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**KINGDOM OF MONACIENCIO  
ROYAL COMMISSION FOR SECURITIES  
Ciudad Capital**

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**FORM 10Q**

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(Mark One)

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

For the quarterly period ended **April 31<sup>st</sup>, 2023.**

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: **001-56898**

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**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

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

Title of Each Class  
**Common stock, \$1 par  
value per share.**

Trading Symbol(s)  
**PRISM**

Name of Exchange  
**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 filer ☒

Accelerated filer ☐

Non-Accelerated filer ☐

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 April 31, 2023.

**Prisma Corporation**  
**Form 10-Q**  
**For the Fiscal Quarter Ended April 31, 2023.**

**Contents**

Part 1 – Financial Information .....	1
Item 1 – Financial Statements .....	1
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited) .....	1
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) .....	2
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) .....	3
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited) .....	4
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) .....	5
Notes to Condensed Consolidated Financial Statements (Unaudited) .....	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations .....	11
Available Information .....	11
Business Seasonality and Product Introductions .....	11
Quarterly Highlights .....	12
Business Units Performance .....	13
Gross Margin .....	15
Operating Expenses .....	16
Critical Accounting Estimates .....	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk .....	17
Item 4. Controls and Procedures .....	17
Changes in Internal Control over Financial Reporting .....	17
PART 2 — OTHER INFORMATION .....	18
Item 1. Legal Proceedings .....	18
Item 1A. Risk Factors .....	18
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds .....	18
Item 3. Defaults Upon Senior Securities .....	18
Item 4. Mine Safety Disclosures .....	18
Item 5. Other Information .....	18
Item 6. Exhibits .....	19
Signature .....	19
Exhibit 31.1 .....	20
Exhibit 31.2 .....	22
Exhibit 32.1 .....	24

## Part 1 – Financial Information

### Item 1 – Financial Statements

#### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

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

	Four Months Ended	
	April 31, 2023	April 31, 2022
<b>Net Income:</b>		
Consumer Services	\$ 305,396	\$ -
Industrial Services	\$ 3,401	\$ -
Financial Services	\$ 52	\$ -
<b>Total Net Sales</b>	<b>\$ 308,849</b>	<b>\$ -</b>
<b>Cost of Income:</b>		
Consumer Services	\$ 92,176	\$ -
Industrial Services	\$ 541	\$ -
Financial Services	\$ 10	\$ -
<b>Total cost of sales</b>	<b>\$ 92,727</b>	<b>\$ -</b>
<b>Gross Margin</b>	<b>\$ 216,122</b>	<b>\$ -</b>
<b>Operating Expenses</b>		
Research and Development	\$ 4	\$ -
Selling, general and administrative	\$ 6	\$ -
<b>Total operating expenses</b>	<b>\$ 10</b>	<b>\$ -</b>
<b>Operating income</b>	<b>\$ 216,112</b>	<b>\$ -</b>
Other income/(expense), net	\$ -	\$ -
<b>Net Income</b>	<b>\$ 216,112</b>	<b>\$ -</b>
<b>Earnings per share:</b>		
Basic	\$ 0.062	\$ -
Diluted	\$ 0.062	\$ -
<b>Shares used in computing earnings per share:</b>		
Basic	3,507,698	-
Diluted	3,507,698	-

See accompanying Notes to Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
(In Millions)

	<b>Four Months Ended</b>	
	<b>April 31, 2023</b>	<b>April 31, 2022</b>
<b>Net Income</b>	\$ 311,196	\$ -
Other comprehensive income/(loss)	\$ -	\$ -
Change in foreign currency translation, net of tax	\$ (14)	\$ -
Change in unrealized gains/losses on derivative instruments, net of tax:		
Change in fair value of derivative instruments	\$ (570)	\$ -
Adjust for net (gains) / losses realized and included in net income	\$ 10	\$ -
Total change in unrealized gains/losses on derivative instruments	\$ (560)	\$ -
Change in unrealized gains/losses on marketable debt securities, net of tax:		
Change in fair value of marketable debt securities	\$ 700	\$ -
Adjustment for net (gains)/losses realized and included in net income	\$ (30)	\$ -
Total change in unrealized gains/losses on marketable debt securities	\$ 670	\$ -
<b>Total other comprehensive income/(loss)</b>	\$ 110	\$ -

See accompanying Notes to Condensed Consolidated Financial Statements.

## CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except number of shares which are reflected in thousands and par value)

	Four Months Ended	
	April 31, 2023	April 31, 2022
<b>ASSETS</b>		
<b>Current Assets:</b>		\$ -
Cash and cash equivalents	\$ 350,396	\$ -
Marketable securities	\$ 51	\$ -
Accounts receivable, net	\$ 103,752	\$ -
Inventories	\$ 6,820	\$ -
Vendor-non trade receivables	\$ 30,428	\$ -
Other current assets	\$ 50,422	\$ -
<b>Total Current Assets</b>	<b>\$ 541,869</b>	<b>\$ -</b>
<b>Non-current assets:</b>		
Marketable securities	\$ 26	\$ -
Property, plant and equipment, net	\$ 42,951	\$ -
Other non-current assets	\$ 60,924	\$ -
<b>Total non-current assets</b>	<b>\$ 103,901</b>	<b>\$ -</b>
<b>Total assets</b>	<b>\$ 749,670</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 57,918	\$ -
Other current liabilities	\$ 59,893	\$ -
Deferred revenue	\$ 7,992	\$ -
Commercial Paper	\$ -	\$ -
Term Debt	\$ -	\$ -
<b>Total current liabilities</b>	<b>\$ 125,803</b>	<b>\$ -</b>
<b>Non-current liabilities:</b>		
Term debt	\$ -	\$ -
Other non-current liabilities	\$ -	\$ -
<b>Total liabilities</b>	<b>\$ 251,606</b>	<b>\$ -</b>
<b>Commitments and contingencies</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Shareholders' equity:</b>		
Common stock and additional paid-in capital	\$ 66	\$ -
Retained earnings	\$ 3	\$ -
Accumulated other comprehensive income/(loss)	\$ -	\$ -
<b>Total shareholders' equity</b>	<b>\$ 69</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 138</b>	<b>\$ -</b>

# CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

## (Unaudited)

(In millions, except per share amounts)

	Four Months Ended	
	April 31, 2023	April 31, 2022
<b>Total shareholders' equity, beginning balances</b>	<b>\$ 475,098</b>	<b>\$ -</b>
<b>Common stock and additional paid-in capital:</b>		
Beginning balances	\$ 64,849	\$ -
Common stock issued	\$ -	\$ -
Common stock withheld related to net share settlement of equity awards	\$ (1,434)	\$ -
Share-based compensation	\$ 2,305	\$ -
<b>Ending balances</b>	<b>\$ 65,720</b>	<b>\$ -</b>
<b>Retained earnings:</b>		
Beginning balances	\$ 15,612	\$ -
Net income	\$ 311,196	\$ -
Dividends and dividend equivalents declared	\$ (3,712)	\$ -
Common stock withheld related to net share settlement of equity awards	\$ (978)	\$ -
Common stock repurchased	\$ (19)	\$ -
<b>Ending balances</b>	<b>\$ 322,099</b>	<b>\$ -</b>
Accumulated other comprehensive income/(loss):	\$ (8)	\$ -
Beginning balances	\$ (6)	\$ -
Other comprehensive income/(loss)	\$ -	\$ -
<b>Ending balances</b>	<b>\$ (14)</b>	<b>\$ -</b>
<b>Total shareholders' equity, ending balances</b>	<b>\$ 859,191</b>	<b>\$ -</b>
<b>Dividends and dividend equivalents declared per share or RSU</b>	<b>\$ 0.86</b>	<b>\$ -</b>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**  
(In Millions)

