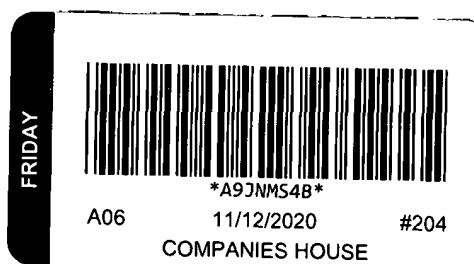


STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019

Registration No. 07795883



STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Directors

D Ginnetti

Auditors

Grant Thornton UK LLP
No.1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

Registered Office

Indigo House
Sussex Avenue
Leeds
LS10 2LF

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Strategic Report for the year ended 31 December 2019

The director presents his strategic report on the company for the year ended 31 December 2019.

Principal activity and review of the business

The principal activity of Stericycle International Holdings Canada Limited (the "Company") was as a holding company for the investments of Stericycle, Inc., a company incorporated in the United States of America, and will continue as such for the foreseeable future.

The director has reviewed the carrying value of the investment that the Company holds in its subsidiary and concluded that the investment is impaired and an impairment of £111.3m is charged to the income statement for year ended 31 December 2019. This resulted from a decline in the outlook for its Canadian operations.


Principal risks and uncertainties

The principal risk to the company is the risk of impairment to the carrying value of its investments in the event that the underlying trading subsidiary does not perform adequately. At the current time it is not believed this risk is likely to have a significant impact on the short or long-term value of the company following the impairment recorded in the year.

Key performance indicators

Details of the Company's investment is provided in note 5. The director monitors the financial performance of the Company's investments on a regular basis.

On behalf of the Board



D Ginnetti
Director

7th December 2020

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Directors' Report for the year ended 31 December 2019

The director presents his report for the year ended 31 December 2019.

Results and dividends

The result for the year, after taxation, amounted to a loss of £111,346,000 (2018 – £nil). The director does not recommend the payment of a final dividend (2018 – £nil).

Directors

The directors who served the company during the year or since were as follows:

C Alutto (resigned 2 May 2019)

D Ginnetti

R Guice (resigned 8 February 2019)

W Seward (appointed 8 February 2019, resigned 15 October 2019)

Events after the reporting period

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 (COVID-19) outbreak a pandemic. The Group continues to maintain operations within all business service offerings. We are monitoring future implications of COVID-19 related to potential supply chain shortages. We are taking actions to manage spending to align to operational requirements.

In addition, the Group's COVID-19 response included efforts to protect the health and well-being of our workforce and our customers. We worked proactively with the Centers for Disease and Control Prevention, Occupational Safety and Health Administration, Department of Transportation and regulatory agencies around the world to ensure readiness for proper medical waste management. We have updated and implemented numerous protocols specifically to reduce risk among our front-line staff, and our strategic sourcing team has worked diligently to take measures to provide our field operations employees with appropriate personal protective equipment. We've staggered shift times and dedicated trucks to specific drivers to reduce exposure. We've implemented more rigorous cleaning protocols for all our facilities. We also have more than 7,000 team members around the globe sheltering in place, all to protect our staff and communities we serve.

The Group is taking a leadership position related to COVID-19 to support our customers and provide industry expertise, including providing public responses to effectively manage COVID-19 waste.

The Company has determined that the events relating to COVID-19 are non-adjusting post balance sheet events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The director has considered the impact to the company's investments and determined that the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the investments and results of the Company for future periods.

