



**Maxx Systems Inc.**

# **2034** **ANNUAL** **REPORT**

**Maxx Systems Inc**  
**DBA Maxx Appliances Inc**



## Announcement

### World Business Communications

Press Release JULY 5, 2035



# Maxx Appliances Inc. is now Maxx Systems Inc.

Our company started back in 1920 as an ice company and built one of the first reliable refrigerators used by consumers worldwide.

Now, we are pleased to announce our change of name to Maxx Systems Inc. We believe this change more accurately describes our expanded mission statement: Offering Smart Refrigerators and Smart Hubs to control other smart systems.

Maxx Systems now designs and manufactures refrigerator for this new era of "Smart" appliances. The refrigerator is the first of our plans for Smart appliances and will work in conjunction with the Smart Hub to manage devices wirelessly.

With the expanded product line, we are changing our company's operating philosophy and practices to be more "AGILE" as an organization. We will be the quickest to market, with market and user driven solutions of the highest quality.

We thank our employees, investors and advisors for their hard work and brilliant contributions to this exciting transformation.

For further questions, please contact our Investor Relations Department.

Bet Cain

**CEO, Chair Strategic Planning Committee**



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### Annual Report for 2034, goals for the Future

# Dear Customers, Employees, Suppliers, and Investors,

Welcome to our update on the events of the prior period and our plans for coming period. We are now Maxx Systems with a dba for Maxx Appliances. I believe you will see where the company has advanced with entrepreneurial spirit and practices in a strategy of creating an Agile Organization to serving a broader market, enhance financial performance, build a more valuable portfolio of intellectual property and leveraging of technologies, and expanding our management talent.

Here is how we see the events and the future synergistically work to produce greater value.

## Maxx Appliances Commits to New Strategy with Innovative New Technologies, Starting with a product line of Smart Refrigerators

Maxx Appliance Inc. is on a path to introduce new refrigerators with internet connectivity to capture the advantages of internet connected appliances. This is the most significant change in strategy since Joe Maxx recognized the need for mechanical refrigeration in our ice customers over 90 years ago.

Designed as new products not just extensions and enhancements of existing designs, yet assuring the same reliability as expected of our products, we will meet the needs of our customers in new and broader ways.

The new Smart products will leverage the benefits of connectivity with both the internet and other systems.

The new strategy means we will continually be in touch with users and retailers to know what features to make available. This means the computer-based control systems will have open architecture suitable for rapid development and availability of new User directed functions.

Although proud of the reliability of our products, we will improve when we become aware of any user issues that reduce their view of our products. We will, with our new methods we will respond quickly. We will remain added of the



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trends among users with an entrepreneurial spirit and “Quick to market” practices lead by talented employees in an environment of action not bureaucracy.

With our new strategy we have moved into new office space. This new space is an open concept where we work together and share ideas and talent for our collective gains. We have changes our incentive systems one based on community performance. Fortunately, our new space has more work space yet it is less costly to lease and operate.

## Maxx Systems New Offices





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# Our best year in over 70 years:

I am pleased to advise that last year with the combination of judicious cost management and expanding home ownership, we sold a record volume of appliances. The net income set a new high. However, in addition to user demand for manufacturers to leverage technology and provide products with greater functionality, this comes with a slowly declining trend in traditional appliances that we must not ignore.

With the blessings of the Maxx family we took a detailed look into the future. Late last period, after the close of the finances, we engaged internal and external resources to look ahead into our markets. What we see is very promising. The activity and demand will increase at a consistent pace for at least 14 years. But the user's expectations of the functionalities of appliances are also rapidly increasing. Some of our competitors have already begun to stretch their products.

Today and for the future users want appliances that automate and coordinate routine actions. They want the connectivity to the internet, connectivity that supervises other systems (security, maintenance, comfort) in the residence, and connectivity among appliances (to fit recipes such as pre-warming ovens).

Users want appliances that alert to needs, audit inventories against recipe requirement's, and advise for loss of freshness. Users want appliances that send shopping list to the user's smart phone so the shopper does not miss something while shopping. Users want instant connection to the internet not only for recipes but news and other information all displayed right on the front of their refrigerator. User want refrigerators where you can leave messages for others.

Appliance functionality is both where the competitive battle will be fought and where the technological innovations will determine the winner. Our company is prepared and well positioned for this challenge. Last year we completed the design and introduction of our first Smart product a refrigerator with connectivity technology. This is just the start of a journey. We opened the architecture for development of APPs by third parties. And, we will marketing these APPs through a Maxx Appliances APP store providing go-to-market resources for third party APP developers. This, we believe, will make APP development for third-party developers much easier and more streamlined. **For our part we are mi-**

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grating to a very agile and entrepreneurial business model.

## What is an agile organization?

An **Agile Organization** is one that is quick in responding to changes in the marketplace or environment. The '**agile organization**' is also known as 'the entrepreneurial **organization**' and 'the resilient **organization**' and this kind of **organization** focuses on the customer which calls for customized rather than standardized offerings.

