KINGDOM OF MONACIENCIO
ROYAL COMISSION FOR SECURITIES
Ciudad Capital

FORM 10K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 2015**

For the fiscal year ended **December 31, 2022**.

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 2015**

For the transition period from________ to _______

Commission File Number: **001-56899**

Prisma Corporation

(Exact name of Registrant as specified in its charter)

Ciudad Capital (District or other jurisdiction of incorporation or organization)	**96-4562145** (R.T.S Employer Identification No.)
Prisma Loop 001 **Ciudad Capital** (Address of principal executive offices)	**56424** (ZIP code)

0800-PRISMA-001
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange
Common stock, $1 par value per share.	**PRISM**	**Monaciencio Stock Exchange**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 2015 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.			
Yes	☒	No	☐
Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).			
Yes	☒	No	☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.			
Large Accelerated filler	☒	Accelerated filler	☐
Non-Accelerated filler	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act			☐
Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).			
Yes	☐	No	☒
10,000,000 shares of common stock were issued and outstanding as of December 31, 2022.			

Prisma Corporation
Form 10-K
For the Fiscal Year Ended December 31, 2022.

Contents

This Annual Report on Form 10-K ("Form 10-K") contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 2012, that involve risks and uncertainties. Many of the forward-looking statements are located in Part I, Item 1 of this Form 10-K under the heading "Business" and Part II, Item 7 of this Form 10-K under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Form 10-K regarding the potential future impact of the COVID-19 pandemic on the Company's business and results of operations are forward-looking statements. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of this Form 10-K under the heading "Risk Factors." The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Unless otherwise stated, all information presented herein is based on the Company's fiscal calendar, and references to particular years, quarters, months, or periods refer to the Company's fiscal years ended in September and the associated quarters, months and periods of those fiscal years. Each of the terms the "Company" and "Prisma" as used herein refers collectively to Prisma Corporation and its wholly owned subsidiaries, unless otherwise stated.

PART I

Item 1. Business

Company Background

The company produces and markets different services for industrial and end-customers. The company's main product and services lines are its electronic games, commodity wholesale, air transportation and automobiles manufacturing divisions. The company's fiscal year is the 52- or 53-week period that ends on the last Saturday of December.

Business Units

Consumer Services

Consumer Services groups the end-consumer products and services of the company. It is composed of the following units:

- **Prisma Games** develops and markets videogames for distribution to third-party consoles, the Personal Computer platform (using its own *GRID®* distribution platform) and for the *BlastPlay®* gaming console, which it also develops, markets, and supports.
- **Prisma Media** develops and markets media content such as music, print publications and movies. It also offers touring logistics solutions for performers.
- **Prisma Supplies** develops and markets products for the office.
- **Prisma Air** offers transportation services through air routes for end customers as well as cargo services for industrial customers.
- **Prisma Automotives** develops and markets cars and other mobility-related products for end customers.

Industrial Services

Industrial Services groups the industrial consumer products and services of the company. It is composed of the following units:

- **Prisma Wholesale** markets commodities by leveraging the *PrismaTrading®* online trading platform.
- **Prisma Energy** makes markets by intermediating the oil industry.

- **Prisma Transportation** offers rail transportation capacity and services for industrial customers. It also links up with Prisma Air's services by leveraging the *PointTransfer*® online scheduling platform.
- **Prisma Developments** offers companies and governments with construction services.

Financial Services
Financial Services administers a portfolio of investments, mainly through open-market purchases of company stock and other related instruments.

Markets and Distribution
The Company's customers are primarily in the consumer, and industrial markets. The Company sells its products in most of its major markets directly to its customers through physical points of sale and by its online distribution channels, *PrismaTrading* and *PointTransfer*.

Competition
The markets for the Company's products and services are highly competitive and are characterized by aggressive price competition and resulting downward pressure on gross margins, frequent introduction of new products and services, short product life cycles, evolving industry standards, continual improvement in product price and performance characteristics, rapid adoption of technological advancements by competitors, and price sensitivity on the part of consumers and businesses. Many of the Company's competitors seek to compete primarily through aggressive pricing and very low-cost structures, and by imitating the Company's products and infringing on its intellectual property.

The Company's ability to compete successfully depends heavily on ensuring the continuing and timely introduction of innovative new products, services, and technologies to the marketplace. The Company designs and develops nearly the entire solution for its products its and related services. Principal competitive factors important to the Company include price, product, and service features, relative price and performance, product and service quality and reliability, design innovation, marketing and distribution capability, service and support, and corporate reputation.

The Company is focused on expanding its market opportunities. The Company faces substantial competition in these markets from companies that have significant technical, marketing, distribution, and other resources, as well as established hardware, software, and service offerings with large customer bases. In addition, some of the Company's competitors have broader product lines, lower-priced products, and a larger installed base of customers. Competition has been particularly intense as competitors have aggressively cut prices and lowered product margins. Certain competitors have the resources, experience, or cost structures to provide products at little or no profit or even at a loss. The Company's services compete with business models that provide content to users for free and use illegitimate means to obtain third-party digital content and applications. The Company faces significant competition as competitors imitate the Company's product features and applications within their products or collaborate to offer integrated solutions that are more competitive than those they currently offer.

Supply of Components
Although most components essential to the Company's business are generally available from multiple sources, certain components are currently obtained from single or limited sources. The Company also competes for various components with other participants. Therefore, many components used by the Company, including those that are available from multiple sources, are at times subject to industry-wide shortage and significant commodity pricing fluctuations.

The Company uses some custom components that are not commonly used by its competitors, and new products introduced by the Company often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The continued availability of these components at acceptable prices, or at all, may be affected if suppliers decide to concentrate on the production of common components instead of components customized to meet the Company's requirements.

The Company has entered into agreements for the supply of many components; however, there can be no guarantee that the Company will be able to extend or
renew these agreements on similar terms, or at all.

Substantially all the Company's products are manufactured by outsourcing partners that are located primarily in Monaciencio.

Research and Development
Because the industries in which the Company competes are characterized by rapid technological advances, the Company's ability to compete successfully depends heavily upon its ability to ensure a continual and timely flow of competitive products, services, and technologies to the marketplace. The Company continues to develop new technologies to enhance existing products and services, and to expand the range of its offerings through research and development ("R&D"), licensing of intellectual property and acquisition of third-party businesses and technology.

Intellectual Property
The Company currently holds a broad collection of intellectual property rights relating to certain aspects of its products and services. This includes patents, designs, copyrights, trademarks, and other forms of intellectual property rights in Monaciencio and various foreign countries. Although the Company believes the ownership of such intellectual property rights is an important factor in differentiating its business and that its success does depend in part on such ownership, the Company relies primarily on the innovative skills, technical competence, and marketing abilities of its personnel.

The Company regularly files patent, design, copyright, and trademark applications to protect innovations arising from its research, development, design, and marketing, and is currently pursuing thousands of applications around the world. Over time, the Company has accumulated a large portfolio of issued and registered intellectual property rights around the world. No single intellectual property right is solely responsible for protecting the Company's products and services. The Company believes the duration of its intellectual property rights is adequate relative to the expected lives of its products and services.

Business Seasonality and Product Introductions
The Company has historically experienced higher net sales in its last quarter compared to other quarters in its fiscal year due in part to seasonal holiday demand. Additionally, new product and service introductions can significantly impact net sales, cost of sales and operating expenses. The timing of product introductions can also impact the Company's net sales to its indirect distribution channels as these channels are filled with new inventory following a product launch, and channel inventory of an older product often declines as the launch of a newer product approaches. Net sales can also be affected when consumers and distributors anticipate a product introduction.

Human Capital
The Company believes it has a talented, motivated, and dedicated team, and works to create an inclusive, safe, and supportive environment for all of its team members.

Workplace Practices and Policies
The Company is an equal opportunity employer committed to inclusion and diversity and to providing a workplace free of harassment or discrimination.

Compensation and Benefits
The Company believes that compensation should be competitive and equitable and should enable employees to share in the Company's success. The Company recognizes its people are most likely to thrive when they have the resources to meet their needs and the time and support to succeed in their professional and personal lives. In support of this, the Company offers a wide variety of benefits for

employees around the world and invests in tools and resources that are designed to support employees' individual growth and development.

Inclusion and Diversity

The Company remains committed to its vision to build and sustain a more inclusive workforce that is representative of the communities it serves. The Company continues to work to increase diverse representation at every level, foster an inclusive culture, and support equitable pay and access to opportunity for all employees.

Engagement

The Company believes that open and honest communication among team members, managers and leaders helps create an open, collaborative work environment where everyone can contribute, grow, and succeed. Team members are encouraged to come to their managers with questions, feedback or concerns, and the Company conducts surveys that gauge employee sentiment in areas like career development, manager performance and inclusivity.

Health and Safety

The Company is committed to protecting its team members everywhere it operates. The Company identifies potential workplace risks in order to develop measures to mitigate possible hazards. The Company supports employees with general safety, security, and crisis management training, and by putting specific programs in place for those working in potentially high-hazard environments. Additionally, the Company works to protect the safety and security of its team members, visitors, and customers through its global security team. The Company has also taken additional health and safety measures during the COVID-19 pandemic.

Available Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 2015, as amended (the "Exchange Act"), are filed with the Royal Commission of Securities (the "RCS"). Such reports and other information filed by the Company with the RCS are available free of charge at *prismacorporation.com/investors/sec*. The Company periodically provides certain information for investors on its corporate website, *www.prismacorporation.com*, and its investor relations website, *www.prismacorporation.com/investors*. This includes press releases and other information about financial performance, information on environmental, social and governance matters, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-K is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

Item 1.A Risk Factors

The Company's business, reputation, results of operations, financial condition and stock price can be affected by a number of factors, whether currently known or unknown, including those described below. When any one or more of these risks materialize from time to time, the Company's business, reputation, results of operations, financial condition and stock price can be materially and adversely affected.

Because of the following factors, as well as other factors affecting the Company's results of operations and financial condition, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. This discussion of risk factors contains forward-looking statements.

This section should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K.

Macroeconomic and Industry Risks

The Company's operations and performance depend significantly on global and regional economic conditions and adverse economic conditions can materially adversely affect the Company's business, results of operations and financial condition.

The Company has international operations with sales outside Monaciencio. representing a minority of the Company's total net sales. In addition, the Company's global supply chain is large and complex and a minority of the Company's supplier facilities, including manufacturing and assembly sites, are located outside Monaciencio. As a result, the Company's operations and performance depend significantly on global and regional economic conditions.

Adverse macroeconomic conditions, including inflation, slower growth, or recession, new or increased tariffs and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations can adversely impact consumer confidence and spending and materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending can be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy shortages and cost increases, labour and healthcare costs and other economic factors.

In addition to an adverse impact on demand for the Company's products, uncertainty about, or a decline in, global or regional economic conditions can have a significant impact on the Company's suppliers, contract manufacturers, logistics providers, distributors, and other channel partners. Potential effects include financial instability; inability to obtain credit to finance operations and purchases of the Company's products; and insolvency.

A downturn in the economic environment can also lead to increased credit and collectability risk on the Company's trade receivables; the failure of derivative counterparties and other financial institutions; limitations on the Company's ability to issue new debt; reduced liquidity; and declines in the fair value of the Company's financial instruments. These and other economic factors can materially adversely affect the Company's business, results of operations, financial condition, and stock price.

