

ANNUAL REPORT



A CLASS ACT: DO IT RIGHT, DO IT WELL

2022

YEAR IN REVIEW: 2022

A CLASS ACT: DO IT RIGHT, DO IT WELL

As we emerged from the pandemic, we all realized how critical it is to maintain quality relationships and focus on what is important. For Cascade, that's to always be a "Class Act" and to do what is right, as best as we can, as much as we can.

The year 2022 started with a lot of hope and anticipation as we saw increasing interest from our clients and the community in responsible and secure IT asset disposition services. Volumes and business activity grew by over 11.3% last year (in terms of the weight of equipment we received). All three of Cascade's processing facilities contributed to this expansion.

During the first half of the year, when resale values for refurbished devices were at an all time high, clients were happy with the rebates they were paid for their devices.

But the economy put pressure on all of us. With inflation peaking at more than 9%, cost pressures hit Cascade like it impacted almost every other sector. At the same time, improvements in the IT product supply chain caused decreased demand for refurbished IT equipment. We saw average resale values in some categories drop as much as 40%, which resulted in lower rebates paid back to customers.

Like everyone else, Cascade adjusted and implemented strategies to help us adapt to these new realities. Meanwhile,

we continued to deliver on our commitment to support our people and the planet by bringing as much value to clients as possible.



This Annual Report highlights the many accomplishments from the year that provided lasting benefits to our clients, the environment, our employees, and our community.

Neil Peters-Michaud
CEO and Co-Founder

2022 BY THE NUMBERS	
Number of Jobs	3,235
Assets Inventoried	366,308
Pounds of Equipment Received	4,070,358
Number of Successful Data Wipe Attempts	66,945
Terabytes of Data Wiped	23,498
Assets Resold	147,691
Unique Clients Served	344

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SERVICE REACH

726 ZIP CODES | 47 STATES | 344 ORGANIZATIONS

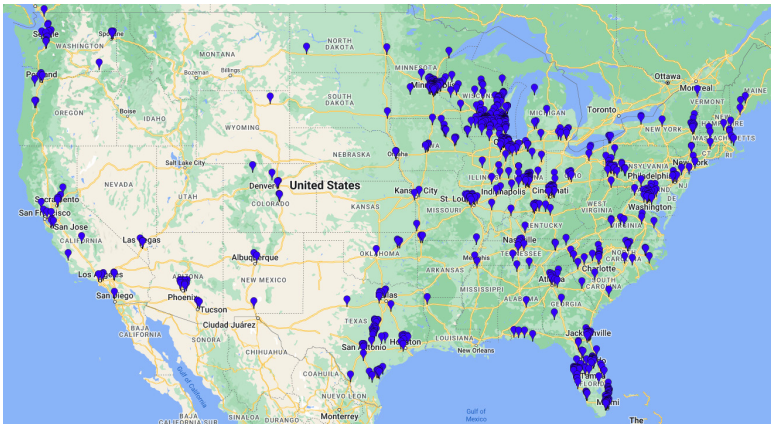
In 2022, Cascade collected IT assets from 344 unique businesses and organizational clients in 47 states (plus Puerto Rico) across 726 different zip codes.

Over 88% of equipment (by weight) collected during the year was managed exclusively by our own professional, secure, and friendly staff, allowing us to provide a direct chain of custody of equipment from our clients' sites to one of Cascade's processing facilities. Customer deliveries, box return programs, and third-party pickups made up 32% of all individual jobs, but only account for 12% of all weight picked up by Cascade.

In contrast, most of our competitors rely on third parties to collect and transport equipment, which can create added security, service, and cost concerns.

We continued to expand Cascade's reach to client sites across the country using vetted third-party white glove pick-up services, box return programs, and our own staff. These additional service options were increasingly utilized by clients with remote work needs and enabled us to collect equipment from 52% more states in 2022 than in 2019.

Cascade traditionally concentrated on serving organizations in the Midwest from our production facilities in Madison, Wisconsin and Indianapolis, Indiana. Recent years have seen an increase in demand from our Florida clients, and we have realized there is strong potential for growth in that state. In June of 2021, we set up a 15,900 square foot processing facility in Orlando, Florida. In 2022, Florida followed the top state of Wisconsin in total number of jobs, processed weight, and percent of total processed weight.



