

ANNUAL REPORT

2023

FOCUS ON THE
FUNDAMENTALS



CASCADE
ASSET MANAGEMENT

Cascade-Assets.com

Madison, WI | Indianapolis, IN | Orlando, FL

info@cascade-assets.com | 888-222-8399



YEAR IN REVIEW: 2023

FOCUS ON THE FUNDAMENTALS

As we embarked on our annual planning for 2023, we anticipated several challenging market forces: weak global economic conditions, uncertainty in our clients' disposition plans, and declining resale market trends. With that in mind, our theme for 2023 was "Focus on the Fundamentals." The goal was to maintain and improve the underlying foundation of the business so that we can return to rapid growth when the economy and industry rebounds.

This approach also aligns with the vision of written in our Strategic Plan: "We need to be smart about our growth plans – grow at a sustainable pace that takes advantage of the opportunities in front of us while not sacrificing quality, our values, or profitability."

Maintaining our commitments to our clients and employees in challenging economic conditions is critically important at Cascade. Many times, companies take shortcuts in compliance and quality when the going gets tough. For Cascade, we roll up our sleeves and get to work to find a way to not sacrifice our commitment to our values while we re-adjust our business for new realities.

As you will see in this Annual Report, Cascade continued to offer high quality and innovative services and solutions to our clients in 2023. Whether through new reporting and notification features in our Cascade Tracker online portal, our collaboration

with clients to save over \$330,000 through our quarantine unlocking activities, or our efforts to eliminate over 26,600 tons of carbon due to our reuse and recycling efforts, we kept moving forward and demonstrated positive impacts for our stakeholders.

It was heartening to see 2023 end on a much more positive note than it started. We adjusted, adapted, and positioned ourselves for a more successful 2024 and beyond. This Annual Report highlights the many accomplishments from the year that provided lasting benefits to our clients, the environment, our employees, and our community. I hope you enjoy it.

Neil Peters-Michaud
CEO and Co-Founder



2023 BY THE NUMBERS

Number of Jobs	3,019
Assets Inventoried	331,631
Pounds of Equipment Received	3,778,186
Number of Successful Data Wipe Attempts	65,025
Terabytes of Data Wiped	21,253
Assets Resold	147,943
Unique Clients Served	321

TABLE OF CONTENTS

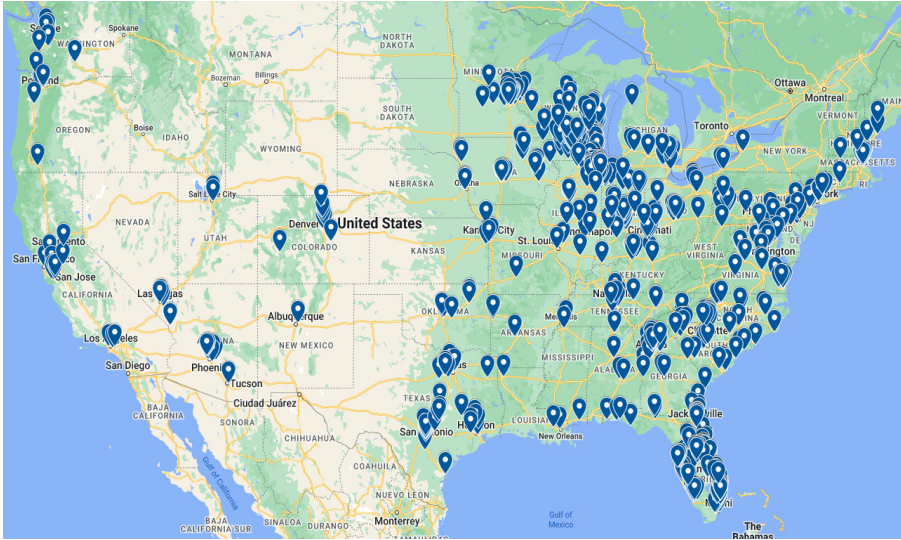


- 3 SERVICE REACH
- 4 REFURBISHED EQUIPMENT SALES
- 4 BENCHMARKING REPORT
- 5 CUSTOMER SATISFACTION
- 8 ENVIRONMENTAL STEWARDSHIP
- 7 ACTIVITIES AND ACHIEVEMENTS