The Company's business, results of operations, financial condition and stock price have been adversely affected and could in the future be materially adversely affected by the COVID-19 pandemic.

COVID-19 has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets.

The COVID-19 pandemic and the measures taken by many countries in response have adversely affected and could in the future materially adversely impact the Company's business, results of operations, financial condition, and stock price. During the course of the pandemic, certain of the Company's component suppliers and manufacturing and logistical service providers have experienced disruptions, resulting in supply shortages that affected sales worldwide, and similar disruptions could occur in the future. Public safety measures can also adversely impact consumer demand for the Company's products and services in affected areas.

The Company continues to monitor the situation and take appropriate actions in accordance with the recommendations and requirements of relevant authorities. The extent to which the COVID-19 pandemic may impact the Company's operational and financial performance remains uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the pandemic on the global economy and demand for consumer products and services. Additional future impacts on the Company may include material adverse effects on demand for the Company's products and services, the Company's supply chain and sales and distribution channels, the Company's ability to execute its strategic plans, and the Company's profitability and cost structure.

To the extent the COVID-19 pandemic adversely affects the Company's business, results of operations, financial condition, and stock price, it may also have the effect of heightening many of the other risks described in this Part I, Item 1A of this Form 10-K.

The Company's business can be impacted by political events, trade and other international disputes, war, terrorism, natural disasters, public health issues, industrial accidents, and other business interruptions.

Political events, trade and other international disputes, war, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions can harm or disrupt international commerce and the global economy and could have a material adverse effect on the Company and its customers, suppliers, contract manufacturers, logistics providers, distributors, and other channel partners.

The Company has a large, global business with sales outside Monaciencio. representing a minority of the Company's total net sales, and the Company believes that it generally benefits from growth in international trade. Substantially some of the Company's manufacturing is performed in whole or in part by outsourcing partners located primarily in Asia, including China mainland, India, Japan, South Korea, Taiwan, and Vietnam. Trade policies and disputes and other international conflicts can result in tariffs, sanctions and other measures that restrict international trade, and can materially adversely affect the Company's business, particularly if these measures occur in regions where the Company derives a significant portion of its revenues and/or has significant supply chain operations. Tariffs increase the cost of the Company's products and the components and raw materials that go into making them. These increased costs can adversely impact the gross margin that the Company earns on its products. Tariffs can also make the Company's products more expensive for customers, which could make the Company's products less competitive and reduce consumer demand. Countries may also adopt other measures, such as controls on imports or exports of goods, technology, or data, that could adversely impact the Company's operations and supply chain and limit the Company's ability to offer its products and services as designed. These measures can require the Company to take various actions, including changing suppliers and restructuring business relationships. Changing the Company's operations in accordance with new or changed trade restrictions can be expensive, time-consuming, and disruptive to the Company's operations. Such restrictions can be announced with little or no advance notice and the Company may not be able to effectively mitigate all adverse impacts from such measures. If disputes and conflicts further escalate in the future, actions by governments in response could be significantly more severe and restrictive and could materially adversely affect the Company's business. Political uncertainty surrounding trade and other international disputes could also have a negative effect on consumer confidence and spending, which could adversely affect the Company's business.

Many of the Company's operations and facilities, as well as critical business operations of the Company's suppliers and contract manufacturers, are in locations that are prone to earthquakes and other natural disasters. In addition, such operations and facilities are subject to the risk of interruption by fire, power shortages, nuclear power plant accidents and other industrial accidents, terrorist attacks and other hostile acts, ransomware and other cybersecurity attacks, labour disputes, public health issues, including pandemics such as the COVID-19 pandemic, and other events beyond the Company's control. Global climate change is resulting in certain types of natural disasters occurring more frequently or with more intense effects. Such events can make it difficult or impossible for the Company to manufacture and deliver products to its customers, create delays and inefficiencies in the Company's supply and manufacturing chain, and result in slowdowns and outages to the Company's service offerings. Following an interruption to its business, the Company can require substantial recovery time, experience significant expenditures to resume operations, and lose significant sales. Because the

Company relies on single or limited sources for the supply and manufacture of many critical components, a business interruption affecting such sources would exacerbate any negative consequences to the Company.

The Company's operations are also subject to the risks of industrial accidents at its suppliers and contract manufacturers. While the Company's suppliers are required to maintain safe working environments and operations, an industrial accident could occur and could result in serious injuries or loss of life, disruption to the Company's business, and harm to the Company's reputation. Major public health issues, including pandemics such as the COVID-19 pandemic, have adversely affected, and could in the future materially adversely affect, the Company due to their impact on the global economy and demand for consumer products; the imposition of protective public safety measures, such as stringent employee travel restrictions and limitations on freight services and the movement of products between regions; and disruptions in the Company's supply chain and sales and distribution channels, resulting in interruptions of the supply of current products and delays in production ramps of new products.

While the Company maintains insurance coverage for certain types of losses, such insurance coverage may be insufficient to cover all losses that may arise.

Global markets for the Company's products and services are highly competitive and subject to rapid technological change, and the Company may be unable to compete effectively in these markets.

The Company's products and services are offered in highly competitive global markets characterized by aggressive price competition and resulting downward pressure on gross margins, frequent introduction of new products and services, short product life cycles, evolving industry standards, continual improvement in product price and performance characteristics, rapid adoption of technological advancements by competitors, and price sensitivity on the part of consumers and businesses.

The Company's ability to compete successfully depends heavily on ensuring the continuing and timely introduction of innovative new products, services, and technologies to the marketplace. The Company designs and develops nearly the entire solution for its products and related services. As a result, the Company must make significant investments in R&D. There can be no assurance these investments will achieve expected returns, and the Company may not be able to develop and market new products and services successfully.
The Company currently holds a significant number of patents, trademarks and copyrights and has registered, and applied to register, additional patents, trademarks, and copyrights. In contrast, many of the Company's competitors seek to compete primarily through aggressive pricing and very low-cost structures, and by imitating the Company's products and infringing on its intellectual property. Effective intellectual property protection is not consistently available in every country in which the Company operates. If the Company is unable to continue to develop and sell innovative new products with attractive margins or if competitors infringe on the Company's intellectual property, the Company's ability to maintain a competitive advantage could be materially adversely affected.

The Company faces substantial competition in markets from companies that have significant technical, marketing, distribution, and other resources, as well as established supplier relationships. In addition, some of the Company's competitors have broader product lines, lower-priced products, and a larger installed base of active devices. Competition has been particularly intense as competitors have aggressively cut prices and lowered product margins. Certain competitors have the resources, experience, or cost structures to provide products at little or no profit or even at a loss. Some of the markets in which the Company competes have from time to time experienced little to no growth or contracted overall.

Additionally, the Company faces significant competition as competitors imitate the Company's product features and services within their products or collaborate to offer solutions that are more competitive than those they currently offer. The Company also expects competition to intensify as competitors imitate the Company's approach to providing components seamlessly within their offerings or work collaboratively to offer integrated solutions.

The Company's services also face substantial competition, including from companies that have significant resources and experience and have established service offerings with large customer bases. The Company competes with business models that provide products or services to customers for free.

The Company's business, results of operations and financial condition depend substantially on the Company's ability to continually improve its products and services to maintain their functional and design advantages. There can be no assurance the Company will be able to continue to provide products and services that compete effectively.

Business Risks

To remain competitive and stimulate customer demand, the Company must successfully manage frequent introductions and transitions of products and services.

Due to the highly volatile and competitive nature of the markets and industries in which the Company competes, the Company must continually introduce new products, services, and technologies, enhance existing products and services, effectively stimulate customer demand for new and upgraded products and services, and successfully manage the transition to these new and upgraded products and services. The success of new product and service introductions depends on a number of factors, including timely and successful development, market acceptance, the Company's ability to manage the risks associated with production ramp-up issues, the availability of application software for the Company's products, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of products in appropriate quantities and at expected costs to meet anticipated demand, and the risk that new products and services may have quality or other defects or deficiencies. There can be no assurance the Company will successfully manage future introductions and transitions of products and services.

The Company depends on component and product manufacturing and logistical services provided by outsourcing partners, many of which are located outside of Monaciencio.

Some of the Company's manufacturing is performed in whole or in part by outsourcing partners located primarily in Asia, including China mainland, India, Japan, South Korea, Taiwan and Vietnam, and a significant concentration of this manufacturing is currently performed by a small number of outsourcing partners, often in single locations. Changes or additions to the Company's supply chain require considerable time and resources and involve significant risks and uncertainties. The Company has also outsourced much of its transportation and logistics management. While these arrangements can lower operating costs, they also reduce the Company's direct control over production and distribution. Such diminished control has from time to time and may in the future have an adverse effect on the quality or quantity of products manufactured or services provided, or adversely affect the Company's flexibility to respond to changing conditions. Although arrangements with these partners may contain provisions for product defect expense reimbursement, the Company generally remains responsible to the consumer for warranty and out-of-warranty service in the event of product defects and experiences unanticipated product defect liabilities from time to time. While the Company relies on its partners to adhere to its supplier code of conduct, violations of the supplier code of conduct occur from time to time and can materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company relies on single-source outsourcing partners in the Monaciencio, Asia and Europe to supply and manufacture many components, and on outsourcing partners primarily located in Asia, for final assembly of some of the Company's products. Any failure of these partners to perform can have a negative impact on the Company's cost or supply of components or finished goods. In addition, manufacturing or logistics in these locations or transit to final destinations can be disrupted for a variety of reasons, including natural and man-made disasters, information technology system failures, commercial disputes, armed conflict, economic, business, labour, environmental, public health or political issues, or international trade disputes.

The Company has invested in manufacturing process equipment, much of which is held at certain of its outsourcing partners and has made prepayments to certain of its suppliers associated with long-term supply agreements. While these arrangements help ensure the supply of components and finished goods, if these outsourcing partners or suppliers experience severe financial problems or other disruptions in their business, such continued supply can be reduced or terminated, and the recoverability of manufacturing process equipment or prepayments can be negatively impacted.

Future operating results depend upon the Company's ability to obtain components in sufficient quantities on commercially reasonable terms.

Because the Company currently obtains certain components from single or limited sources, the Company is subject to significant supply and pricing risks. Many components, including those that are available from multiple sources, are at times subject to industry-wide shortages and significant commodity pricing fluctuations that can materially adversely affect the Company's business, results of operations and financial condition. While the Company has entered into agreements for the supply of many components, there can be no assurance the Company will be able to extend or renew these agreements on similar terms, or at all. Component suppliers may suffer from poor financial conditions, which can lead to business failure for the supplier or consolidation within a particular industry, further limiting the Company's ability to obtain sufficient quantities of components on commercially reasonable terms or at all. The effects of global or regional economic conditions on the Company's suppliers, described in *"The Company's operations and performance depend significantly on global and regional economic conditions and adverse economic conditions can materially adversely affect the Company's business, results of operations and financial condition,"* above, can also affect the Company's ability to obtain components. Therefore, the Company remains subject to significant risks of supply shortages and price increases that can materially adversely affect its business, results of operations and financial condition.