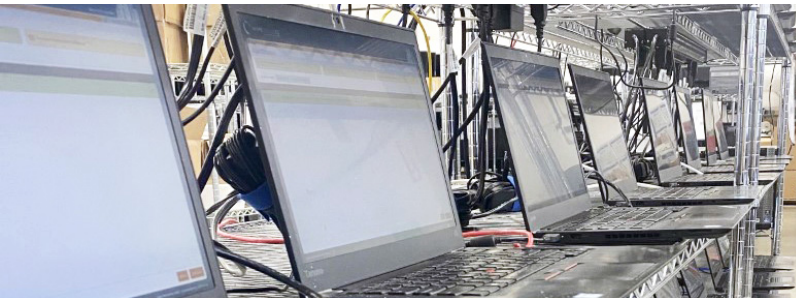
Customer locations serviced by Cascade in 2022

State of Origin	Total Jobs	Weight (lb)	% of Total lb
Wisconsin	1,271	1,876,052	46.09%
Florida	294	437,760	10.75%
Illinois	154	273,590	6.72%
Indiana	128	265,008	6.51%
Kentucky	91	238,525	5.86%
Minnesota	369	175,809	4.32%
All other states	928	803,704	19.75%
Total # of states serviced: 47 + Puerto Rico			

With locations in Indiana, Florida, and Wisconsin, Cascade is able to service enterprises with concentrations of equipment in the Midwest and Florida and help with their remote site IT asset disposition needs across the country.



SELLING REFURBISHED EQUIPMENT



SALES & REVENUE GROWTH IN 2022

Cascade's resale revenue grew by more than 6.6% in 2022, and the number of devices Cascade refurbished and resold (or donated) grew by 13.8% compared to 2021. Like others in the industry, we experienced price erosion impacting the secondary market which reduced the average resale prices of assets by approximately 20% compared to the previous year.

Cascade sold refurbished gear to every state in the country, except Alaska and Hawaii. Our overall return rate on sold products was 0.34% of total resale value, a testament to the quality of our refurbishment programs.

In 2022, the largest percentage increase in sales was generated by our on-line retail channels with 78.9% growth in revenue compared to our wholesale channel growth of 1.3%. The retail channels driving this growth include [Cascade Marketplace](#) and our [eBay store](#).

Cascade customers that participate in our resale program earn a percentage of their devices' value when the items are sold. These earnings are paid in the form of a rebate. In 2022, customer rebate payments increased by 3.0%. On average, Cascade generated \$34.01 in rebate payments to customers for each refurbished device sold. Compared to 2021, this average value decreased 9.5% as a result of global price declines.

Due to supply chain disruptions and difficulty in sourcing new equipment, the price paid for refurbished desktops, laptops, and monitors steadily increased during the pandemic. Now that supply chain issues are stabilizing, demand for used devices is and prices are returning to pre-pandemic levels of 2019.

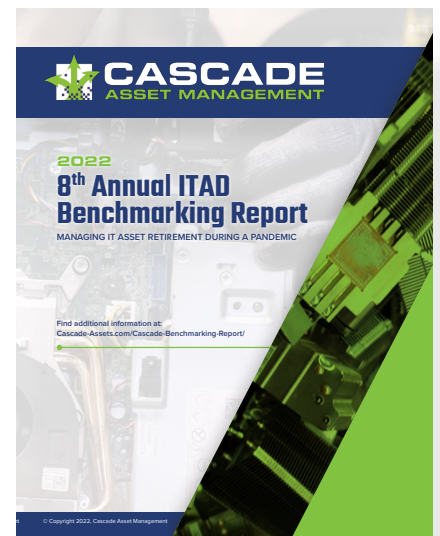
BENCHMARKING REPORT PUBLISHED

69 SURVEY RESPONDENTS | 14 INDUSTRY SEGMENTS | REPRESENTING 125,000+ EMPLOYEES

Cascade published its [Eighth Annual ITAD Benchmarking Report](#) based primarily on information gathered from clients during our exhaustive annual survey. Sixty-nine U.S. enterprises and organizations collectively representing over 125,000 employees from 14 different industry segments shared their views on a wide variety of topics, including the pandemic's long-term impact on their IT asset management decisions, data security, and the growing importance of quality ITAD provider's customer service.

The report also included an evaluation of more than 890,000 assets processed by Cascade between 2019-21. Secondary resale market data trends indicated a continued increase in the average values of refurbished assets, driven by supply chain disruptions for new computer equipment and the increased demand for refurbished gear.

The report is one of Cascade's primary educational and outreach tools. Industry trade groups, journals, and colleagues have come to rely on it for assessing trends by enterprises. Cascade also uses the findings to benchmark our clients' ITAD programs to help them improve.