	<b>Four Months Ended</b>	
	<b>April 31, 2023</b>	<b>April 31, 2022</b>
Cash, cash equivalents and restricted cash, beginning balances	\$ 350,396	
<b>Operating activities:</b>		
Net income	\$ 311,196	
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	\$ 2,916	
Share-based compensation expense	\$ 2,905	
Deferred income tax expense/(benefit)	\$ (317)	
Other	\$ -	
Changes in operating assets and liabilities:		
Accounts receivable, net	\$ -	
Vendor non-trade receivables	\$ 30,428	
Other current and non-current assets	\$ 111,346	
Accounts payable	\$ 57,918	
Deferred revenue	\$ 7,992	
Other current and non-current liabilities	\$ 59,893	
Cash generated by operating activities	\$ 38,115	
<b>Investing activities:</b>		
Purchases of marketable securities	\$ 3	
Proceeds from maturities of marketable securities	\$ 30	
Proceeds from sales of marketable securities	\$ 21	
Payments for acquisition of property, plant and equipment	\$ (3,787)	
Payments made in connection with business acquisitions, net	\$ (110)	
Other	\$ -	
Cash used in investing activities	\$ (3,843)	
<b>Financing activities:</b>		
Payments for taxes related to net share settlement of equity awards	\$ (2,316)	
Payments for dividends and dividend equivalents	\$ (3,768)	
Repurchases of common stock	\$ (19,475)	
Proceeds from issuance of term debt, net	\$ -	
Repayments of term debt	\$ -	
Proceeds from commercial paper, net	\$ (350)	
Other	\$ (25,909)	
Cash used in financing activities	\$ -	
Increase in cash, cash equivalents and restricted cash	\$ 342,033	
Cash, cash equivalents and restricted cash, ending balances	\$ 342,033	
<b>Supplemental cash flow disclosure:</b>		
Cash paid for income taxes, net	\$ 828	
Cash paid for interest	\$ 703	



## **Notes to Condensed Consolidated Financial Statements (Unaudited)**

### **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. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company’s annual consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

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 2023 and 2022 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.

## Earnings Per Share

The following table shows the computation of basic and diluted earnings per share for the four-month periods ended April 31, 2023, and April 31, 2022 (net income in millions and shares in thousands):

	Four Months Ended	
	April 31, 2023	April 31, 2022
Numerator:		
Net income	\$ 311,196	\$ -
Denominator:		
Weighted-average basic shares outstanding	3,507,698	-
Effect of dilutive securities	3,507,698	-
Weighted-average diluted shares	7,015,396	-
Basic earnings per share	\$ 0.089	\$ -
Diluted earnings per share	\$ 0.089	\$ -

## Note 2 – Revenue

Net revenue disaggregated by business unit for the four-month periods ended April 31, 2023, and April 31, 2022, were as follows (in millions):

	Four Months Ended	
	April 31, 2023	April 31, 2022
<b>Net Revenue</b>		
Consumer Services	\$ 308,303	\$ -
Industrial Services	\$ 2,861	\$ -
Financial Services	\$ 42	\$ -
<b>Total Net Revenue</b>	<b>\$ 311,164</b>	<b>\$ -</b>

As of April 31, 2023, and April 31, 2022, the Company had \$7 billion deferred revenue. As of April 2023, the Company expects deferred revenue to decrease.

## 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 April 31, 2023, and April 31, 2022 (in millions):

	April 31, 2022						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ -	\$ -	\$ -	\$350,396	\$ 350,396	\$ -	\$ -
Level 1 <sup>a</sup>							
Stock Options	\$ 3	\$ 48	\$ -	\$ 52	\$ 350,396	\$ 26	\$ -
Subtotal	\$ 3	\$ 48	\$ -	\$ 52	\$ 350,396	\$ 26	\$ -
Total	\$ 3	\$ 48	\$ -	\$350,448	\$ 700,792	\$ 26	\$ -
	April 31, 2022						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Level 1							
Stock Options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<sup>a</sup> 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 April 31, 2023, 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 April 31, 2023, 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 April 31, 2023, 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 – Shareholders' Equity**

### **Share Repurchase Program**

During the nine months ended April 31, 2023, the Company repurchased 408 million shares of its common stock for \$65.0 billion under a share repurchase program authorized by the Board of Directors (the "Program"), including 35 million shares delivered under accelerated share repurchase agreements totalling \$6.0 billion that were entered into in November 2021. 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 Securities Exchange Act of 2015, as amended.