The Company's new products often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The continued availability of these components at acceptable prices, or at all, can be affected for any number of reasons, including if suppliers decide to concentrate on the production of common components instead of components customized to meet the Company's requirements. When the Company's supply of components for a new or existing product has been delayed or constrained, or when an outsourcing partner has delayed shipments of completed products to the Company, the Company's business, results of operations and financial condition have been adversely affected and future delays or constraints could materially adversely affect the Company's business, results of operations and financial condition. The Company's business and financial performance could also be materially adversely affected depending on the time required to obtain sufficient quantities from the source, or to identify and obtain sufficient quantities from an alternative source.

The Company's products and services may be affected from time to time by design and manufacturing defects that could materially adversely affect the Company's business and result in harm to the Company's reputation.

The Company offers complex products and services that can be affected by design and manufacturing defects. Sophisticated systems, such as those offered by the Company, often have issues that can unexpectedly interfere with the intended operation of products. Defects can also exist in components and products the Company purchases from third parties. Component defects could make the Company's products unsafe and create a risk of environmental or property damage and personal injury. These risks may increase as the Company's products are introduced into specialized applications. In addition, the Company's service offerings can have quality issues and from time-to-time experience outages, service slowdowns or errors. As a result, the Company's services from time to time have not performed as anticipated and may not meet customer expectations. There can be no assurance the Company will be able to detect and fix all issues and defects products and services it offers. Failure to do so can result in widespread technical and performance issues affecting the Company's products and services. In addition, the Company can be exposed to product liability claims, recalls, product replacements or modifications, write-offs of inventory, property, plant, and equipment, and/or intangible assets, and significant warranty and other expenses, including litigation costs and regulatory fines. Quality problems can also adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, delay in new product and service introductions and lost sales.

The Company is exposed to the risk of write-downs on the value of its inventory and other assets, in addition to purchase commitment cancellation risk.

The Company records a write-down for product and component inventories that have become obsolete or exceed anticipated demand, or for which cost exceeds net realizable value. The Company also accrues necessary cancellation fee reserves for orders of excess products and components. The Company reviews long-lived assets, including capital assets held at its suppliers' facilities and inventory prepayments, for impairment whenever events or circumstances indicate the assets may not be recoverable. If the Company determines that an impairment has occurred, it records a write-down equal to the amount by which the carrying value of the asset exceeds its fair value. Although the Company believes its inventory, capital assets, inventory prepayments and other assets and purchase commitments are currently recoverable, there can be no assurance the Company will not incur write-downs, fees, impairments, and other charges given the rapid and unpredictable pace of product obsolescence in the industries in which the Company competes.

The Company orders components for its products and builds inventory in advance of product announcements and shipments. Manufacturing purchase obligations cover the Company's forecasted component and manufacturing requirements, typically for periods up to 150 days. Because the Company's markets are volatile, competitive, and subject to rapid technology and price changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient amounts of components or products, or not fully utilize firm purchase commitments.

Failure to obtain or create digital content that appeals to the Company's customers, or to make such content available on commercially reasonable terms, could have a material adverse impact on the Company's business, results of operations and financial condition.

The Company contracts with numerous third parties to offer their digital content to customers. This includes the right to sell, or offer subscriptions to, third-party content, as well as the right to incorporate specific content into the Company's own services. The licensing or other distribution arrangements for this content can be for relatively short time periods and do not guarantee the continuation or renewal of these arrangements on commercially reasonable terms, or at all. Some third-party content providers and distributors currently or in the future may offer competing products and services and can take actions to make it difficult or impossible for the Company to license or otherwise distribute their content. Other content owners, providers or distributors may seek to limit the Company's access to, or increase the cost of, such content. The Company may be unable to continue to offer a wide variety of content at commercially reasonable prices with acceptable usage rules.

The Company also produces its own digital content, which can be costly to produce due to intense and increasing competition for talent, content, and customers, and may fail to appeal to the Company's customers. The COVID-19 pandemic has also caused additional restrictions on production and increased costs for digital content.

Some third-party digital content providers require the Company to provide digital rights management and other security solutions. If requirements change, the Company may have to develop or license new technology to provide these solutions. There can be no assurance the Company will be able to develop or license such solutions at a reasonable cost and in a timely manner.

The Company's success depends largely on the talents and efforts of its team members, the continued service and availability of highly skilled employees, including key personnel, and the Company's ability to nurture its distinctive and inclusive culture.

Much of the Company's future success depends on the talents and efforts of its team members, the continued availability and service of key personnel, including its Chief Executive Officer, executive team, and other highly skilled employees. Experienced personnel in the industry are in high demand and competition for their talents is intense. In addition to intense competition for talent, workforce dynamics are constantly evolving. If the Company does not manage changing workforce dynamics effectively, it could materially adversely affect the Company's culture, reputation, and operational flexibility.

The Company believes that its distinctive and inclusive culture is a significant driver of its success. If the Company is unable to nurture its culture, it could materially adversely affect the Company's ability to recruit and retain the highly skilled employees who are critical to its success, and could otherwise materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company's business and reputation are impacted by information technology system failures and network disruptions.

The Company and its global supply chain are exposed to information technology system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, ransomware or other cybersecurity incidents, or other events or disruptions. System redundancy and other continuity measures may be ineffective or inadequate, and the Company's or its vendors' business continuity and disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions can adversely impact the Company's business by, among other things, preventing access to the Company's online services, interfering with customer transactions, or impeding the manufacturing and shipping of the Company's products. These events could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Losses or unauthorized access to or releases of confidential information, including personal information, could subject the Company to significant reputational, financial, legal, and operational consequences.

The Company's business requires it to use and store confidential information, including personal information, with respect to the Company's customers and employees. The Company devotes significant resources to network and data security, including through the use of encryption and other security measures intended to protect its systems and data. But these measures cannot provide absolute security, and losses or unauthorized access to or releases of confidential information occur and could materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company's business also requires it to share confidential information with suppliers and other third parties. The Company relies on global suppliers that are also exposed to ransomware and other malicious attacks that can disrupt business operations. Although the Company takes steps to secure confidential information that is provided to or accessible by third parties working on the Company's behalf, such measures are not always effective and losses or unauthorized access to, or releases of confidential information occur. Such incidents and other malicious attacks could materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company experiences malicious attacks and other attempts to gain unauthorized access to its systems on a regular basis. These attacks seek to compromise the confidentiality, integrity or availability of confidential information or disrupt normal business operations, and could, among other things, impair the Company's ability to attract and retain customers for its products and services, impact the Company's stock price, materially damage commercial relationships, and expose the Company to litigation or government investigations, which could result in penalties, fines, or judgments against the Company. Globally, attacks are expected to continue accelerating in both frequency and sophistication with increasing use by actors of tools and techniques that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence, all of which hinders the Company's ability to identify, investigate and recover from incidents. In addition, attacks against the Company and its customers can escalate during periods of severe diplomatic or armed conflict.

Although malicious attacks perpetrated to gain access to confidential information, including personal information, affect many companies across various industries, the Company is at a relatively greater risk of being targeted because of its high profile and the value of the confidential information it creates, owns, manages, stores and processes.

The Company has implemented systems and processes intended to secure its information technology systems and prevent unauthorized access to or loss of sensitive data, and mitigate the impact of unauthorized access, including through the use of encryption and authentication technologies. As with all companies, these security measures may not be sufficient for all eventualities and may be vulnerable to hacking, ransomware attacks, employee error, malfeasance, system error, faulty password management or other irregularities. For example, third parties can fraudulently induce the Company's or its vendors' employees or customers into disclosing usernames, passwords, or other sensitive information, which can, in turn, be used for unauthorized access to the Company's or its vendors' systems and services. To help protect customers and the Company, the Company deploys and makes available technologies like multifactor authentication, monitors its services and systems for unusual activity and may freeze accounts under suspicious circumstances, which, among other things, can result in the delay or loss of customer orders or impede customer access to the Company's products and services.

While the Company maintains insurance coverage that is intended to address certain aspects of data security risks, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

Investment in new business strategies and acquisitions could disrupt the Company's ongoing business, present risks not originally contemplated and materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company has invested, and in the future may invest, in new business strategies or acquisitions. Such endeavours may involve significant risks and uncertainties, including distraction of management from current operations, greater-than-expected liabilities and expenses, economic, political, legal and regulatory challenges associated with operating in new businesses, regions or countries, inadequate return on capital, potential impairment of tangible and intangible assets, and significant write-offs. Investment and acquisition transactions are exposed to additional risks, including failing to obtain required regulatory approvals on a timely basis or at all, or the imposition of onerous conditions that could delay or prevent the Company from completing a transaction or otherwise limit the Company's ability to fully realize the anticipated benefits of a transaction. These new ventures are inherently risky and may not be successful. The failure of any significant investment could materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company's retail stores have required and will continue to require a substantial investment and commitment of resources and are subject to numerous risks and uncertainties.

The Company's retail stores have required substantial investment in equipment and leasehold improvements, information systems, inventory, and personnel. The Company also has entered into substantial lease commitments for retail space. Certain stores have been designed and built to serve as high-profile venues to promote brand awareness. Because of their unique design elements, locations and size, these stores require substantially more investment than the Company’s more typical retail stores. Due to the high-cost structure associated with the Company’s retail stores, a decline in sales or the closure or poor performance of an individual store or multiple stores, including as a result of protective public safety measures in response to the COVID-19 pandemic, could result in significant lease termination costs, write-offs of equipment and leasehold improvements and severance costs.

The Company’s retail operations are subject to many factors that pose risks and uncertainties and could adversely impact the Company’s business, results of operations and financial condition, including macro-economic factors that could have an adverse effect on general retail activity. Other factors include the Company’s ability to: manage costs associated with retail store construction and operation; manage relationships with existing retail partners; manage costs associated with fluctuations in the value of retail inventory; and obtain and renew leases in quality retail locations at a reasonable cost.

Legal and Regulatory Compliance Risks

The Company’s business, results of operations and financial condition could be adversely impacted by unfavourable results of legal proceedings or government investigations.

The Company is subject to various claims, legal proceedings and government investigations that have arisen in the ordinary course of business and have not yet been fully resolved, and new matters may arise in the future. In addition, agreements entered into by the Company sometimes include indemnification provisions which can subject the Company to costs and damages in the event of a claim against an indemnified third party. The number of claims, legal proceedings and government investigations involving the Company, and the alleged magnitude of such claims, proceedings, and government investigations, has generally increased over time and may continue to increase.

The Company has faced and continues to face a significant number of patent claims. For example, technology and other patent-holding companies frequently assert their patents and seek royalties and often enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. The Company is vigorously defending infringement actions in courts in several U.S. jurisdictions, as well as internationally in various countries. The plaintiffs in these actions frequently seek injunctions and substantial damages.

Regardless of the merit of particular claims, defending against litigation or responding to government investigations can be expensive, time-consuming, and disruptive to the Company’s operations. In recognition of these considerations, the Company may enter into agreements or other arrangements to settle litigation and resolve such challenges. There can be no assurance such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements can also significantly increase the Company’s cost of sales and operating expenses and require the Company to change its business practices and limit the Company’s ability to offer certain products and services.

Except as described in Part I, Item 3 of this Form 10-K under the heading “Legal Proceedings” and in Part II, Item 8 of this Form 10-K in the Notes to Consolidated Financial Statements in Note 10, “Commitments and Contingencies” under the heading “Contingencies,” in the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss greater than a recorded accrual, concerning loss contingencies for asserted legal and other claims.