SATISFIED CUSTOMERS

SURVEY RESULTS

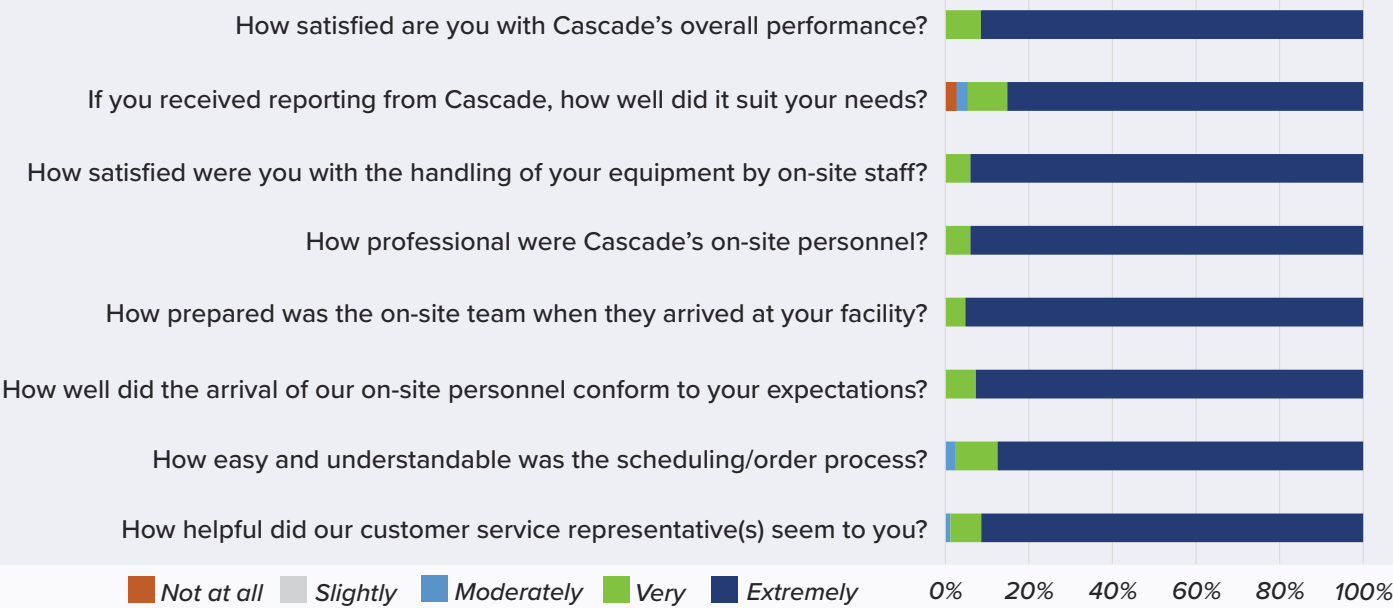
Whenever Cascade visits a client’s site to perform asset disposition and data security services, we invite them to rate us on several factors and offer feedback to help us improve. Eighty-six of these surveys were completed in 2022. Ninety-one percent of respondents said they were “extremely” satisfied with Cascade’s overall performance and the remaining 9% said they were “very satisfied.”

These respondents also gave us a Net Promoter Score of 93 out of 100. In comparison, the average Net Promoter Score for 1,912

organizations in the same professional services category is 46 (Source: SurveyMonkey).

In Cascade’s annual survey of all clients, 90.48% of respondents indicated they were “very satisfied” with our overall performance. Another 9.52% stated they were “satisfied”, earning us a 100% total satisfaction rating. Cascade’s Resale Program also achieved an impressive milestone of a 99.7% positive feedback rating for 2022 eBay transactions. This was up one point from last year’s 98.7% rating.

On-site Survey Results



RECOGNIZED FOR EXCELLENCE IN QUALITY

CASCADE RANKED #2 OUT OF THE TOP 40

Cascade was once again recognized as one of the nation’s top IT Asset Disposition (ITAD) companies, among 40 reviewed, in a 2022 published report by ITAD analyst David Daoud of Compliance Standards. Cascade, along with six of the top ten rated vendors, earned 4.5 stars.

“Cascade Asset Management rated first for strength of relationship with a 86.8%,” writes Daoud in his analysis of

the survey findings. Overall, Cascade earned the second best rating (79.4%) of all surveyed ITAD providers, beating out organizations such as IBM and Dell.

