m in cash and \$44m of undrawn unsecured credit facilities with a further \$54m of warrants that are currently in-the-money. The accounts payable balance at 30 September was \$46.8m, including \$32.9m owed to Allseas, the majority of which could be settled in equity at TMC's election. The CEO commented: 'Given our robust cash position, I can assure you that we have no need anytime soon to tap the public capital markets.' Management also noted that it sees a 'pathway for more than \$400m of incoming cash from warrant exercise'.

Key licensing process remains on track

The licensing process continues to make steady progress, despite some impact from the US federal shutdowns. The National Oceanic and Atmospheric Administration (NOAA) issued proposed amendments to its regulations for a new consolidated application procedure, allowing a single application for both an exploration licence and a commercial recovery permit. In addition, the NOAA has confirmed that TMC's exploration applications are fully compliant. Hence, management continues to believe that commercial operations are on track to commence in Q427.

Q3 results

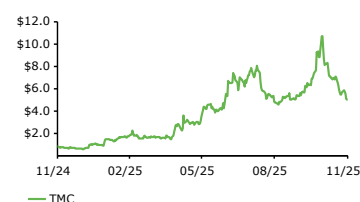
Metals and mining

17 November 2025

Price **\$5.08**
Market cap **\$2,101m**

Net cash at 30 September 2025 \$115.6m
 Shares in issue 406.4m
 Free float 57.0%
 Code TMC
 Primary exchange NASDAQ
 Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(51.6)	(5.0)	440.6
52-week high/low		\$11.4	\$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

FY25 preliminary results February 2026

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

Exhibit 1: Financial summary

	2022	2023	2024	2025e
Year to December (\$m)	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)
Average Number of Shares Outstanding (m)	240	289	322	358
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	101.3
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	101.3
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)	(11.6)
Long term borrowings	0.0	0.0	0.0	0.0
Other long term liabilities	(11.7)	(26.6)	(25.6)	(11.6)
Net Assets	41.1	10.9	(17.1)	93.0
Minority interests	0.0	0.0	0.0	0.0
Shareholders' equity	41.1	10.9	(17.1)	93.0
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)
Net interest	0.0	0.0	(0.1)	0.0
Equity financing	29.7	20.1	28.9	150.0
Dividends	0.0	0.0	0.2	0.0
Net Cash Flow	(38.1)	(40.0)	(15.1)	109.6
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	(101.3)

Source: Edison Investment Research

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