ANNUAL REPORT
2018

TO OUR STAKEHOLDERS

During 2018, Cascade continued implementation of its Strategic Plan by completing a major redesign of our inventory management system that serves as the foundation for our business. This updated system allows us to control our inventory management processes to ensure secure and accountable services to our clients. It also advances our goal for transparency and data analytics to help support better IT asset management decision making for us and our clients. All the while, Cascade continued to enjoy double digit growth and further expand rebate returns to clients, helping reduce their costs for responsible asset disposition.

2018 By the Numbers	
Number of Jobs	2,243
Assets inventoried	248,894
Pounds of equipment received	3,504,499
Number of successful wipe passes	50,646
Assets resold	87,897
Unique Clients serviced	327

This Annual Report provides a summary of our achievements and goals for continued growth.

Financial Achievements

Total revenues were up by more than 13.9% in 2018, compared to 2017. Leading the way was a 27% growth in Resale Revenue, driven by an average increase in the resale price of resold assets by 27.5%. In 2018, the average resale revenue generated from a refurbished device was $59.72. In addition, Service Revenue was up by over 4%. Strong growth in our resale program increased our rebate returns to customers by more than 19%, resulting in a net cost reduction for ITAD services of more than 23.4% for our clients. Our investments in better and faster processing technologies and access to more resale markets provided more opportunities to create value for our clients.

Leadership Recognition

Cascade was featured in a number of publications and at events to promote responsible electronics reuse and recycling. The *Washington Post*'s Tech columnist filmed a video and wrote a column about how Cascade manages smartphones and stubborn embedded batteries contained inside (cover photo). Cascade's CEO also participated in an international e-waste management networking conference in the Philippines as an industry expert. Our Quality Manager served on the e-Stewards Leadership Council. Cascade's Director of Operations was tapped to present at the e-Scrap conference and also presented a security paper for IAITAM.

Community Outreach and Engagement

Cascade partnered with enterprise customers, non-profit technology firms, and municipalities to place hundreds of donated, refurbished computer systems into the hands of organizations and low-income individuals. Our employees were active with volunteering and donating resources in each of the communities we serve. Cascade continues to live its vision to integrate and promote sustainability and social justice in all that we do.

Cascade's Service Reach

Cascade collected IT assets from 327 unique businesses and organizational clients in 30 states across 348 different zip codes in 2018.

Our ability to deploy our professional, secure, and friendly staff directly to customer sites continues to be one of the unique value propositions we offer in this industry. With sensitive data still on much of the equipment we collect, our clients find value in our onsite data destruction services and secure chain of custody.

Customer locations serviced by Cascade in 2018

Cascade concentrates on serving organizations in the Midwest. Our focus and footprint demonstrate how we

State	Total Pickups	% of Total
Wisconsin	1,232	66%
Illinois	170	9%
Minnesota	146	8%
Indiana	123	7%
Florida	35	2%
All other states	162	8%

have aligned our resources to be the best ITAD provider in this region. We can also pickup from sites outside the area for Midwest based companies with distributed facilities and for those organizations utilizing our group purchasing contracts.

Selling Refurbished Products

Cascade's resale revenue grew by more than 27% last year and our resale channels are stronger than ever. We sold refurbished gear to every state in the country, except Alaska. Our return rate on sold products was less than 0.22% of total resale value.

Cascade's online Marketplace saw sales grow by over 86% in 2018, as we launched a new branding and shopping site earlier in the year. The Marketplace was completely redesigned onto the mobile friendly e-commerce platform Shopify.

Cascade also partnered with non-profit technology groups to provide high quality, affordable computers for sale to low-income individuals and small organizations.

Satisfied Customers

We ask customers to evaluate the performance of our services and products on several criteria. For example, whenever we go onsite to perform asset disposition and data security services, we invite our customers to rate us on a number of factors and give us feedback to help us improve. In 2018, 92% of our clients said they were "extremely satisfied" with our onsite service work – none said they were less than "very satisfied." We also earned a 9.4/10 on a Net Promoter Score question.

How satisfied were you with our onsite services?

8%

92%

☐ Extremely ☐ Very
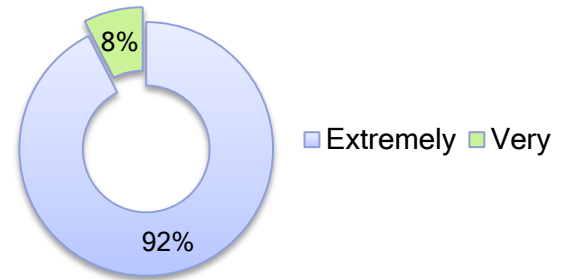
During our annual survey of all customers in December 2018, we also received a 100% satisfaction rating for our overall service delivery (91.07% indicated "very satisfied" with 8.93% "satisfied"). For the third year in a row, not even one respondent said they were *not satisfied* with Cascade.

| Customer Satisfaction - 2018	Rating
Job Satisfaction	99.7%
Customer Satisfaction	99.4%
Resale Satisfaction	98.0%
ebay Feedback Rating	99.6%
Resale Asset Satisfaction	99.9%
Target Satisfaction	98.0%
Overall Average	**99.2%**

We are also very proud of our ratings on other satisfaction criteria. Overall, Cascade's satisfaction rating surpasses 99%.