CASCADE
ASSET MANAGEMENT

SERVICE REACH

753 ZIP CODES | 42 STATES | 320 ORGANIZATIONS



Customer locations serviced by Cascade in 2023

State of Origin	Total Jobs	Weight (lb)	% of Total lb
Wisconsin	1,230	1,820,766	48.06%
Florida	303	406,485	10.73%
Illinois	147	262,961	6.94%
Indiana	136	246,054	6.49%
Kentucky	70	193,297	5.10%
Minnesota	259	180,454	4.76%
All other states	839	668,420	17.91%
Total # of states serviced: 42 + Puerto Rico			

In 2023, Cascade collected IT assets from 320 unique businesses and organizational clients in 42 states (plus Puerto Rico) across 753 different zip codes.

Over 87.8% 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 30.6% of all individual jobs, but only account for 12.2% 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 pickup 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 35% more states in 2023 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 2023, Florida followed the top state of Wisconsin in total number of jobs completed and weight of electronics processed.

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



SELLING REFURBISHED EQUIPMENT



A DOWN AND UP YEAR IN THE RESALE MARKETS

Cascade's resale revenue declined by more than 14% in 2023 from the prior year, even though the number of devices Cascade refurbished and resold (or donated) grew slightly compared to 2022. During the pandemic, average resale prices soared as consumers flocked to buy any kind of computer devices to connect with others. Starting in the summer of 2022, prices dropped by more than 50% of their peak to below pre-pandemic levels. Average resale prices bottomed out at the end of 2022 and slowly increased over the course of 2023, but not enough to make up for the high rates of early 2022.

The average rebate to clients grew by 15.7% from Q4-2022 to Q4-2023, showing a return to normalcy in resale pricing and an improvement in Cascade's resale strategy to earn more from each refurbished device. These increased returns to customers were led by an uptick in average resale values of laptops by 22.7% from the last quarter of 2022 to the 4th quarter of 2023.

Cascade sold refurbished gear to every state in the country, except Alaska and Hawaii. Our overall return rate on sold products was 0.70% of total resale value, a testament to the quality of our refurbishment programs.

In 2023, retail sales grew by 7.7% to make up for the 17.2% drop in resale revenue from wholesale channels compared to 2022. Cascade is shifting more product to retail channels to earn more value for our customers and improve profits to the company.

Cascade earned the prestigious distinction of becoming an Amazon Renewed merchant in 2023. This allows us to sell our highest quality refurbished products on this curated marketplace and supplements our other retail channel sales on the [Cascade Marketplace](#) and our [eBay store](#).

BENCHMARKING REPORT

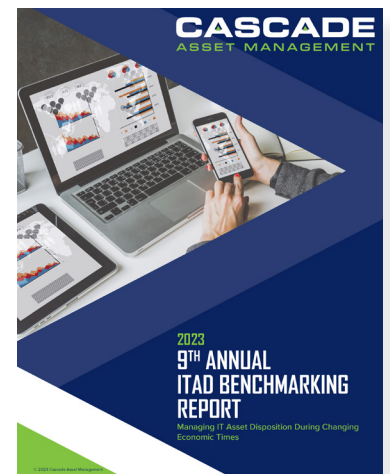
54 SURVEY RESPONDENTS
12 INDUSTRY SEGMENTS
REPRESENTING 231,100+ EMPLOYEES

Cascade published its [Ninth Annual ITAD Benchmarking Report](#) using data collected from a comprehensive annual survey of clients. Fifty-four U.S. enterprises and organizations collectively representing over 231,100 employees from 12 different industry segments shared their views on a wide variety of IT asset disposition topics.

Throughout the report, data security in IT asset disposition emerged as a top priority, a sentiment likely driven by ongoing media coverage of the Morgan Stanley data breach and rising hacking incidents. Survey participants highlighted concerns such as ensuring a secure chain of custody, adherence to internal security protocols, partnering with reputable ITAD firms equipped for data destruction, and responsible asset recycling.

The report also included an evaluation of more than 1.2 million assets processed by Cascade between 2019-22. As mentioned in the "Selling Refurbished Equipment" section of this report, prices have dropped. Refurbished desktops, laptops, servers, and mobile devices saw an average price decline of 19%, with mobile device resale prices fell by 25%.