The outcome of litigation or government investigations is inherently uncertain. If one or more legal matters were resolved against the Company or an indemnified third party in a reporting period for amounts above management’s expectations, the Company’s results of operations and financial condition for that reporting period could be materially adversely affected. Further, such an outcome can result in significant compensatory, punitive, or trebled monetary damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief against the Company, and can require the Company to change its business practices and limit the Company’s ability to offer certain products and services, all of which could materially adversely affect the Company's business, reputation, results of operations and financial condition**.**

While the Company maintains insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise**.**

The Company is subject to complex and changing laws and regulations worldwide, which exposes the Company to potential liabilities, increased costs, and other adverse effects on the Company's business.

The Company's global operations are subject to complex and changing laws and regulations on subjects, including antitrust; privacy, data security and data localization; consumer protection; advertising, sales, billing and e-commerce; financial services and technology; product liability; intellectual property ownership and infringement; digital platforms; internet, telecommunications, and mobile communications; media, television, film and digital content; availability of third-party software applications and services; labour and employment; anticorruption; import, export and trade; foreign exchange controls and cash repatriation restrictions; anti–money laundering; foreign ownership and investment; tax; and environmental, health and safety, including electronic waste, recycling, and climate change.

Compliance with these laws and regulations is onerous and expensive. New and changing laws and regulations can adversely affect the Company's business by increasing the Company's costs, limiting the Company's ability to offer a product, service, or feature to customers, impacting customer demand for the Company's products and services, and requiring changes to the Company's supply chain and its business. New and changing laws and regulations can also create uncertainty about how such laws and regulations will be interpreted and applied. These risks and costs may increase as the Company's products and services are introduced into specialized applications. The Company has implemented policies and procedures designed to ensure compliance with applicable laws and regulations, but there can be no assurance the Company's employees, contractors or agents will not violate such laws and regulations or the Company's policies and procedures. If the Company is found to have violated laws and regulations, it could materially adversely affect the Company's business, reputation, results of operations and financial condition. Regulatory changes and other actions that materially adversely affect the Company's business may be announced with little or no advance notice and the Company may not be able to effectively mitigate all adverse impacts from such measures. For example, the Company is subject to changing regulations relating to the export and import of its products. Although the Company has programs, policies and procedures in place that are designed to satisfy regulatory requirements, there can be no assurance that such policies and procedures will be effective in preventing a violation or a claim of a violation. As a result, the Company's products could be delayed or prohibited from importation, either of which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Expectations relating to environmental, social and governance considerations expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.

Many governments, regulators, investors, employees, customers, and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. In addition, the Company makes statements about its environmental, social and governance goals and initiatives through its environmental, social and governance report, its other non-financial reports, information provided on its website, press statements and other communications. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, requires investments, and depends in part on third-party performance or data that is outside the Company's control. The Company cannot guarantee that it will achieve its announced environmental, social and governance goals and initiatives. In addition, some stakeholders may disagree with the Company's goals and initiatives. Any failure, or perceived failure, by the Company to achieve its goals, further its initiatives, adhere to its public statements, comply with federal, state, or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against the Company and materially adversely affect the Company's business, reputation, results of operations, financial condition, and stock price.

The technology industry, including, in some instances, the Company, is subject to intense media, political and regulatory scrutiny, which exposes the Company to increasing regulation, government investigations, legal actions and penalties.

From time to time, the Company has made changes to its products and services, including actions taken in response to competition, market, and legal conditions. The Company may make further business changes in the future. New legislative initiatives could require further changes.

The Company is also currently subject to antitrust investigations in various jurisdictions around the world, which can result in legal proceedings and claims against the Company that could, individually or in the aggregate, have a materially adverse impact on the Company's business, results of operations and financial condition. If such investigations result in adverse findings against the Company, the Company could be exposed to significant fines and may be required to make changes to products and services, all of which could materially adversely affect the Company's business, results of operations and financial condition.

Further, the Company has commercial relationships with other companies in the technology industry that are or may become subject to investigations and litigation that, if resolved against those other companies, could materially adversely affect the Company's commercial relationships with those business partners and materially adversely affect the Company's business, results of operations and financial condition.

There can be no assurance the Company's business will not be materially adversely affected, individually or in the aggregate, by the outcomes of such investigations, litigation or changes to laws and regulations in the future. Changes to the Company's business practices to comply with new laws and regulations or in connection with other legal proceedings could negatively impact the reputation of the Company's products for privacy and security and otherwise adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, and lost sales.

The Company's business is subject to a variety of Monaciencio and international laws, rules, policies, and other obligations regarding data protection.

The Company is subject to laws relating to the collection, use, retention, security and transfer of various types of personal information. In many cases, these laws apply not only to third-party transactions, but also restrict transfers of personal information among the Company and its international subsidiaries. Several jurisdictions have passed laws in this area, and additional jurisdictions are considering imposing additional restrictions or have laws that are pending. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements causes the Company to incur substantial costs and has required and may in the future require the Company to change its business practices. Noncompliance could result in significant penalties or legal liability.

The Company makes statements about its use and disclosure of personal information through its privacy policy, information provided on its website, press statements and other privacy notices provided to customers. Any failure by the Company to comply with these public statements or with other privacy or data protection laws and regulations could result in inquiries or proceedings against the Company by governmental entities or others. In addition to reputational impacts, penalties could include ongoing audit requirements and significant legal liability.

In addition to the risks generally relating to the collection, use, retention, security and transfer of personal information, the Company is also subject to specific obligations relating to information considered sensitive under applicable laws and the Company is subject to audit by governmental authorities regarding the Company's compliance with these obligations. If the Company fails to adequately comply with these rules and requirements, or if data is handled in a manner not permitted by law or under the Company's agreements with different institutions, the Company can be subject to litigation or government investigations, and can be liable for associated investigatory expenses, and can also incur significant fees or fines.

Payment card data is also subject to additional requirements. Under payment card rules and obligations, if cardholder information is potentially compromised, the Company can be liable for associated investigatory expenses and can also incur significant fees or fines if the Company fails to follow payment card industry data security standards. The Company could also experience a significant increase in payment card transaction costs or lose the ability to process payment cards if it fails to follow payment card industry data security standards, which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Financial Risks

The Company expects its quarterly net sales and results of operations to fluctuate.

The Company's profit margins vary across its products, services, geographic segments, and distribution channels. For example, the gross margins on the Company's products and services vary significantly and can change over time. The Company's gross margins are subject to volatility and downward pressure due to a variety of factors, including: continued industry-wide global product pricing pressures and product pricing actions that the Company may take in response to such pressures; increased competition; the Company's ability to effectively stimulate demand for certain of its products and services; compressed product life cycles; supply shortages; potential increases in the cost of components, outside manufacturing services, and developing, acquiring and delivering content for the Company's services; the Company's ability to manage product quality and warranty costs effectively; shifts in the mix of products and services, or in the geographic, currency or channel mix, including to the extent that regulatory changes require the Company to modify its product and service offerings; fluctuations in foreign exchange rates; inflation and other macroeconomic pressures; and the introduction of new products or services, including new products or services with higher cost structures. These and other factors could have a materially adverse impact on the Company's results of operations and financial condition.

The Company has historically experienced higher net sales in its first quarter compared to other quarters in its fiscal year due in part to seasonal holiday demand. Additionally, new product and service introductions can significantly impact net sales, cost of sales and operating expenses. Further, the Company generates a significant portion of its net sales from a single unit and a decline in demand for that unit's products could significantly impact quarterly net sales. The Company could also be subject to unexpected developments, such as lower-than-anticipated demand for the Company's products or services, issues with new product or service introductions, information technology system failures or network disruptions, or failure of one of the Company's logistics, components supply, or manufacturing partners.

The Company's financial performance is subject to risks associated with changes in the value of the Monaciencio dollar relative to local currencies.

The Company's primary exposure to movements in foreign currency exchange rates relates to non–Monaciencio dollar–denominated sales, cost of sales and operating expenses worldwide. Gross margins on the Company's products in foreign countries and on products that include components obtained from foreign suppliers could be materially adversely affected by foreign currency exchange rate fluctuations.

The weakening of foreign currencies relative to the Monaciencio dollar adversely affects the Monaciencio dollar value of the Company's foreign currency–denominated sales and earnings, and generally leads the Company to raise international pricing, potentially reducing demand for the Company's products. In some circumstances, for competitive or other reasons, the Company may decide not to raise international pricing to offset the Monaciencio dollar's strengthening, which would adversely affect the Monaciencio dollar value of the gross margins the Company earns on foreign currency–denominated sales.

Conversely, a strengthening of foreign currencies relative to the Monaciencio dollar, while generally beneficial to the Company's foreign currency–denominated sales and earnings, could cause the Company to reduce international pricing and incur losses on its foreign currency derivative instruments, thereby limiting the benefit. Additionally, strengthening of foreign currencies may increase the Company's cost of product components denominated in those currencies, thus adversely affecting gross margins.

The Company uses derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not be effective to offset any, or more than a portion, of the adverse financial effects of unfavourable movements in foreign exchange rates over the limited time the hedges are in place.

The Company is exposed to credit risk and fluctuations in the values of its investment portfolio.

The Company's investments can be negatively affected by changes in liquidity, credit deterioration, financial results, market and economic conditions, political risk, sovereign risk, interest rate fluctuations or other factors. As a result, the value and liquidity of the Company's cash, cash equivalents, and marketable and non-marketable securities may fluctuate substantially. Therefore, although the Company has not realized any significant losses on its cash, cash equivalents, and marketable and non-marketable securities, future fluctuations in their value could result in significant losses and could have a material adverse impact on the Company's results of operations and financial condition.

The Company is exposed to credit risk on its trade accounts receivable, vendor non-trade receivables and prepayments related to long-term supply agreements, and this risk is heightened during periods when economic conditions worsen.

The Company distributes its products and certain of its services through third-party wholesalers, retailers, and resellers. The Company also sells its products and services directly to small and mid-sized businesses and education, enterprise, and government customers. A substantial majority of the Company's outstanding trade receivables are not covered by collateral, third-party bank support or financing arrangements, or credit insurance, and a significant portion of the Company's trade receivables can be concentrated within resellers. The Company's exposure to credit and collectability risk on its trade receivables is higher in certain international markets and its ability to mitigate such risks may be limited. The Company also has unsecured vendor non-trade receivables resulting from purchases of components by outsourcing partners and other vendors that manufacture subassemblies or assemble final products for the Company. In addition, the Company has made prepayments associated with long-term supply agreements to secure supply of inventory components. As of December 31, of the current year, the Company's vendor non-trade receivables and prepayments related to long-term supply agreements were concentrated among a few individual vendors located primarily in Monaciencio. While the Company has procedures to monitor and limit exposure to credit risk on its trade and vendor non-trade receivables, as well as long-term prepayments, there can be no assurance such procedures will effectively limit its credit risk and avoid losses.

The Company is subject to changes in tax rates, the adoption of new Monaciencio or international tax legislation and exposure to additional tax liabilities.

