



ASX & MEDIA RELEASE

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SIMS SIGNS A BINDING AGREEMENT TO SELL UK METAL

AND

**A LETTER OF INTENT TO SELL ITS REMAINING 12.4% INTEREST IN
CIRCULAR SERVICES**

Sims Limited (“Sims” or the “Company”) today announced that it has entered into a binding agreement to sell the UK Metal business (“UKM”) to Unimetals Group Limited (“Unimetals”) for total after tax cash proceeds of approximately £195 million (circa A\$385 million), including the value of retained working capital, and subject to a completion mechanism linked to net asset value. This transaction brings to a conclusion the strategic review announced on 22 November 2023.

Completion remains subject to customary completion conditions, including obtaining regulatory approvals. The transaction is expected to complete before the end of Q1 FY25.

The value realised by Sims represents a significant premium to the net carrying value of the asset and includes 28 facilities (including three port facilities) and four shredders. Unimetals will assume responsibility for employees currently working in the UKM business.

UKM sales volumes represented approximately 14% of the total Sims Metal sales volumes in FY24. Going forward, the Company’s Metal portfolio will include Australia and New Zealand Metal, North America Metal (“NAM”), and its 50% interest in the SA Recycling Joint Venture.

Sims was advised by Macquarie Capital, KPMG LLP (UK) and Eversheds Sutherland.

Sims further announced today that it had signed a letter of intent to sell its remaining interest in CLP Circular Services Holdings LLC (“Circular Services”) for approximately US\$32 million (circa A\$50 million).

Sims Municipal Recycling of New York (a predecessor to Circular Services) was originally valued on Sims’ balance sheet at A\$70 million. While this final sale tranche will result in the Company recognising a loss of \$48 million in FY24, over a series of three divestments, commencing in January 2022 and concluding with this transaction, Sims has sold its entire interest for approximately A\$126 million, an overall gain of A\$56 million.

Completion is subject to customary due diligence, which is expected to conclude during Q1 FY25.

Commenting on the transactions, Sims CEO and Managing Director, Stephen Mikkelsen said “We conducted a comprehensive strategic review of UKM, evaluating all options, including a sale, forming a joint venture, or restructuring the business. The Board concluded that a sale provided the optimal outcome for Sims and its shareholders.

“By focusing on high-potential markets such as the United States, Australia, and New Zealand, where our business position and demand for scrap are stronger, we can effectively leverage our strengths and drive sustainable growth. In NAM, we have launched operational and commercial improvement programs aimed at improving efficiencies and margin. These efforts are already yielding positive results. We are also focused on growing our Sims Lifecycle Services business.

“We are pleased to have secured this transaction with Unimetals and the potential sale of our interest in Circular Services. This brings to a conclusion a program of divestment that commenced in 2022.

“We believe that divesting UKM and Circular Services unlocks significant value for shareholders, which is not reflected in the current share price. Between the two sales announced today we will realise after tax cash proceeds of approximately A\$435 million, which will be received in the first half of FY25.

The proceeds will initially be used to strengthen our balance sheet and, over the medium term, we will look to balance the requirement of balance sheet strength and flexibility, with growing the refocussed business, and returns to shareholders”.

Authorised for release by: The Board of Sims Limited.

About Sims Limited

Founded in Australia in 1917, Sims Limited is a global leader in metal recycling and the provision of circular solutions for technology. Employing over 4,600 employees globally, the company operates more than 160 facilities across 13 countries. Sims Limited plays a vital role in helping increase circularity and decarbonisation by supplying recycled materials and re-purposed products. The company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM), and its American Depositary Shares are quoted on the Over-the-Counter market in the United States (USOTC: SMSMY). The Company's purpose, create a world without waste to preserve our planet, is what drives its constant innovation and leadership in the circular economy. For more information, visit www.simsltd.com.

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