Cascade's report serves as a cornerstone of our educational and outreach endeavors. Industry trade groups, journals, and colleagues have come to rely on it for assessing trends by enterprises. We also use 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. Seventy-seven of these surveys were completed in 2023. Of the respondents who provided feedback on our overall performance, ninety-six percent said they were “extremely” satisfied and 1% said they were “very satisfied” (3% left the answer blank).

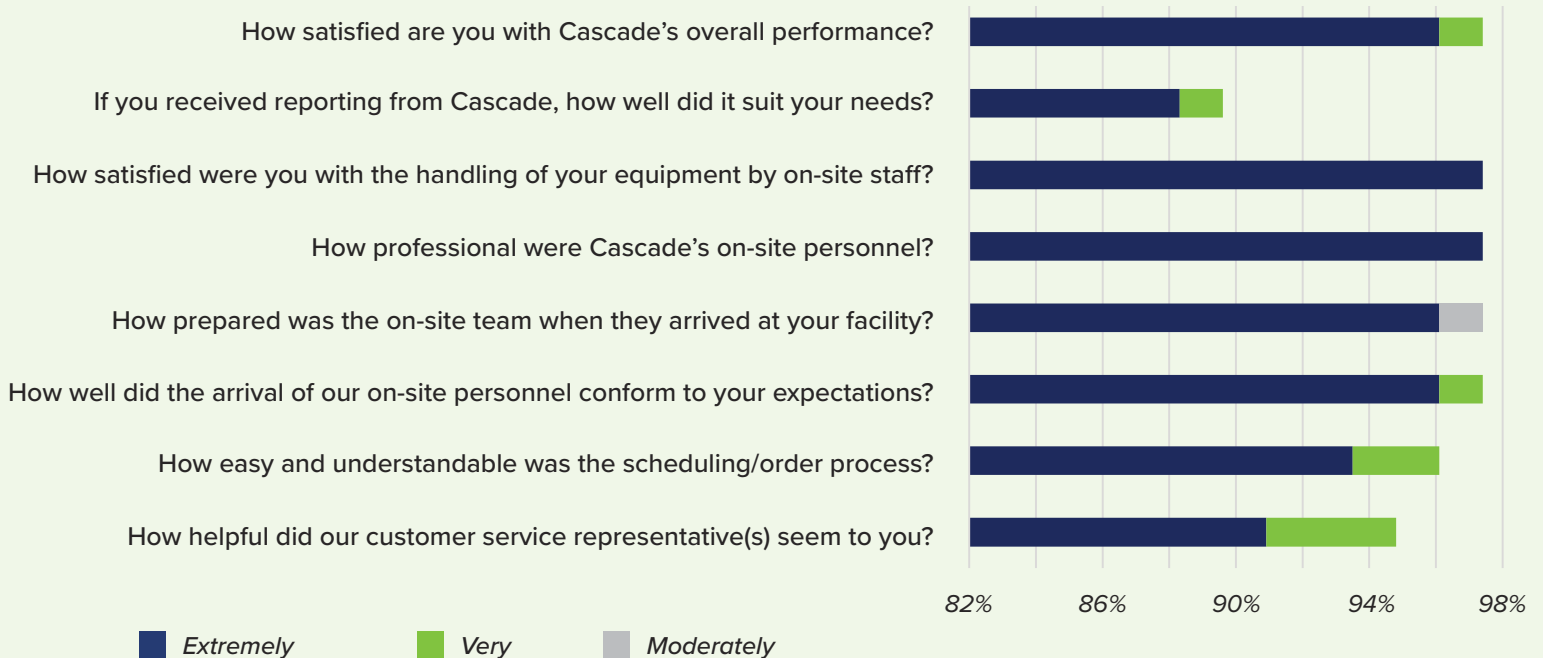
These respondents gave us a Net Promoter Score of 97 out of 100. In comparison, the average Net Promoter Score for 3,176 organizations in the same professional services category is 52 (Source: SurveyMonkey).

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 a 98.9% positive feedback rating for 2023 eBay transactions. Sales were up 11.3%, but we experienced a slight decrease in satisfaction ratings compared to last year’s 99.7% rating.



Cascade’s Net Promoter score: 97 out of 100 while similar organizations earned an average of 52.