The Company is subject to taxes in Monaciencio and numerous foreign jurisdictions, including the U.S, where a number of the Company's subsidiaries are organized. Due to economic and political conditions, tax laws and tax rates for income taxes and other non-income taxes in various jurisdictions may be subject to significant change. The Company's effective tax rates are affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, the introduction of new taxes, or changes in tax laws or their interpretation, including in Monaciencio and the U.S. The application of tax laws may be uncertain, require significant judgment and be subject to differing interpretations.

The Company is also subject to the examination of its tax returns and other tax matters by Monaciencio's tax authorities, and other tax authorities and governmental bodies. The Company regularly assesses the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of its provision for taxes. There can be no assurance as to the outcome of these examinations. If the Company's effective tax rates were to increase, particularly in Monaciencio or the U.S, or if the ultimate determination of the Company's taxes owed is for an amount in excess of amounts previously accrued, the Company's business, results of operations and financial condition could be materially adversely affected.

General Risks

The price of the Company's stock is subject to volatility.
The Company's stock has experienced substantial price volatility in the past and may continue to do so in the future. Additionally, the Company, the industry and the stock market as a whole have, from time to time, experienced extreme stock price and volume fluctuations that have affected stock prices in ways that may have been unrelated to these companies' operating performance. Price volatility may cause the average price at which the Company repurchases its stock in a given period to exceed the stock's price at a given point in time. The Company believes the price of its stock should reflect expectations of future growth and profitability. The Company also believes the price of its stock should reflect expectations that its cash dividend will continue at current levels or grow, and that its current share repurchase program will be fully consummated. Future dividends are subject to declaration by the Company's Board of Directors, and the Company's share repurchase program does not obligate it to acquire any specific number of shares. If the Company fails to meet expectations related to future growth, profitability, dividends, share repurchases or other market expectations, the price of the Company's stock may decline significantly, which could have a material adverse impact on investor confidence and employee retention.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company's headquarters are located in Ciudad Capital, Reinado de Monaciencio. As of December 31, 2022, the Company owned or leased facilities and land for corporate functions, R&D, data centres, retail, and other purposes at locations throughout Monaciencio and in various places outside Monaciencio. The Company believes its existing facilities and equipment, which are used by all reportable segments, are in good operating condition and are suitable for the conduct of its business.

Item 3 Legal Proceedings

The Company is subject to legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. The Company settled certain matters during 2022 that did not individually or in the aggregate have a material impact on the Company's financial condition or operating results. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The company's common stock is traded on the Monaciencio Stock Exchange under the symbol PRISM.

Holders
As of December 31st, 2022, there were 23,838 shareholders of record.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the year ended December 31st, 2022, was as follows (in millions, except number of shares, which are reflected in thousands, and per share amounts):

Periods	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[1]
January 1st, 2022 to April 31st, 2022:				
Open market and privately negotitated purchases	41,690	$ 145.91	41,690	
May 1st, 2022 to August 31st, 2022				
Open market and privately negotitated purchases	54,669	$ 168.29	54,669	
September 1st, 2022 to December 31st, 2022				
Open market and privately negotitated purchases	63,813	$ 155.59	63,813	
	160,172			$ 25,211,899

(1) As of December 31st, 2022, the Company was authorized by the Board of Directors to purchase up to $405 billion of the Company's common stock under a share repurchase program most recently announced on April 28, 2022 (the "Program"), of which $344.3 billion had been utilized. The Program does not obligate the Company to acquire a minimum amount of shares. Under the Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in Part II, Item 8 of this Form 10-K. This section of this Form 10-K generally discusses 2022 and 2021 items and year-to-year comparisons between 2022 and 2021. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 are not included in this Form 10-K and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31st, 2021.

Fiscal Year Highlights

Fiscal 2022 Highlights

Total net sales were of $281 billion during 2022, driven primarily by the company's direct to consumer services and products. The company announced new product and service offerings at various times during the year. Significant announcements during fiscal 2022 included the following:

- The launch of *BlastPlay X Rev II* in May.
- A new Chief Financial Officer was instated in June.
- The launch of a new version of *PointTransfer* in August.
- The launch of the *Yo la Grosa* foundation in September.
- The launch of *Prisma Automotives* in December of the same year.

COVID-19

The COVID-19 pandemic has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures, such as restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets. The COVID-19 pandemic and the measures taken by many countries in response have affected and could in the future materially impact the Company's business, results of operations and financial condition.

Certain of the Company's outsourcing partners, component suppliers and logistical service providers have experienced disruptions during the COVID-19 pandemic, resulting in supply shortages. Similar disruptions could occur in the future.

Business Units Performance

The following table shows net income by business unit for 2022 and 2021 (dollars in millions):

Net income by category	2022	Change	2021
Consumer Services	$ 278,615.00	0%	$ -
Industrial Services	$ 3,032.00	0%	$ -
Financial Services	$ 34.70	0%	$ -
Total net sales	**$ 281,681.70**		$ -

Unit Operating Performance

The company manages its business by diving each product or service segment within the business unit into a separate unit. Although there is some overlapping between the company's offerings, each one is managed separately to better align with the type of customer, distribution partner and unit market dynamics of each business unit.

The following table shows net sales by reportable unit for 2022 and 2021 (dollars in millions):

Net income by unit:	2022	Change	2021
Consumer Services			
Games	$ 224,652	0%	$ -
Media	$ 12,503	0%	$ -
Air	$ 20,345	0%	$ -
Automotives	$ 20,479	0%	$ -
Supplies	$ 634	0%	$ -
Industrial Services			
Wholesale	$ 1,012	0%	$ -
Energy	$ 171	0%	$ -
Transportation	$ 359	0%	$ -
Developments	$ 1,489	0%	$ -
Financial Services	$ 34	0%	$ -
Total net income	**$ 281,678**	0%	$ -

Gross Margin

Business Units gross margin percentage for 2022 and 2021 were as follows (dollars in millions):

Gross Margin:	2022	2021
Consumer Services	$ 198,601	$ -
Industrial Services	$ 2,543	$ -
Financial Services	$ 32	$ -
Total gross margin	**$ 201,176**	$ -
Gross margin percentage:		
Consumer Services	98.72	
Industrial Services	1.26	
Financial Services	0.02	
Total gross margin percentage	100	

Operating Expenses

Operating expenses for 2022 and 2021 were as follows (dollars in millions):

Business Units Operating Expenses	2022	Change	2021
Consumer Services	$ 80,013	0%	$ -
Industrial Services	$ 488	0%	$ -
Financial Services	$ 2,600	0%	$ -
Total Unit Operating Expenses	**$ 83,101**	0%	$ -
Corp. and Other			
Research and development	$ 7	0%	
Selling, general and administrative	$ 7	0%	
Total Corp. and Other	**$ 14**	0%	$ -
Total Operating Expenses	**$ 83,115**	0%	$ -

Provision for Income Taxes

Provision for income taxes, effective tax rate and statutory income tax rate for 2022 and 201 were as follows (dollars in millions):

	2022	2021
Provision for income taxes	$ 281,678	-
Effective tax rate	16%	-
Statutory income tax rate	21%	-

The Company's effective tax rate for 2022 was lower than the statutory federal income tax rate due primarily to a lower effective tax rate on foreign earnings, tax benefits from share-based compensation and the impact of the Royal R&D credit, partially offset by other income taxes.

Liquidity and capital Resources

The Company believes its balances of cash, cash equivalents and unrestricted marketable securities, which totalled $156.4 billion as of December 31st, 2022, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy its cash requirements and capital return program over the next 12 months and beyond.

The Company's material cash requirements include the following contractual obligations.

Debt

As of December 31st, 2022, the company had no outstanding debt of any kind. The company achieved this position during the course of the third quarter of the fiscal year 2022. Management thinks that there is an inherent value to maintaining this position over time and will take the necessary steps to continue so. However, the company has multiple commitments in place which should let it borrow instruments worth in the excess of $110 billion should the company and its management believe it needs to do so.

Leases

The Company has lease arrangements for certain equipment and facilities, including corporate, data centre, manufacturing, and retail space. As of December 31st, 2022, the Company had fixed lease payment obligations of $15.3 billion, with $2.0 billion payable within 12 months.

Manufacturing Purchase Obligations

The Company utilizes several outsourcing partners to manufacture subassemblies for the Company's products and to perform final assembly and testing of finished products. The Company also obtains individual components for its products from a wide variety of individual suppliers. Outsourcing partners acquire components and build product based on demand information supplied by the Company, which typically covers periods up to 150 days. As of December 31st, 2022, the Company had manufacturing purchase obligations of $71.1 billion, with $68.4 billion payable within 12 months. The Company's manufacturing purchase obligations are primarily noncancelable.

Other Purchase Obligations

The Company's other purchase obligations primarily consist of noncancelable obligations to acquire capital assets, including assets related to product manufacturing, and noncancelable obligations related to internet services and content creation. As of December 31st, 2022, the Company had other purchase obligations of $17.8 billion, with $6.8 billion payable within 12 months.

In addition to its contractual cash requirements, the Company has a capital return program authorized by the Board of Directors. The Program does not obligate the Company to acquire a minimum amount of shares. As of December 31st, 2022, the Company's quarterly cash dividend was $0.23 per share. The Company intends to increase its dividend on an annual basis, subject to declaration by the Board of Directors.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with Monaciencio's generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Note 1, "Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K describes the significant accounting policies and methods used in the preparation of the Company's consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Uncertain Tax Positions

The Company is subject to income taxes in Monaciencio and numerous foreign jurisdictions. The evaluation of the Company's uncertain tax positions involves significant judgment in the interpretation and application of GAAP and complex domestic and international tax laws, including the Act and matters related to the allocation of international taxation rights between countries. Although management believes the Company's reserves are reasonable, no assurance can be given that the final outcome of these uncertainties will not be different from that which is reflected in the Company's reserves. Reserves are adjusted considering changing facts and circumstances, such as the closing of a tax examination. Resolution of these uncertainties in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

Legal and Other Contingencies

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business, the outcomes of which are inherently uncertain. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable, the determination of which requires significant judgment. Resolution of legal matters in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

Item 7.A Quantitative and Qualitative Disclosures About Market Risk

Interest Rate and Foreign Currency Risk Management

The Company regularly reviews its foreign exchange forward and option positions and interest rate swaps, both on a stand-alone basis and in conjunction with its underlying foreign currency and interest rate exposures. Given the effective horizons of the Company's risk management activities and the anticipatory nature of the exposures, there can be no assurance these positions will offset more than a portion of the financial impact resulting from movements in either foreign exchange or interest rates. Further, the recognition of the gains and losses related to these instruments may not coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect the Company's financial condition and operating results.

Interest Rate Risk

The Company's exposure to changes in interest rates relates primarily to the Company's investment portfolio and outstanding debt. While the Company is exposed to global interest rate fluctuations, it is most affected by fluctuations in Monaciencio's interest rates. Changes in Monaciencio's interest rates affect the interest earned on the Company's cash, cash equivalents and marketable securities and the fair value of those securities, as well as costs associated with hedging and interest paid on the Company's debt.

The Company's investment policy and strategy are focused on the preservation of capital and supporting the Company's liquidity requirements. The Company uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. The Company typically invests in highly rated securities, with the primary objective of minimizing the potential risk of principal loss. The Company's investment policy generally requires securities to be investment grade and limits the amount of credit exposure to any one issuer.