Cascade also hosted an **Open House** at our Indianapolis facility in the spring. Customers and other guests toured the facility, saw demonstrations of processes, heard from a former FBI agent about data security risks, and networked with one another. It's one of the best ways we can interact with our customers.

Cascade Open House

Indianapolis, IN

April 11, 2019
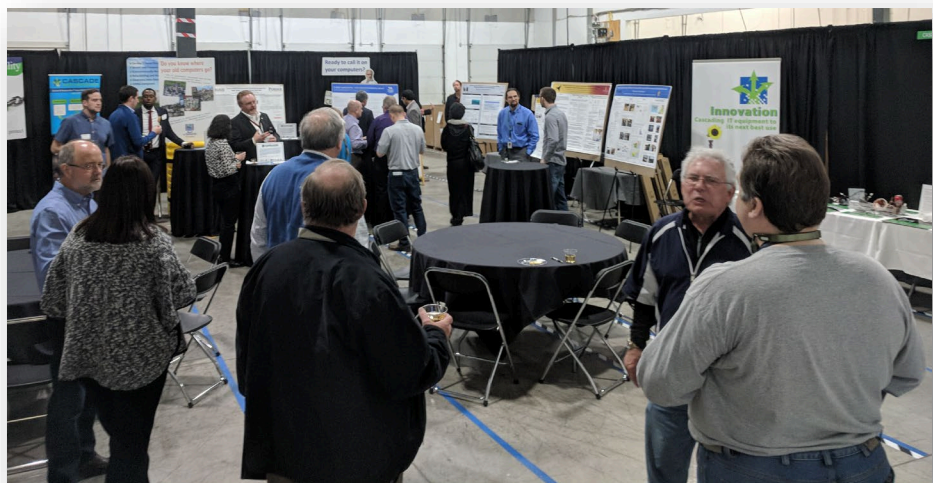
International reuse market

Cascade's Resale Manager, Paul Keough, followed a sale of Cascade's refurbished computer equipment half-way around the world to Dubai, one of the world's great centers of commerce.

The lot of laptop and desktop computers first made their way to our buyer's warehouse in Sharjah, just northeast of Dubai in the United

Arab Emirates. There, Cascade branded equipment is organized and sorted by type, make and model. Much of the equipment is sold through a number of retail shops in an electronics marketplace (see photo of laptops). Additionally, larger volume buyers purchase Cascade gear from our reseller's warehouse for reuse in other communities throughout the region.

When speaking with the shop owners handling Cascade equipment, they universally regarded our equipment as "high quality" with a strong demand from buyers. By seeing how our buyers use and handle our refurbished computers, Paul was able to both verify the legitimate reuse of our refurbished products and learn how we can better prepare and supply them with more IT devices. He also was able to enjoy some of the sites of the city of Dubai and the surrounding desert and culture during his visit.

Export of tested, working computer equipment is one of a number of resale channels Cascade uses to maximize recovery value from tested, sanitized computer equipment. Last year, Cascade's rebate payments to Cascade customers for resold equipment grew by 22.4%.

Connecting Madison provides computers and training to 268 families

In partnership with the City of Madison and DANEnet, a digital inclusion non-profit organization, Cascade and several enterprise customers were able to place 268 computer systems into households that otherwise would not be able to afford a PC. In addition, the program taught recipients basic digital literacy skills through formal trainings and drop in "Fix-it" clinics. Participants were also set up with affordable, high speed Internet options through the city or private Internet Service Providers.

2018 ITAD Benchmarking report published

Cascade's published its fourth annual benchmarking report to share information and research on security, environmental, and financial issues related to IT Asset Disposition (ITAD) and the more general IT Asset Management (ITAM) discipline.

This report was built from data Cascade compiled through (1) a November 2017 customer survey that represented organizations with a collective employment of more than 160,000 people, (2) an evaluation of more than 259,000 assets processed by Cascade in 2017, and (3) a review of related industry research.

In the survey portion, enterprises said they expect an increase in IT hardware purchases in 2018, with more than two-thirds (67.4%) indicating they plan to spend the same or more on devices this year, up from 57% reporting the same or increased spending in 2017.

As a benchmarking tool, we use the information to help clients understand how their ITAM/ITAD program compares to others and how they can further improve your systems to better attain your desired outcomes.

Washington Post chronicles battery hazards

Geoff Fowler, Technology columnist at the Washington Post, visited Cascade's Madison, Wisconsin processing center in September to explore what he's been told about the design of Apple mobile products - they are difficult to take apart for repair and recycling and their batteries are hazardous to handle.