CLIENT SATISFACTION: ON-SITE SURVEY RESULTS



ENVIRONMENTAL STEWARDSHIP

REUSE & RECYCLING EFFORTS REDUCE CARBON

The collective efforts of Cascade and our clients in reusing and recycling electronic equipment continues to positively impact the environment. By repurposing devices and recycling materials, we reduce waste and conserve resources required to manufacture new items. These actions reduce carbon emissions which contribute to climate change.

In 2023, we recycled and reused over 3.7 million pounds of our clients' electronics. These activities are equivalent to saving over 26,613 tons of carbon from being released into the atmosphere when compared to landfilling the items. Cascade is also able to show each of our clients how much their electronics reuse and recycling activity benefitted the planet.

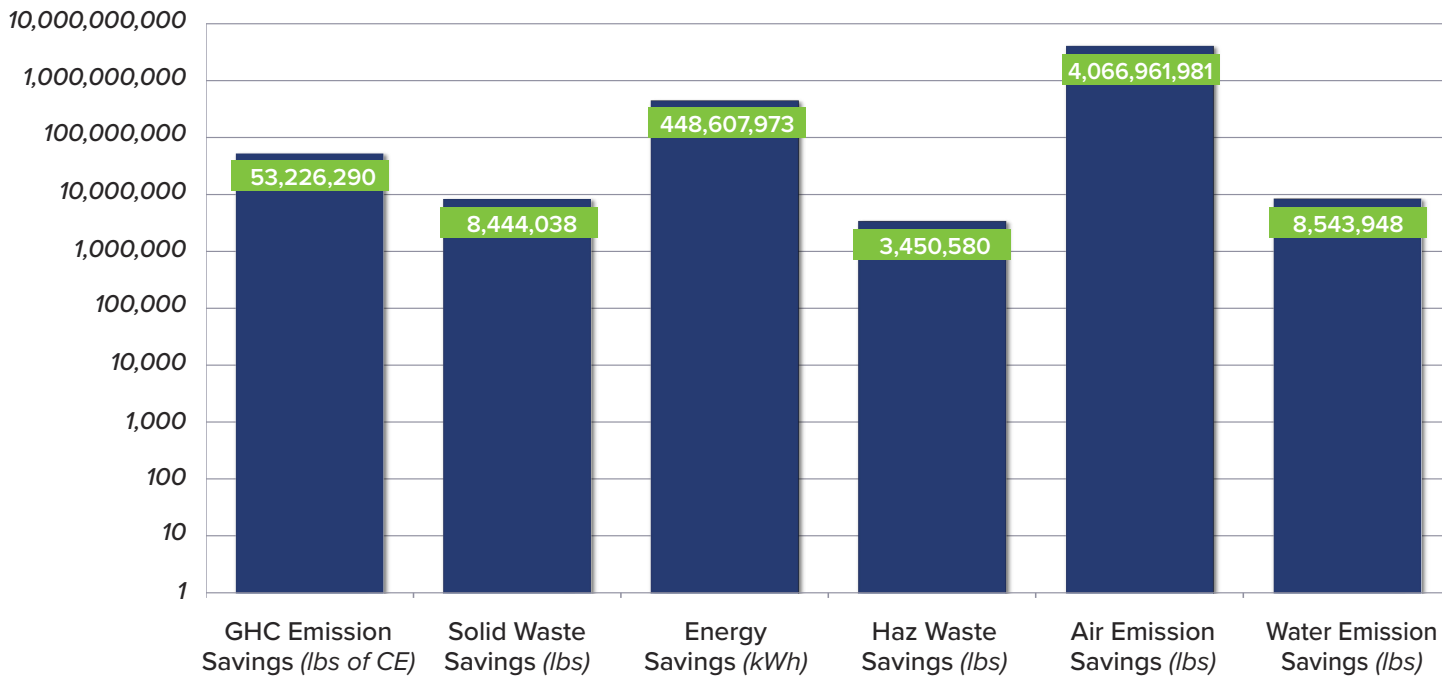
EXCEEDING OUR RENEWABLE ENERGY TARGET

For 2023, Cascade sourced at least 83% of our electricity from renewable sources. We improved upon 2022's renewable energy level as well. In 2023, a total of 306,637 kWh of green energy powered our operations, keeping over 217 tons of carbon out of the air.