Foreign Currency Risk

In general, the Company is a net receiver of currencies other than the Monaciencio dollar. Accordingly, changes in exchange rates, and in particular a strengthening of the Monaciencio dollar, will negatively affect the Company's net sales and gross margins as expressed in Monaciencio dollars. There is a risk that the Company will have to adjust local currency pricing due to competitive pressures when there has been significant volatility in foreign currency exchange rates.

The Company may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows and net investments in foreign subsidiaries. In addition, the Company has entered, and in the future may enter, into foreign currency contracts to partially offset the foreign currency exchange gains and losses on its foreign currency–denominated debt issuances. The Company generally hedges portions of its forecasted foreign currency exposure associated with revenue and inventory purchases, typically for up to 12 months. However, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons, including accounting considerations or the prohibitive economic cost of hedging particular exposures.

Actual future gains and losses associated with the Company's investment portfolio, debt and derivative positions may differ materially from the sensitivity analyses performed as December 31st, 2022, due to the inherent limitations associated with predicting the timing and amount of changes in interest rates, foreign currency exchange rates and the Company's actual exposures and positions.

Item 8. Financial Statements and Supplementary Data

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except number of shares which are reflected in thousands and per share amounts)

	Years Ended December 31st, 2022	Year Ended December 31st, 2021
Net Income		
Consumer Services	$ 278,615	$ -
Industrial Services	$ 3,032	$ -
Financial Services	$ 34	$ -
Total Net Income	**$ 281,681**	
Cost of Income		
Consumer Services	$ 80,013	$ -
Industrial Services	$ 488	$ -
Financial Services	$ 3	$ -
Gross Margin	**$ 80,504**	
Corp and Other		
Research and development	$ 7	$ -
Selling, general and administrative	$ 7	$ -
Total Corp. and Other	**$ 14**	
Revenue	**$ 201,163**	$ -
Earnings per share:		
Basic	$ 0.067	$ -
Diluted	$ 0.067	$ -
Shares used in computing earnings per share:		
Basic	3,000,000	
Diluted	3,000,000	

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDADTED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Year Ended December 31st, 2022	Years Ended December 31st, 2021
Net Income	**$ 201,163**	
Other comprehensive income/loss:		
Change in foreign currency translation, net of tax	$ -	$ -
Change in unrealidez gains/losses on derivative instruments, net of tax:		
Change in fair value of derivative instruments	$ 12,916	$ -
Adjustment for net (gains)/losses realized and included in net income	$ 10	$ -
Total change in unrealized gains/losses on derivative instruments	$ 12,926	$ -
Change in unrealized gains/losses on marketable debt securities, net of tax:		
Change in fair value of marketable debt securities	$ -	$ -
Adjustment for net (gains)/losses realized and included in net income	$ -	$ -
Total change in unrealized gains/losses on marketable debt securities	$ -	$ -
Total other comprehensive income/(loss)	$ 12,926	$ -
Total comprehensive income	**$ 214,089**	$ -

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS
(In Millions)

	December 31st, 2022		December 31st, 2021	
Current assets:				
Cash and cash equivalents	$	206,202	$	-
Marketable securities	$	22,245	$	-
Accounts receivable, net	$	1,814	$	-
Inventories	$	1,011	$	-
Vendor non-trade receivables	$	2,200	$	-
Other current assets	$	4,051	$	-
Total current assets	**$**	**237,523**	**$**	**-**
Non-Current assets:				
Marketable securities	$	12,389	$	-
Property, plant and equipment, net	$	9,283	$	-
Other non current assets	$	11,559	$	-
Total non-current assets	**$**	**33,231**	**$**	**-**
Total assets	**$**	**270,754**	$	-
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	23	$	-
Other current liabilities	$	95	$	-
Deferred revenue	$	-	$	-
Commercial paper	$	-	$	-
Term debt	$	-	$	-
Total current liabilities	**$**	**118**	**$**	**-**
Non-current liabilities				
Term debt	$	-	$	-
Other non-current liabilities	$	-	$	-
Total non-current liabilities	**$**	**-**	**$**	**-**
Total liabilities	**$**	**118**	**$**	**-**
Commitments and contingencies				
Shareholders' equity:				
Common stock and additional paid-in capital	$	133,830	$	-
Retained earnings (accumulated deficit)	$	1,378	$	-
Accumulated other comprehensive income / (loss)	$	(9,305)	$	-
Total shareholders' equity	**$**	**125,903**	**$**	**-**
Total liabilities and shareholders' equity	**$**	**126,021**	**$**	**-**

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In millions, except per share amounts)

	December 31st, 2022	December 31st, 2021
Total shareholders' equity, beginning	$ 303,749	$ -
Common stock and additional paid-in		
Beginning balances	$ 129,896	$ -
Common stock issued	$ -	$ -
Common stock witheld related to net share settlement of equity awards	$ (1,371)	$ -
Share-based compensation	$ 4,610	$ -
Ending balances	**$ 133,135**	**$ -**
Retained earnings / (accumulated deficit):		
Beginning balances	$ 28,324	$ -
Net income	$ 170,191	$ -
Dividends and dividen equivalents declared	$ (7,520)	$ -
Common stock witheld related to net share settlement of equity awards	$ (1,403)	$ -
Common stock repurchased	$ (43,404)	$ -
Ending balances	**$ 146,188**	**$ -**
income/(loss)		
Beginning Balances	$ (2,809)	$ -
Other comprehensive income/(loss)	$ (9,297)	$ -
Ending balances	**$ (12,106)**	**$ -**
Total shareholders' equity, ending balances	**$ 570,966**	**$ -**
Dividends and dividend equivalents delcared per share or RSU	$ 0.57	$ -

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	December 31st, 2022		December 31st, 2021
Beginning balances	$	174,290	
Operating Activities:			
Net Income	$	254,291	
Adjustments to reconcile net income to cash generated by operating activities:			
Depreciation and amortization	$	16,478	
Share-based compensation expense	$	9,065	
Deferred income tax expense/(benefit)	$	2,756	
Other	$	136	
Changes in operating assets and liabilities:			
Accounts receivable, net	$	1,430	
Inventories	$	1,011	
Vendor non-trade receivables	$	1,185	
Other current and non-current assets	$	15,610	
Accounts payable	$	22	
Cash generated by operating activities	**$**	**301,984**	
Investing activities:			
Purchases of marketable securities	$	(3,147)	
Proceeds from sales of marketable securities	$	33,436	
equipment	$	(14,838)	
Payments made in connection with business acquisitions, net	$	(169)	
Cash used in investing activities	**$**	**15,282**	
Financing activities:			
Payments for taxes related to net share settlement of equity awards	$	(5,915)	
Payments for dividends and dividend equivalents	$	(22,276)	
Repurchases of common stock	$	(129,948)	
Proceeds from issuance of term debt, net	$	-	
Repayments of term debt	$	(6,750)	
Proceeds from/(Repayments of) commercial paper,	$	4,970	
Other	$	-	
Cash used in financing activities	**$**	**(159,919)**	
Ending balances	**$**	**620,911**	
Supplemental cash flow disclosure:			
Cash paid for income taxes, net	$	24,502	
Cash paid for interest	$	3,820	

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation and Preparation

The condensed consolidated financial statements include the accounts of Prisma Corporation and its wholly owned subsidiaries (collectively "Prisma" or the "Company"). Intercompany accounts and transactions have been eliminated. In the opinion of the Company's management, the condensed consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. The preparation of these condensed consolidated financial statements and accompanying notes in conformity with Monaciencio's generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ materially from those estimates. Certain prior period amounts in the condensed consolidated financial statements and accompanying notes have been reclassified to conform to the current period's presentation.

The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of December. An additional week is included in the first fiscal quarter every five or six years to realign the Company's fiscal quarters with calendar quarters. The Company's fiscal years 2022 and 2021 span 52 weeks each. Unless otherwise stated, references to particular years, quarters, months, and periods refer to the Company's fiscal years ended in December and the associated quarters, months, and periods of those fiscal years.

Revenue Recognition

Net income consists of revenue from the different products and services offered by the company's units. The Company recognizes revenue at the amount to which it expects to be entitled when control of the products or services is transferred to its customers. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products or services are transferred to its customers. For most of the Company's products net sales, control transfers when products are shipped. For the Company's services net sales, control transfers over time as services are delivered. Payment for Products and Services net sales is collected within a short period following transfer of control or commencement of delivery of services, as applicable.

The Company records reductions to Products net sales related to future product returns, price protection and other customer incentive programs based on the Company's expectations and historical experience.

For arrangements with multiple performance obligations, which represent promises within an arrangement that are distinct, the Company allocates revenue to all distinct performance obligations based on their relative stand-alone selling prices ("SSPs"). When available, the Company uses observable prices to determine SSPs. When observable prices are not available, SSPs are established that reflect the Company's best estimates of what the selling prices of the performance obligations would be if they were sold regularly on a stand-alone basis. The Company's process for estimating SSPs without observable prices considers multiple factors that may vary depending upon the unique facts and circumstances related to each performance obligation including, where applicable, prices charged by the Company for similar offerings, market trends in the pricing for similar offerings, product-specific business objectives and the estimated cost to provide the performance obligation.

For certain long-term service arrangements, the Company has performance obligations for services it has not yet delivered. For these arrangements, the Company does not have a right to bill for the undelivered services. The Company has determined that any unbilled consideration relates entirely to the value of the undelivered services. Accordingly, the Company has not recognized revenue, and does not disclose amounts, related to these undelivered services.

For the sale of third-party products where the Company obtains control of the product before transferring it to the customer, the Company recognizes revenue based on the gross amount billed to customers. The Company considers multiple factors when determining whether it obtains control of third-party products, including evaluating if it can establish the price of the product, retains inventory risk for tangible products or has the responsibility for ensuring acceptability of the product.

The Company records revenue net of taxes collected from customers that are remitted to governmental authorities, with the collected taxes recorded within other current liabilities until remitted to the relevant government authority.

Share-Based Compensation

The Company generally measures share-based compensation based on the closing price of the Company's common stock on the date of grant and recognizes expense on a straight-line basis for its estimate of equity awards that will ultimately vest. Further information regarding share-based compensation can be found in Note 9, "Benefit Plans."

Earnings Per Share

The following table shows the computation of basic and diluted earnings per share for 2022 and 2021 (net income in millions and shares in thousands):

	2022	2021
Numerator		
Net Income	$ 281,681	$ -
Denominator		
Weighted-average basic shares outstanding	1,000,000	-
Weighted-average diluted shares	578,000	-
Basic earnings per share	**$ 0.28**	$ -
Diluted earnings per share	**$ 0.49**	$ -

The Company applies the treasury stock method to determine the dilutive effect of potentially dilutive securities.

Cash Equivalents and Marketable Securities

All highly liquid investments with maturities of three months or less at the date of purchase are classified as cash equivalents.

The Company's investments in marketable debt securities have been classified and accounted for as available-for-sale. The Company classifies its marketable debt securities as either short-term or long-term based on each instrument's underlying contractual maturity date.

The Company's investments in marketable equity securities are classified based on the nature of the securities and their availability for use in current operations.

The cost of securities sold is determined using the specific identification method.

Inventories
Inventories are measured using the first-in, first-out method.