More information: “Ranking of ITAD Vendor Reputations Released.” *E-SCRAP News*, 3 Jun. 2022. <https://resource-recycling.com/e-scrap/2022/06/03/ranking-of-itad-vendor-reputations-released/>

ENVIRONMENTAL STEWARDSHIP

REUSE & RECYCLING EFFORTS REDUCE CARBON

The collective environmental benefit of the electronic equipment reuse and recycling efforts by Cascade and our customers continues to have a positive impact. By reusing devices and recycling materials, we reduce waste and save on the resources required to manufacture new items. These efforts help cut back on carbon emissions which contribute to climate change.

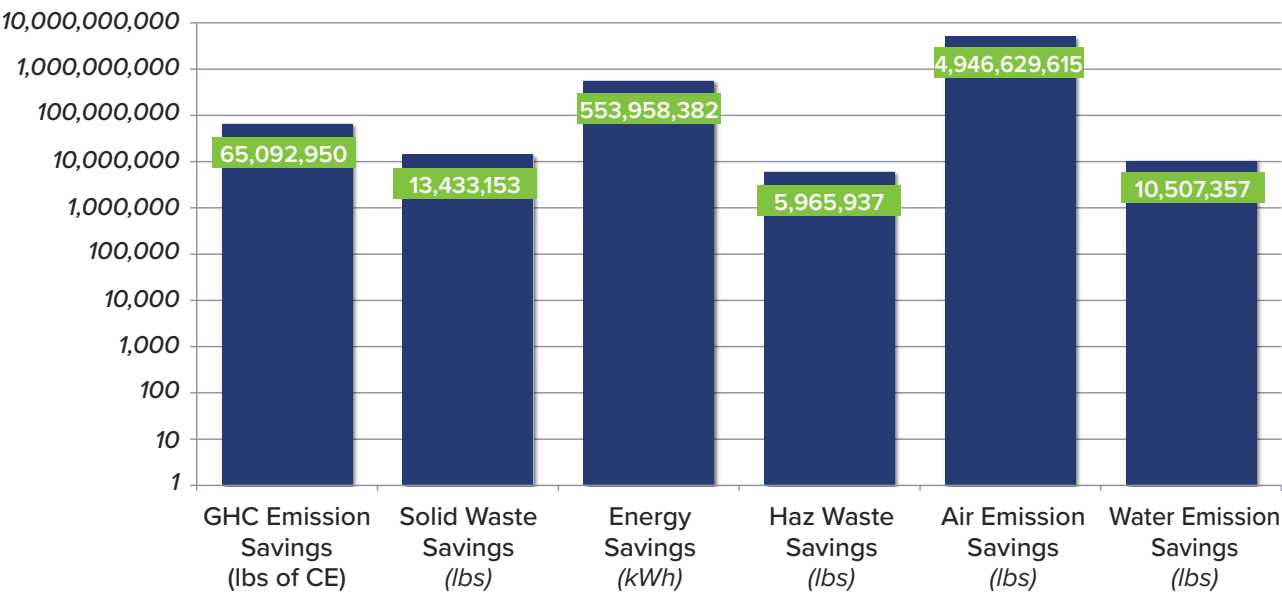
The charts below show the environmental impact of reusing and recycling more than 4 million pounds of electronics for our clients in 2022. Compared to landfilling these electronics, Cascade’s reuse and recycling activities are equivalent to saving over 32,500 tons of carbon from being released into the atmosphere. Cascade is also able to show our clients how much their electronics reuse and recycling activity benefit the planet.



EXCEEDING OUR RENEWABLE ENERGY TARGET

For 2022, Cascade aimed to source at least 75% of our electricity from renewable sources. We exceeded this goal by sourcing 81.93% of our facilities’ electricity from renewables. As a result of our 313,124 kWh of green energy, 149 tons of carbon dioxide were prevented from entering the atmosphere.

ENVIRONMENTAL IMPACT OF ELECTRONICS REUSE & RECYCLING, 2022



ENVIRONMENTAL EQUIVALENTS OF E-CYCLING ACTIVITY



Enough energy to power
46,298 typical US homes



Equivalent to the amount of primary materials used to manufacture
47,217 refrigerators



Removing **19,825 passenger cars** from the road for 1 year



Reduction in air emissions of
2,243,369 metric tons



Equal to the amount of solid waste generated by **3,057 US households** in a year



Reducing hazardous waste equal to the weight of **1,352,820 bricks**



TOTAL CARBON SAVED:
32,546 TONS

SIGNIFICANT ACTIVITIES & ACHIEVEMENTS

The Cascade team completed several initiatives in support of our 2022 continuous improvement goals.