Through conservation efforts, Cascade's total electricity use also declined by 3.3% compared to 2022.



ENVIRONMENTAL IMPACT OF ELECTRONICS REUSE & RECYCLING, 2023



**TOTAL CARBON SAVED:
26,613 TONS**

ENVIRONMENTAL EQUIVALENTS OF E-CYCLING ACTIVITY

- Enough energy to power **37,493 typical US homes**
- Equivalent to the amount of primary materials used to manufacture **29,683 refrigerators**
- Removing **16,210 passenger cars** from the road for 1 year
- Reduction in air emissions of **1,844,427 metric tons**
- Equal to the amount of solid waste generated by **1,921 US households** in a year
- Reducing hazardous waste equal to the weight of **782,445 bricks**

SIGNIFICANT ACTIVITIES & ACHIEVEMENTS

The Cascade team completed several initiatives in support of our 2023 continuous improvement goals.

OPERATIONS



- ☑ Handled over 3.78 million pounds of electronics in 2023 and inventoried 331,631 assets.
- ☑ Implemented new Inventory Validation Process to align our different customer on-site reconciliation processes and improve the workflow and visibility of on-site validation work.
- ☑ Worked on several process integrations including better defined pallet ID designations and queues for the Resale and Fulfillment Departments.
- ☑ Focused on identifying and reducing non-standard processes to improve workflow efficiencies.
- ☑ Worked collaboratively with 47 clients to release 5,516 assets from a device lock or other management control system thereby generating over \$335,045 in resale revenue shared with these clients. Without the partnership to unlock these devices, the items would need to be recycled.

Service Level Milestone	2023 Average
Time to inventory collected assets (Receipt date to Inventory date)	6.37 business days
Time to test/wipe/demanufacture assets (Receipt date to Processing date)	24.97 calendar days
Time to sell Tested/Working assets (Receipt date to Processing date)	62.55 calendar days

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

SECURITY & INFORMATION SYSTEMS



- ☑ Introduced automated client notifications on Cascade Tracker online portal. Introduced improved dashboard views and activity lookups.
- ☑ Maintained externally monitored continuous penetration testing of network systems from an internal and external threat perspective to prevent any malicious attacks from exposing Cascade data.

SALES & MARKETING



- ☑ Implemented a Bulk Electronics Resale Fee to offset inventory handling costs associated with bulk electronics.

- ☑ Invested in Google advertising, search engine optimization tactics, social media, and email campaigns to increase web traffic. Total web sessions were 41,048, with direct search, organic search, and paid methods as the top referring methods.
- ☑ Enhanced the design and functionality of the Cascade Marketplace website and increased promotional efforts. The outcome was a 19% uptick in total sales, 31% increase in store sessions, and 19% improvement in the returning customer rate.
- ☑ Exceeded our goal of maintaining a 98% customer satisfaction rating while increasing business activity. Overall, service ratings were 98.9% positive.

ENVIRONMENTAL HEALTH & SAFETY



- ☑ Underwent INSHARP and Wisconsin safety evaluations with no unresolved negative findings.
- ☑ Sourced over 83% of electricity used in operations from renewable energy programs with local utilities.
- ☑ Reduced energy consumption by 3.7% across all of our facilities. Cascade's energy consumption rate (electricity used per pound processed) increased 4.53% in 2023 due to excessive heat days and cooling requirements in the summer.
- ☑ Promoted safer driving habits and reduced recorded safety and compliance alerts (from Motive) per mile driven by 9.5%. There were no vehicle or driver inspection findings in 2023.

HUMAN RESOURCES & STAFFING



- ☑ Held the employee turnover rate at 19.2%. By year-end, Cascade's total headcount was 113.
- ☑ Invested our \$53,500 Wisconsin Fast Forward Grant in a training and professional development for our staff. The two-year training curriculum includes Project Management, Critical Thinking, Lean Six Sigma overview, Value Stream Mapping, 5S, and Practical Leadership.
- ☑ Continued promoting our coaching and performance management tools in our payroll software program. By year-end, 29% of employees gave a total of 310 recognitions and 65% received recognition.



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



Cascade-Assets.com
info@cascade-assets.com
888-222-8399

Cascade-Assets.com/Request-A-Quote
info@cascade-assets.com

pickup@cascade-assets.com
888-222-8399