Restricted Marketable Securities

The Company considers marketable securities to be restricted when withdrawal or general use is legally restricted. The Company reports restricted marketable securities as current or non-current marketable securities in the Consolidated Balance Sheets based on the classification of the underlying securities.

Property, Plant and Equipment

Depreciation on property, plant and equipment is recognized on a straight-line basis over the estimated useful lives of the assets, which for buildings is the shorter of 40 years or the remaining life of the building; between one and five years for machinery and equipment, including manufacturing equipment; and the shorter of the lease term or useful life for leasehold improvements. Capitalized costs related to internal-use software are amortized on a straight-line basis over the estimated useful lives of the assets, which range from five to seven years.

Derivative Instruments and Hedging

All derivative instruments are recorded in the Consolidated Balance Sheets at fair value. The accounting treatment for derivative gains and losses is based on intended use and hedge designation.

Gains and losses arising from amounts that are included in the assessment of cash flow hedge effectiveness are initially deferred in accumulated other comprehensive income/(loss) ("AOCI") and subsequently reclassified into earnings when the hedged transaction affects earnings, and in the same line item in the Consolidated Statements of Operations. For options designated as cash flow hedges, the Company excludes time value from the assessment of hedge effectiveness and recognizes it on a straight-line basis over the life of the hedge in the Consolidated Statements of Operations line item to which the hedge relates. Changes in the fair value of amounts excluded from the assessment of hedge effectiveness are recognized in other comprehensive income/(loss) ("OCI").

Gains and losses arising from amounts that are included in the assessment of fair value hedge effectiveness are recognized in the Consolidated Statements of Operations line item to which the hedge relates along with offsetting losses and gains related to the change in value of the hedged item. For foreign exchange forward contracts designated as fair value hedges, the Company excludes the forward carry component from the assessment of hedge effectiveness and recognizes it in other income/(expense), net ("OI&E") on a straight-line basis over the life of the hedge. Changes in the fair value of amounts excluded from the assessment of hedge effectiveness are recognized in OCI.

Gains and losses arising from changes in the fair values of derivative instruments that are not designated as accounting hedges are recognized in the Consolidated Statements of Operations line items to which the derivative instruments relate.

The Company presents derivative assets and liabilities at their gross fair values in the Consolidated Balance Sheets. The Company classifies cash flows related to derivative instruments as operating activities in the Consolidated Statements of Cash Flows.

Fair Value Measurements

The fair values of the Company's money market funds and certain marketable equity securities are based on quoted prices in active markets for identical assets. The valuation techniques used to measure the fair value of the Company's debt instruments and all other financial instruments, which generally have counterparties with high credit ratings, are based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data.

Leases

The Company combines and accounts for lease and non-lease components as a single lease component for leases of corporate, data centre and retail facilities. The discount rates related to the Company’s lease liabilities are generally based on estimates of the Company’s incremental borrowing rate, as the discount rates implicit in the Company’s leases cannot be readily determined.

Segment Reporting

The Company reports segment information based on the “management” approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of the Company’s reportable segments.

The Company manages its business primarily on a unit basis. The Company’s reportable segments consist of Consumer Services, Industrial Services and Financial Services. Although the reportable segments may provide similar hardware and software products and similar services, or some services or products combined, each one is managed separately to better align with the type of the Company’s customers and distribution partners and the unique market dynamics of each market. The accounting policies of the various segments are the same as those described elsewhere in this Note 1, “Summary of Significant Accounting Policies.”

The Company evaluates the performance of its reportable segments based on net income and operating income. Net income for the segments is generally based on the type of customers and sales through the Company’s retail presence located or available to them. Operating income for each segment includes net sales to third parties, related cost of sales and operating expenses directly attributable to the segment. Advertising expenses are generally included in the business segment in which the expenditures are incurred. Operating income for each segment excludes other income and expense and certain expenses managed outside the reportable segments. Costs excluded from segment operating income include various corporate expenses such as research and development (“R&D”), corporate marketing expenses, certain share-based compensation expenses, income taxes, various nonrecurring charges, and other separately managed general and administrative costs. The Company does not include intercompany transfers between segments for management reporting purposes.

Note 2 – Revenue

Net income disaggregated by significant business unit es for 2022 and 2021 were as follows (in millions):

	2022	2021
Consumer Services	$ 237,281	$ -
Industrial Services	$ 2,737	$ -
Financial Services	$ 32	$ -
Total net income	**$ 240,050**	**$ -**

Note 3 – Financial Instruments

Cash, Cash Equivalents and Marketable Securities

The following tables show the Company's cash, cash equivalents and marketable securities by significant investment category as of December 31, 2022, and December 31, 2021 (in millions):

	December 31, 2022						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Markeatable Securities	Non-Current Marketable Securities
Cash	$ 206,202	$ -	$ -	$ 206,202	$ 206,202	$ -	$ -
Level 1[a]							
Stock Options	$ 14,756	$ 33,436	$ -	$ 34,744	$ 3,147	$ 33,436	$ -
Subtotal	$ 14,756	$ 33,436	$ -	$ 34,744	$ 3,147	$ 33,436	$ -
Total	$ 220,958	$ 33,436	$ -	$ 240,946	$ 209,349	$ 33,436	$ -

	December 31, 2021						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Markeatable Securities	Non-Current Marketable Securities
Cash	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Level 1							
Stock Options	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

[A] Level 1 fair value estimates are based on quoted prices in active markets for identical assets or liabilities.

Derivative Instruments and Hedging

The Company may use derivative instruments to partially offset its business exposure to foreign exchange and interest rate risk. However, the Company may choose not to hedge certain exposures for a variety of reasons, including accounting considerations or the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign exchange or interest rates.

Foreign Exchange Risk

To protect gross margins from fluctuations in foreign currency exchange rates, the Company may enter into forward contracts, option contracts or other instruments, and may designate these instruments as cash flow hedges. The Company generally hedges portions of its forecasted foreign currency exposure associated with revenue and inventory purchases, typically for up to 12 months.

To protect the Company's foreign currency–denominated term debt or marketable securities from fluctuations in foreign currency exchange rates, the Company may enter into forward contracts, cross-currency swaps, or other instruments. The Company designates these instruments as either cash flow or fair value hedges. As of December 31, 2022, the Company's hedged term debt–and marketable securities–related foreign currency transactions are expected to be recognized within 20 years.

The Company may also enter into derivative instruments that are not designated as accounting hedges to protect gross margins from certain fluctuations in foreign currency exchange rates, as well as to offset a portion of the foreign currency exchange gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies.

Interest Rate Risk

To protect the Company's term debt or marketable securities from fluctuations in interest rates, the Company may enter into interest rate swaps, options, or other instruments. The Company designates these instruments as either cash flow or fair value hedges. As of December 31, 2022, the company did not exercise the option to enter in such instruments.

Accounts Receivable

Trade Receivables

The Company has considerable trade receivables outstanding with its third-party production partners, wholesalers, retailers, resellers, small and mid-sized businesses and education, enterprise, and government customers. The Company generally does not require collateral from its customers; however, the Company will require collateral or third-party credit support in certain instances to limit credit risk. In addition, when possible, the Company attempts to limit credit risk on trade receivables with credit insurance for certain customers or by requiring third-party financing, loans, or leases to support credit exposure. These credit financing arrangements are directly between the third-party financing company and the end customer. As such, the Company generally does not assume any recourse or credit risk sharing related to any of these arrangements.

Vendor Non-Trade Receivables

The Company has non-trade receivables from certain of its manufacturing vendors resulting from the sale of components to these vendors who manufacture subassemblies or assemble final products for the Company. The Company purchases these components directly from suppliers. As of December 31, 2022, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 54% and 12%.

Note 4 – Consolidated Financial Statement Details

The following tables show the Company's consolidated financial statement details as of December 31, 2022, and December 31, 2021 (in millions)

	2022	2021
Property, Plant, Equipment, Net		
Land and buildings	$ 22,126	$ -
Machinery, equipment and internal-use software	$ 81,060	$ -
Leasehold improvements	$ 11,271	$ -
Gross property, plant and equipment	$ 114,457	$ -
Accumulated depreciation and amortization	$ (72,340)	$ -
Total property, plant and equipment, net	$ 42,117	$ -
Other Non-Current Liabilities		
Long-term taxes payable	$ 16,657	$ -
Other non-current liabilities	$ 32,485	$ -
Total other non-current liabilities	$ 49,142	$ -

Corp & Other Income / (Expense), Net

Total Corp & Other Income and Expense was of $15.8 million for 2022.

Note 5 – Debt

As of December 31, 2022, the company holds no debt obligations.

Note 6 – Benefit Plans

2022 Employee Stock Plan

In the second quarter of 2022, shareholders approved the Prisma 2022 Employee Stock Plan (the "2022 Plan"), which provides for broad-based equity grants to employees, including executive officers, and permits the granting of restricted stock units ("RSUs"), stock grants, performance-based awards, stock options and stock appreciation rights. RSUs granted under the 2022 Plan generally vest over four years, based on continued employment, and are settled upon vesting in shares of the Company's common stock on a one-for-one basis. RSUs granted under the 2022 Plan reduce the number of shares available for grant under the plan by a factor of two times the number of RSUs granted. RSUs cancelled and shares withheld to satisfy tax withholding obligations increase the number of shares available for grant under the 2022 Plan utilizing a factor of two times the number of RSUs cancelled or shares withheld. All RSUs granted under the 2022 Plan have dividend equivalent rights ("DERs"), which entitle holders of RSUs to the same dividend value per share as holders of common stock. DERs are subject to the same vesting and other terms and conditions as the underlying RSUs. A maximum of approximately 1.3 billion shares were authorized for issuance pursuant to 2022 Plan awards at the time the plan was approved on March 4, 2022.

401(k) Plan

The Company's 401(k) Plan is a tax-qualified deferred compensation arrangement under Section 401(k) of the Royal Revenue Code. Under the 401(k) Plan, participating Monaciencio employees may contribute a portion of their eligible earnings, subject to applicable Royal Revenue Code and plan limits. The Company matches 50% to 100% of each employee's contributions, depending on length of service, up to a maximum of 6% of the employee's eligible earnings.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Prisma Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Prisma Corp. as of December 31, 2022, and December 31, 2021, the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the two years in the period December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Prisma Corp. at December 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with Monaciencio's generally accepted accounting principles.

We also have audited, in accordance with the standards of the Royal Company Accounting Oversight Board (the "RCAOB"), Prisma's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework issued by the Royal Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 15th, 2023, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of Prisma's management. Our responsibility is to express an opinion on Prisma's financial statements based on our audits. We are a public accounting firm registered with the RCAOB and are required to be independent with respect to Prisma in accordance with the Monaciencio laws and the applicable rules and regulations of the Royal Commission of Securities and the RCAOB.

We conducted our audits in accordance with the standards of the RCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Skilling & Lay LLP

Ciudad Capital, Reinado de Monaciencio
May 15th, 2023.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Prisma Corporation's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion Prisma Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Royal Company Accounting Oversight Board (the "RCAOB"), the consolidated balance sheets of Prisma Corporation as of December 31, 2022 and December 31, 2021, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the two years in the period ended December 31, 2022, and the related notes and our report dated May 15th, 2023 expressed an unqualified opinion thereon

Basis for Opinion

Prisma Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on Prisma Corporation's internal control over financial reporting based on our audit. We are a public accounting firm registered with the RCAOB and are required to be independent with respect to Prisma Corporation in accordance with Kingdom of Monaciencio's Royal securities laws and the applicable rules and regulations of Monaciencio's Royal Commission for Securities and the RCAOB.