Going concern

As set out in note 1, the financial statements have been prepared on a going concern basis.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMITED

Directors' Report for the year ended 31 December 2019 (continued)

Directors' responsibilities statement

The director is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The director confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

A resolution to reappoint Grant Thornton UK LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

Information included in the Strategic Report

Information on financial risk management and financial instrument risk has not been included in the Directors' report as it has been included in the Strategic report instead, under S414C (11) of the Companies Act 2006

On behalf of the Board

D Ginnetti
Director

7th December 2020

Registration No. 07795883

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Independent auditor's report to the members of Stericycle International Holdings Canada Limited

Opinion

We have audited the financial statements of Stericycle International Holdings Canada Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Independent auditor's report to the members of Stericycle International Holdings Canada Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report and directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Independent auditor's report to the members of Stericycle International Holdings Canada Limited (continued)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Independent auditor's report to the members of Stericycle International Holdings Canada Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Woodward BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
8th December 2020

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Statement of Comprehensive Income

for the year ended 31 December 2019

	Notes	2019 £000	2018 £000
Operating income			
Impairment of investments	5	(111,346)	
Loss on ordinary activities before taxation		(111,346)	
Tax on loss on ordinary activities	4	-	
Loss for the financial year		(111,346)	
Total comprehensive Loss		(111,346)	

The profit and loss account relate to continuing activities.

Statement of changes in equity for the year ended 31 December 2019

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2018	193,213	-	193,213
Total comprehensive income for the year			
Capital reduction	(14,455)	-	(14,455)
At 31 December 2018	178,758	-	178,758
At 1 January 2019	178,758	-	178,758
Total comprehensive loss for the year	-	(111,346)	(111,346)
At 31 December 2019	178,758	(111,346)	67,412

The notes on pages 11 to 15 form part of these financial statements.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMITED

**Statement of financial position
at 31 December 2019**

	Notes	2019 £000	2018 £000
Fixed Assets			
Investments	5	67,412	178,758
Total Assets		<u>67,412</u>	<u>178,758</u>
Capital and Reserves			
Called up share capital	6	178,758	178,758
Profit and loss account	7	(111,346)	-
Shareholder's Funds		<u>67,412</u>	<u>178,758</u>

These financial statements were approved by the director and authorised for issue on 7th December 2020 and are signed on behalf by:


D Ginneth
Director

The notes on pages 11 to 15 form part of these financial statements.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Notes to the financial statements for the year ended 31 December 2019

1. Accounting policies

Basis of preparation

Stericycle International Holdings Canada Limited is a private limited company incorporated in the United Kingdom.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The company has not traded during the year or prior year.

The presentational and functional currency is the British Pound Sterling rounded to £'000s.

Going concern

The company through access to the financial resources of its ultimate parent undertaking, Stericycle, Inc., has the finance necessary to further develop its business through the foreseeable future and to refinance existing obligations as they become due.

The Company recognizes that COVID-19 has had a global economic impact, including closure of non-essential businesses around the world and in the UK. The closure of non-essential businesses has an impact on the Company's investments. The Company is monitoring future implications of COVID-19 and is taking actions to manage spending to align to operational requirements. The director is proactively responding to the challenges across their served markets.

The ability of Stericycle, Inc. to provide any required financial support arises through its positive cash flows from the sale of non-core operations and its continued reduction in group debts.

After making appropriate enquiries the director has the expectation that the company has adequate resources to continue in operation and to meet its liabilities as and when they fall due. Accordingly, he continues to adopt the going concern basis in the preparation of the financial statements.

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 401 of the Companies Act 2006, as it and its subsidiaries are included in the group financial statements of Stericycle, Inc., a company incorporated in the United States of America.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no judgements or estimates that have had a significant effect on amounts recognised in the financial statements.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMITED

Notes to the financial statements for the year ended 31 December 2019

1. Accounting policies (continued)

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Statement of cash flows

The company is a wholly owned subsidiary of Stericycle, Inc., and is included within the consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS102 paragraph 1.12(b).

Investments

Fixed asset investments are stated at cost less impairments. The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

2. Auditors' remuneration

In the current and prior year, the audit fee has been borne by SRCL Limited, another company incorporated in the UK which is part of the Stericycle, Inc. group, and the company has not been recharged for these costs.

Appropriate disclosure of auditors' remuneration has been made in the financial statements of SRCL Limited, which can be obtained from Companies House.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Notes to the financial statements for the year ended 31 December 2019

3. Directors' remuneration

In the current year the directors were also directors or employees of other Stericycle, Inc. companies and the remuneration of these directors was paid by those companies. No costs were borne by Stericycle International Holdings Canada Limited in respect of directors' remuneration.

4. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2019 £000	2018 £000
<i>Current tax:</i>		
UK corporation tax on the loss for the year	-	-
Adjustments in respect of prior year	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018 – 19%). The charge is explained below:

	2019 £000	2018 £000
Loss on ordinary activities before tax	(111,346)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(21,156)	-
<i>Effects of:</i>		
Expenses not deductible for corporation tax purposes	21,156	-
Tax charge for the year (note 4(a))	-	-

(c) Factors that may affect future tax charges

The UK government has announced that the main UK corporation tax rate will be reduced from the current rate of 19% which became applicable from 1 April 2017 to 18% from 1 April 2020. The reduction in the corporation tax rates was included within the Finance Act that became substantially enacted on 26 October 2015.

In addition, on 16 March 2016 the Government announced in the 2016 Budget Report that there would be a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020.

At Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMITED

Notes to the financial statements for the year ended 31 December 2019

5. Investments

	<i>Subsidiary Undertakings £000</i>
Cost and net book value:	
At 1 January 2019	178,758
Amounts provided:	
At 1 January 2019	~
Amounts written off during the year	111,346
	<u>111,346</u>
At 31 December 2019	<u>67,412</u>
31 December 2018	<u>178,758</u>

Details of the investment in which the company holds 20% or more of the nominal value of the ordinary share capital is as follows:

<i>Name of company</i>	<i>Proportion of shares held</i>	<i>Country of incorporation</i>
Stericycle, ULC	100%	Canada

The above company trades as a provider of clinical and hazardous waste services.

The Registered Office for the company is 2600 - 1066 West Hastings Street, Vancouver, BC, V6E 3X1, Canada.

6. Issued share capital

		<i>2019</i>		<i>2018</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	178,757,648	<u>178,757,648</u>	178,757,648	<u>178,757,648</u>

7. Reserves

Profit and loss account

Reserves include all current and prior period retained profits and losses.

STERICYCLE INTERNATIONAL HOLDINGS CANADA LIMIED

Notes to the financial statements for the year ended 31 December 2019

8. Related party transactions

The company has taken advantage of the exemption under FRS 102 from disclosing transactions with key management personnel remuneration and other wholly owned entities, which are part of the group of which Stericycle, Inc. is the parent undertaking.

There are no other related party transactions requiring disclosure under FRS 102.

9. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Stericycle International Holdings Limited.

The ultimate parent undertaking and controlling party is Stericycle, Inc., a company incorporated in the United States of America.

The smallest and largest group of undertakings for which group financial statements are drawn up is that headed by Stericycle, Inc. Copies of these financial statements may be obtained from 2355 Waukegan Road, Bannockburn, IL 60015, USA.

10. Events after the balance sheet date

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 (COVID-19) outbreak a pandemic. COVID-19 has had a global economic impact, including closure of non-essential businesses around the globe. The Company continues to maintain operations within all business service offerings. We are monitoring future implications of COVID-19 related to potential supply chain shortages. We are taking actions to manage spending to align to operational requirements.

In addition, the Company's COVID-19 response included efforts to protect the health and well-being of our workforce and our customers. We worked proactively with the Centers for Disease and Control Prevention, Occupational Safety and Health Administration, Department of Transportation and regulatory agencies around the world to ensure readiness for proper medical waste management. We have updated and implemented numerous protocols specifically to reduce risk among our front-line staff, and our strategic sourcing team has worked diligently to take measures to provide our field operations employees with appropriate personal protective equipment. We've staggered shift times and dedicated trucks to specific drivers to reduce exposure. We've implemented more rigorous cleaning protocols for all our facilities. We also have more than 7,000 team members around the globe sheltering in place, all to protect our staff and communities we serve.

The Company is taking a leadership position related to COVID-19 to support our customers and provide industry expertise, including providing public responses to effectively manage COVID-19 waste.

The Company has determined that the events relating to COVID-19 are non-adjusting post balance sheet events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The director has considered the impact to the company's investments and determined that the duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the investments and results of the Company for future periods.