OPERATIONS



- Handled over 4.07 million pounds of electronics in 2022 (an 11.3% increase over 2021) and inventoried over 366,000 assets (a 13.7% increase).
- Implemented an “Inventory Consistency Project” that resulted in a reduction of non-standard reporting of asset details from 14.76% of assets inventoried to just 4.56%.
- Improved our Refurbishing processes at the Indiana and Wisconsin facilities. Activities included redesigning the work station layout in Wisconsin to improve work flow and increase capacity, and reconstructing the Indiana refurbishing process to improve testing capabilities.
- Launched a new damaged Li-ion battery collection and handling program to increase safety and compliance.
- Worked collaboratively with 44 clients to release 6,670 assets from a device lock or other management control system thereby generating over \$385,00 in resale revenue shared with these clients. Without the partnership to unlock these devices, the items would need to be recycled.

Service Level Milestone	2022 Average
Time to inventory collected assets (Receipt date to Inventory date)	4.57 business days
Time to test/wipe/demanufacture assets (Receipt date to Processing date)	19.44 calendar days
Time to sell Tested/Working assets (Receipt date to Processing date)	50.72 calendar days

** Excludes days assets were held in quarantine for customer holds or device locks*

SECURITY & INFORMATION SYSTEMS



- Tested our disaster recovery systems to identify and address vulnerabilities. The assessment was successful, and we made additional investments in infrastructure to improve back-up, security, and critical access.
- Increased efficiency in our processes by optimizing workflows in the ERP system.
- Implemented requested improvements from Continuous Penetration to build up our risk profile. We exceeded our goal of two improvements by closing on two low risk, one medium, and four high risk issues.

SALES & MARKETING



- Grew web traffic in our target markets by focusing on search engine optimization.
- Enhanced repair and resale processes with the goal of boosting value recovery for refurbished devices. Successfully implemented retail sales processes including higher level device testing and imaging. Also improved work flows in this area.
- Exceeded our goal of maintaining a 98% customer satisfaction rating while increasing business activity. Overall, service ratings were 99.10%, while revenue increased 18.9% over last year.

ENVIRONMENTAL HEALTH & SAFETY



- Implemented ergonomic initiatives to reduce incident rates. The result was zero recorded injuries in this category for the year.
- Exceeded our goal of sourcing electricity from renewable sources (see page 6).

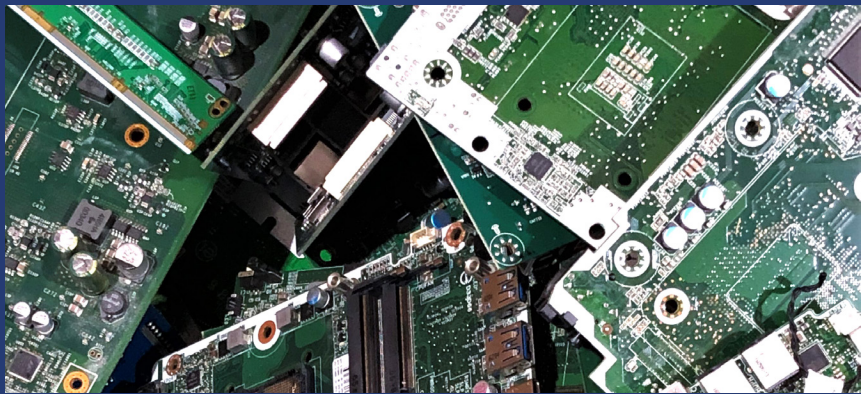
HUMAN RESOURCES & STAFFING



- Increased staffing to match growing production needs: staffing grew by 10.4% while the total processed weight increased by 13.2%.
- Held the employee turnover rate at 20.7%. By year-end, Cascade’s total headcount was 117.
- Added a Vice President of Business Administration to oversee Finance, Information Technology, Human Resources, and Compliance functions.
- Awarded a \$53,500 grant through the Wisconsin Fast Forward program to invest in training and professional development for our staff. A two-year training curriculum was developed and will start in 2023. Topics include: Project Management, Critical Thinking, Lean Six Sigma overview, Value Stream Mapping, 5S, and Practical Leadership.
- Introduced coaching and performance management tools in our payroll software program. By year-end, 25% of employees gave recognition and 61% received recognition.

CASCADE

ASSET MANAGEMENT



LOCATIONS

Headquarters & Processing Facility

- ▶ 6701 Manufacturers Dr, Madison, WI 53704

Processing Facilities

- ▶ 5125 Decatur Blvd, Suite F, Indianapolis, IN 46241
- ▶ 4428 SW 36th St, Orlando, FL 32811

LEARN ABOUT OUR SERVICES

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