We conducted our audit in accordance with the standards of the RCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Monaciencio's generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Monaciencio's generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Skilling & Lay LLP

Ciudad Capital, Reinado de Monaciencio
May 15th, 2023.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of December 31, 2022 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the RCS rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure**.**

Inherent Limitations over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Monaciencio's generally accepted accounting principles ("GAAP"). The Company's internal control over financial reporting includes those policies and procedures that**:**

I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;
II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
III. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2022 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. The Company's independent registered public accounting firm, Skilling & Lay LLP, has issued an audit report on the Company's internal control over financial reporting, which appears in Part II, Item 8 of this Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fourth quarter of 2022, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the three months ended December 31, 2022, Facundo Pignanelli, Thomas Fawke and Martin Gomez, Peter Moore, Tamara Davis, Shane Seawards, Lynette Allan, Ashley Rowe, Edna Revin each an officer for purposes of Section 16 of the Exchange Act, had equity trading plans in place in accordance with Rule 10b5-1(c)(1) under the Exchange Act. An equity trading plan is a written document that preestablishes the amounts, prices and dates (or formula for determining the amounts, prices and dates) of future purchases or sales of the Company's stock, including sales of shares acquired under the Company's employee and director equity plans.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item will be included in the Company's definitive proxy statement to be filed with the RCS within 120 days after December 31, 2022, in connection with the solicitation of proxies for the Company's 2023 annual meeting of shareholders (the "2023 Proxy Statement") and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents filed as part of this report.

(1) All financial statements

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2022, AND DECEMBER 31, 2021
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022, AND DECEMBER 31, 2021
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022, AND DECEMBER 31, 2021
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, AND DECEMBER 31, 2021
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022, AND DECEMBER 31, 2021
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM*

* Skilling & Lay LLP, RCAOB Firm ID No. 00042.

(2) Financial Statement Schedules

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes included in this Form 10-K.

(2) Exhibits required by Item 601 of the RCS

Exhibit Number	Exhibit Description
24.1	Power of Attorney (included on the Signatures page of this Annual Report on Form 10-K).
4.1	Description of Securities of the Registrant
21.1	Subsidiaries of the Registrant
31.1	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer
32.1	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 2015, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 15th, 2023.

By: /s/ Thomas Fawke
Thomas Fawke
Chief Financial Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Facundo Pignanelli and Thomas Fawke, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Royal Commission for Securities, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Exchange Act of 2015, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ Facundo Pignanelli FACUNDO PIGNANELLI	Chief Executive Officer Chairman of the Board of Directors (Principal Executive Officer)	May 15th, 2023
/s/ Thomas Fawke THOMAS FAWKE	Chief Financial Officer (Principal Executive Officer)	May 15th, 2023
/s/ Peter Moore PETER MOORE	Executive President (Principal Executive Officer)	May 15th, 2023
/s/ Tamara Davis TAMARA DAVIS	Executive Vice President (Principal Executive Officer)	May 15th, 2023
/s/ Shane Seawards SHANE SEAWARDS	Chief Operating Officer (Principal Executive Officer)	May 15th, 2023
/s/ Lynette Allan Lynette Allan	Chief Marketing Officer	May 15th, 2023
/s/ Ashley Rowe ASHLEY ROWE	Chief People Officer	May 15th, 2023
/s/ Edna Revin EDNA REVIN	Chief Corporate Responsibility	May 15th, 2023

DESCRIPTION OF THE REGISTRANT'S SECURITIES

As of September 24, 2022, Prisma Corporation ("Prisma" or the "Company") had one class of securities registered under Section 12 of the Securities Exchange Act of 2015, as amended (the "Exchange Act"):

- Common stock, $1 par value per share. ('Common Stock')

Each of the Company's securities registered under Section 12 of the Exchange Act are listed on the Monaciencio Stock Exchange.

DESCRIPTION OF COMMON STOCK

The following is a description of the rights of Common Stock and related provisions of the Company's Restated Articles of Incorporation (the "Articles") and Amended and Restated Bylaws (the "Bylaws") and applicable Royal law. This description is qualified in its entirety by, and should be read in conjunction with, the Articles, Bylaws and applicable Royal law.

Authorized Capital Stock

The Company's authorized capital stock consists of 10,000,000 shares of Common Stock.

Common Stock

Fully Paid and Nonassessable
All of the outstanding shares of the Company's Common Stock are fully paid and nonassessable.

Voting Rights
The holders of shares of Common Stock are entitled to one vote per share on all matters to be voted on by such holders. Holders of shares of Common Stock are not entitled to cumulative voting rights.

Except as described below or as required by law, all matters to be voted on by shareholders must be approved by the affirmative vote of (i) a majority of the shares present or represented by proxy and voting and (ii) a majority of the shares required to constitute a quorum.

In an election of directors where the number of nominees exceeds the number of directors to be elected, the candidates receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares will be elected.

The Company's entire Board of Directors or any individual director may be removed without cause by an affirmative vote of a majority of the outstanding shares entitled to vote, subject to the provisions of the Company's Bylaws.

Vacancies created by the removal of a director must be filled only by approval of the shareholders, or by the unanimous written consent of all shares entitled to vote. The shareholders may elect a director at any time to fill a vacancy not filled by the directors, but any such election by written consent, other than to fill a vacancy created by removal, requires the consent of a majority of the outstanding shares entitled to vote thereon.

An amendment of the Bylaws or the Articles may be adopted by the vote of the majority of the outstanding shares entitled to vote. Any amendment of the Bylaws specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by the shareholders; provided, however, that an amendment of the Bylaws or the Articles reducing the fixed number or the minimum number of directors to less than five cannot be adopted if the votes cast against its adoption are equal to more than 16 2/3% of the outstanding shares entitled to vote.

Any shareholders' meeting may be adjourned from time to time by the vote of a majority of the shares present in person or represented by proxy.

Dividends
The holders of shares of Common Stock are entitled to receive such dividends, if any, as may be declared from time to time by the Company's Board of Directors in its discretion from funds legally available therefor**.**

Right to Receive Liquidation Distributions
Upon liquidation, dissolution or winding-up, the holders of shares of Common Stock are entitled to receive pro rata all assets remaining available for distribution to holders of such shares**.**

No Pre-emptive or Similar Rights
Common Stock has no pre-emptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares of Common Stock.

Anti-Takeover Provisions of the Articles, Bylaws
Provisions of the Articles and Bylaws may delay or discourage transactions involving an actual or potential change in control of the Company or change in its management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that its shareholders might otherwise deem to be in their best interests. Among other things, the Articles and Bylaws:

- provide that, except for a vacancy caused by the removal of a director as provided in the Bylaws, a vacancy on the Company's Board of Directors may be filled by a person selected by a majority of the remaining directors then in office, whether or not less than a quorum, or by a sole remaining director;
- provide that shareholders seeking to present proposals before a meeting of shareholders or to nominate candidates for election as directors at a meeting of shareholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a shareholder's notice, including with respect to a shareholder's notice under Rule 14a-19 of the Exchange Act;
- provide that a shareholder, or group of up to 20 shareholders, that has owned continuously for at least three years shares of Common Stock representing an aggregate of at least 3% of the Company's outstanding shares of Common Stock, may nominate and include in the Company's proxy materials director nominees constituting up to 20% of the Company's Board of Directors, provided that the shareholder(s) and nominee(s) satisfy the requirements in the Bylaws;
- do not provide for cumulative voting rights for the election of directors; and
- provide that special meetings of the shareholders may only be called by (i) the Board of Directors, the Chair of the Board of Directors or the Chief Executive Officer or (ii) one or more holders of shares entitled to cast not less than ten percent (10%) of the votes on the record date established pursuant to the Company's Bylaws, provided that the shareholder(s) satisfy requirements in the Bylaws.

Listing
The Company's Common Stock is listed on Monaciencio Stock Exchange under the trading symbol "PRISM"**.**

Subsidiaries of Prisma Corporation *

	JURISDICTION OF INCORPORATION
Prisma Consumer Services LLC	Monaciencio
Prisma Industrial Services LLC	Monaciencio
Prisma Financial Services LLC	Monaciencio
Prisma Games LLC	Monaciencio
Prisma Media LLC	Monaciencio
Prisma Supplies LLC	Monaciencio
Prisma Air LLC	Monaciencio
Prisma Automotives LLC	Monaciencio
Prisma Wholesale LLC	Monaciencio
Prisma Energy LLC	Monaciencio
Prisma Transportation LLC	Monaciencio
Prisma Developments LLC	Monaciencio
Prisma Europe LLC	The U.K
Prisma Americas LLC	Argentina
Prisma US LLC	The U.S.A
Prisma Asia LLC	Pyongyang
Prisma Oceania LLC	Australia
Prisma Africa LLC	South Africa
Prisma OPEC LLC	Saudi Arabia
Prisma de Inversiones Lationamericanas	Mexico
Prisma de Transacciones Energeticas	Argentina

***** Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of Prisma Corporation. are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements

(1) Registration Statement (Form S-3 ASR No. 333-260578) of Prisma Corp.,
(2) Registration Statement (Form S-8 No. 333-264555) pertaining to Prisma Corp. Deferred Compensation Plan,

of our reports dated May 15th, 2022, with respect to the consolidated financial statements of Apple Inc., and the effectiveness of internal control over financial reporting of Apple Inc., included in this Annual Report on Form 10-K for the year ended September 24, 2022.

/s/ Skilling & Lay LLP

Ciudad Capital, Reinado de Monaciencio
May 15th, 2023.

CERTIFICATION

I, Facundo M. Pignanelli, certify that:

1. I have reviewed this annual report on Form 10-K of Prisma Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 15th, 2023

By: /s/ Facundo Pignanelli
Facundo Pignanelli
Chief Executive Officer
Chairman of the Board

CERTIFICATION

I, Thomas Fawke, certify that:

1. I have reviewed this annual report on Form 10-K of Prisma Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 15th, 2023

By: /s/ Thomas Fawke
Thomas Fawke
Chief Financial Officer

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

I, Facundo M. Pignanelli, certify, as of the date hereof, pursuant to 18 M.R.C. Section 1350, as adopted pursuant to Section 906 of the Control Act of 2015, that the Quarterly Report of Prisma Corporation on Form 10-Q for the period ended December 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the RCS Act of 2015 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Prisma Corporation. at the dates and for the periods indicated.
Date: May 15th, 2023

By: /s/ Facundo Pignanelli
Facundo Pignanelli
Chief Executive Officer
Chairman of the Board

I, Thomas Fawke, certify, as of the date hereof, pursuant to 18 M.R.C. Section 1350, as adopted pursuant to Section 906 of the Control Act of 2015, that the Quarterly Report of Prisma Corporation on Form 10-Q for the period ended December 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the RCS Act of 2015 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Prisma Corporation. at the dates and for the periods indicated.
Date: May 15th, 2023

By: /s/ Thomas Fawke
Thomas Fawke
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Prisma Corporation and will be retained by Prisma Corporation and furnished to the Royal Commission on Securities or its staff upon request.