Characteristics of Agile Organizations:

1. They are made up of self-aware individuals whose actions affect the organization as a whole
2. They adapt a catalyst style of leadership by inspiring others without losing the cohesion within the entire system
3. Their organization is based on continuous learning from experiments
4. They foster an open communication style facilitating collaboration and sharing
5. Their governance is based upon business goals, value, values, and deep rooted adaptation
6. Their members seek mastery in their respective skills

## 95 years of refrigeration experience with Maxx:

This year we will propose to our Board that we change name of our company to Maxx Systems Inc. We believe this more correctly reflects our growing technologies in Smart appliances and connectivity. This year we will incorporate into our refrigerators a new generation of technology Smart Hub. The refrigerator is one appliance that runs all the time making it a good candidate for performing the Smart HUB functionality for all the user's systems. We will provide system suppliers with the information for them to design the API for their system to match our computational architecture. Five strengths are what make Maxx Appliance

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into Maxx Systems:

- Exceptional people in a strong global network
- Unique brand in a related product portfolio of common standards for performance
- Continuous improvement mindset with AGILE methods.
- Outstanding technology and quality
- Trustful partnerships

You, our customers, our employees, our suppliers, and our investors have supported our accomplishments. We thank you for this support.

Bet Cain  
CEO Maxx Systems

A handwritten signature in blue ink, appearing to read "Bet Cain", with a stylized circular flourish and a long horizontal line extending to the right.

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	4th Qtr. 2034	1st Qtr. 2035	2nd Qtr. 2035	3rd Qtr. 2036	4th Qtr. 2036	1st Qtr. 2036
	Target	Target	Target	Target	Target	Target
Sales Volume						
Std Refrigerator	19,200	17,671	16,299	15,304	14,439	13,861
Q1 & Q2 2035	Not Avail	2,498	7,703	13,345	16,002	19,147
Q3 2035						
Smart Refrig Gen 1 early shipments announce-						
Q4 2035 & Q1 2036						
Smart Refrig Gen 1 Sales International market						
Q2 2035	Not Avail	700	1,035	4,500	6,200	7,700
Smart Refrigerator- Gen 2						
Q4 2035						
Smart Refrig Gen 2 with added connectivity capa-						
Q1 2036						
Smart Refrigr Gen 2 Sales Intern'l and functional-						
Average Net Sell Price per unit \$						
Std Refrigerator	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Smart Refrigerator- Gen 1	Not Avail	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Smart Refrigerator- Gen 2	Not Avail	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Maxx Appl Net Revenue \$						
Std Refrigerator	\$26,880,000	\$24,739,400	\$22,818,600	\$21,425,600	\$20,214,600	\$19,405,400
Smart Refrigerator- Gen 1	Not Avail	\$6,994,400	\$21,568,400	\$37,366,000	\$44,805,600	\$53,611,600
Smart Refrigerator- Gen 2	Not Avail	\$2,240,000	\$3,312,000	\$14,400,000	\$19,840,000	\$24,640,000
Total Revenue \$	\$26,880,000	\$33,973,800	\$47,699,000	\$73,191,600	\$84,860,200	\$97,657,000
Cost of Good Sold % of Sales Price						
Std Refrigerator	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%
Smart Refrigerator- Gen 1	Not Avail	64.0%	64.0%	63.0%	64.0%	63.0%
Smart Refrigerator- Gen 2	Not Avail	62.0%	62.0%	61.0%	62.0%	60.0%
Gross Margins \$						
Not Avail	\$8,601,600	\$7,916,608	\$7,301,952	\$6,856,192	\$6,468,672	\$6,209,728
Smart Refrigerator- Gen 1	Not Avail	\$2,517,984	\$7,764,624	\$13,825,420	\$16,130,016	\$19,836,292
Smart Refrigerator- Gen 2	Not Avail	\$851,200	\$1,258,560	\$5,328,000	\$7,142,400	\$9,116,800
Total Gross Margin \$	\$8,601,600	\$11,285,792	\$16,325,136	\$26,009,612	\$29,741,088	\$35,162,820
GM % Revenue			34.2%	35.5%	35.0%	36.0%
% Revenue	25.0%	24.0%	23.0%	22.0%	19.0%	18.0%
\$	\$6,720,000	\$8,153,712	\$10,970,770	\$16,102,152	\$16,123,438	\$17,578,260
Extra design cost Gen 2		\$150,000	\$40,000			
Profit before Tax \$	\$1,881,600	\$2,982,080	\$5,314,366	\$9,907,460	\$13,617,650	\$17,584,560
% Revenue	7.0%	8.8%	11.1%	13.5%	16.0%	18.0%
Taxes						
%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Income After Taxes \$	\$1,486,464	\$2,355,843	\$4,198,349	\$7,826,893	\$10,757,944	\$13,891,802
% Sales: "ROS"	5.5%	6.9%	8.8%	10.7%	12.7%	14.2%