



ASX & MEDIA RELEASE

(ASX: SGM, USOTC: SMSMY)

30 December 2021

Sims Limited to sell a 50.46 percent stake in Sims Municipal Recycling

Sims Limited (“Sims” or the “Company”) has agreed to sell a majority stake in Sims Municipal Recycling of New York, LLC (SMR) to a group of investors, including investment funds managed by Closed Loop Partners, a leading circular economy-focused investment firm and innovation centre. Under the terms of the transaction, Sims will sell 50.46 percent of SMR for US\$45.4 million (circa A\$63 million) and will hold two of the five SMR board seats. The transaction is forecast to reach financial close in the third quarter of FY22.

SMR was established in 2003 and is the cornerstone of the New York City curbside recycling programme, processing and marketing 100 percent of the metal, glass, and plastic, and 50 percent of the paper collected by the New York City Department of Sanitation (DSNY). SMR operates four recycling facilities; three in the New York-New Jersey metro region and one in Florida. In FY21, SMR processed 660,000 tonnes of municipal curbside material.

Closed Loop Partners is a New York-based investment firm managing venture capital, growth equity, private equity, and project-based finance funds, as well as an innovation centre focused on building the circular economy. The investors in Closed Loop Partners funds include pension funds, foundations, consumer goods companies and family offices focused on ESG investing and the circular economy. The firm has built an ecosystem that connects entrepreneurs, industry experts, global consumer goods companies, retailers, financial institutions, and municipalities. Investments align capitalism with positive social and environmental impact by reducing waste and greenhouse gas emissions via materials innovation, advanced recycling technologies, supply chain optimisation and landfill diversion.

Alistair Field, CEO and Managing Director of Sims Limited, commenting on the transaction, said: “This transaction demonstrates Sims’s leadership and commitment to innovate quickly – and at scale – and to maximise opportunities within the circular economy. I am delighted that we have been able to secure a high-quality, like-minded joint venture partner who will work alongside us to create a world without waste to preserve our planet. Closed Loop Partners has the strategic management focus and

expertise to help more rapidly take SMR to the next level in expanding recycling beyond New York City. Together, we look to expand the materials accepted by SMR, optimise recycling accessibility across New York City, and significantly grow SMR's service areas across the United States."

Commenting on the use of the funds from the circa A\$63 million sale price, Mr Field further commented that "This is a very good example of our disciplined capital management. Over the past month, we announced the acquisition of Recyclers Australia and Atlantic Recycling Group for a total consideration of approximately A\$69 million. We will recycle the capital freed up from the sale of a majority stake in SMR to largely fund these transactions."

Authorised for release by: The Company Secretary, Gretchen Johanns

About Sims Limited

Founded in 1917, Sims Limited is a global leader in metal recycling and providing circular solutions for technology, and an emerging leader in municipal recycling and renewable energy. Our 4,000 employees operate from more than 260 facilities across 15 countries. 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). Our purpose, create a world without waste to preserve our planet, is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments, and communities around the world. For more information, visit www.simsltd.com.

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