Geoff and his crew spent a whole day at Cascade seeing first-hand how devices with embedded batteries get processed for reuse, repair and recycling. What they observed was even a surprise to them - the amount of time and resources it takes to carefully remove glued in batteries from certain phones and tablets can easily exceed a half-hour and requires special care. Without this care, these batteries can easily be damaged and lead to "thermal events" and fires.

Exchanging Best Practices Around the World

As part of the International E-Waste Management Network (IEMN), Cascade was invited to present its research and experience related to electronics reuse and battery safety. Officials from 11 countries participated in the 8th IEMN workshop in Manila, Philippines in September.

Community Outreach & Support

Cascade and our employees actively worked to support community initiatives throughout 2018. It's a great opportunity to come together and assist programs and people that need extra support. Activities and donations included the following.
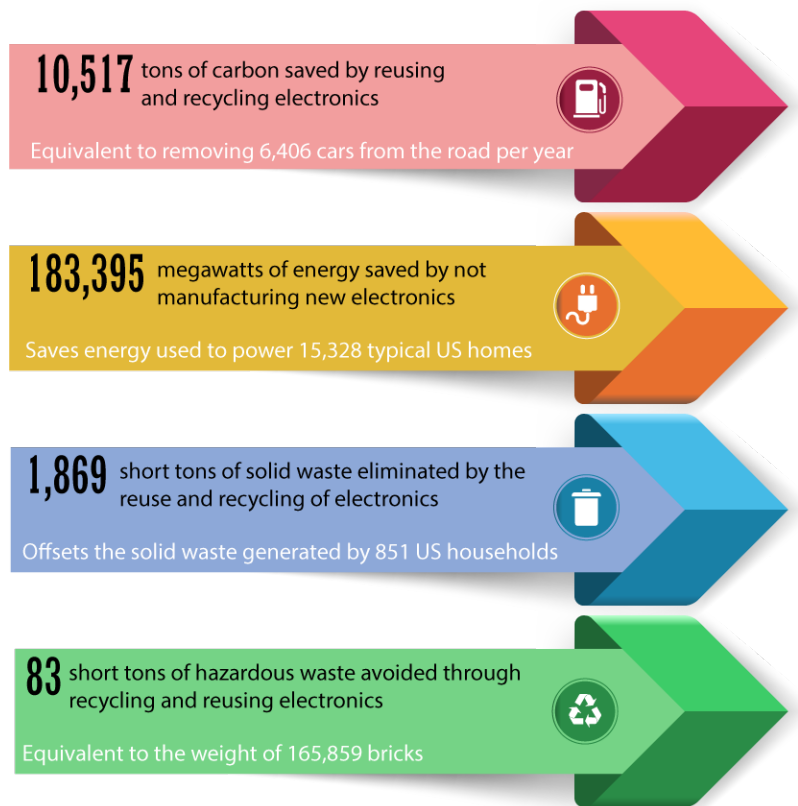

- A food drive before Thanksgiving raised money, food and supplies through employee donations for local pantries.

- A total of $4,500 was donated by Cascade to charitable organizations supported by employees: WORT Community Radio; Madison Reading Project; The River Food Pantry; Reach Out Lodi; The Gathering Source; Dalton's Food Pantry; United Way of Dane County; Community Shares; and IT United of Greater Milwaukee.

- Staff volunteered their time assisting non-profits with IT upgrades, through the DANEnet Day of Giving (see photo).

- Adopt-a-family campaigns provided holiday gifts to households in Madison and Indianapolis.

Environmental Stewardship

The collective environmental benefit of the electronic equipment reuse and recycling efforts by Cascade and our customers continues to have a positive impact. By reducing the need to manufacture new devices (due to reuse) or mine materials for production (due to recycling), we reduce waste and save resources. This has an impact on carbon emissions that contribute to climate change.

The chart to the right shows the environmental impact of reusing and recycling more than 3.5 million pounds of electronics for our clients in 2018.

10,517 tons of carbon saved by reusing and recycling electronics

Equivalent to removing 6,406 cars from the road per year

183,395 megawatts of energy saved by not manufacturing new electronics

Saves energy used to power 15,328 typical US homes

1,869 short tons of solid waste eliminated by the reuse and recycling of electronics

Offsets the solid waste generated by 851 US households

83 short tons of hazardous waste avoided through recycling and reusing electronics

Equivalent to the weight of 165,859 bricks

Research on Hard Drive Recovery

Cascade was invited to offer its expertise on an initiative led by the International Electronics Manufacturing Initiative (iNEMI) to join with leading enterprises like Microsoft, Google and Seagate, to explore opportunities to derive more value from discarded hard drives. The participants exchanged data, conducted new research, and debated findings that eventually made their way into a report promoting a circular economy approach to hard drive recovery. Cascade promoted secure reuse as the best option from a value and sustainability perspective.