### **Note 5 – Contingencies**

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. The outcome of litigation is inherently uncertain. 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.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*This section and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 2015, that involve risks and uncertainties. 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-Q 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 the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "2022 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 December 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.*

*The following discussion should be read in conjunction with the 2022 Form 10-K filed with the Royal Commission for Securities (the "RCS") and the condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q.*

### **Available Information**

The Company periodically provides certain information for investors on its corporate website, [www.prismacorporation.com](http://www.prismacorporation.com), and its investor relations website, [www.prismacorporation.com/investors](http://www.prismacorporation.com/investors). This includes press releases and other information about financial performance, information on environmental, social, and corporate governance matters, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-Q is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

### **Business Seasonality and Product Introductions**

The Company has historically experienced lower 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. 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.

### **Quarterly Highlights**

Total net income was of \$308 billion for the quarter, driven primarily by the company's direct to consumer services and products. Total revenues were of \$216 billion for the quarter, representing a gross margin percentage of 84%.

Near the end of the quarter, the company rebranded its *Prisma Automobiles* and *Prisma Oil* units to *Prisma Automotives* and *Prisma Energy*, respectively, in order to reflect the true nature of the business.

#### *Prisma Automotives' Recall*

Due to some tooling issues at one of the unit's factories, Prisma Automotives has had to issue multiple recalls for several of its models. These issues have been rectified and said factories have received refitting during the quarter. Customers with affected vehicles have been contacted for these recalls, in accordance with Monaciencio law and common industry practices, and the required work was completed on their vehicle to no expense of the customers. As a result, the unit took a one-time, recall related, write-down of \$481 million during the quarter. This write-down does not represent a material effect to the units' structural earnings. The unit does not expect to have any related write-downs in upcoming quarters.

#### *City of Kyokoni.*

During the quarter, Prisma Wholesale, a unit within the Industrial Services division of the company, inaugurated a new campus in the city centre of Kyokoni along with a commitment to build a Prisma Flagship Store™ with a projected inauguration during Q2. Recent political events in the city have introduced instability to the region that has affected not only Prisma Wholesale, but other businesses in the region as well. As a result, management of Prisma Wholesale has decided to halt plans for the Flagship Store until market conditions improve. The company's offices in the city have been shutdown and employees relocated elsewhere. Due to the nature of the agreement between the city and Prisma to build its offices there on the first place, financing for its construction was provided entirely by the City Government. As a result, the streamlining of the company's operations in the city has not had a material impact in its performance during the quarter. Management expects that there won't be a significant impact on further quarters, as the company has leveraged *Prisma Trading* to offer its products around the world regardless of physical presence.

## 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 the four-month periods ended April 31, 2023, and April 31, 2022 (dollars in millions):

	Four Months Ended	
	April 31, 2023	April 31, 2022
<b>Total Net Income Per Category</b>		
<b>Consumer Services</b>		
Games	\$ 204,563	\$ -
Media	\$ 19,664	\$ -
Supplies	\$ 584	\$ -
Air	\$ 14,532	\$ -
Automotives	\$ 66,051	\$ -
<b>Industrial Services</b>		
Wholesale	\$ 808	\$ -
Energy	\$ 133	\$ -
Transportation	\$ 287	\$ -
Developments	\$ 2,172	\$ -
<b>Financial Services</b>		
Investment Portfolio	\$ 51	
<b>Total Net Sales</b>	<b>\$ 308,845</b>	<b>\$ -</b>

## Consumer Services

### Prisma Games

Prisma Games total net income for the quarter were of \$204 billion, primarily driven by the success of *BlastLife*® and *BlastSports*® franchisees in addition to the success of the *BlastPlay*® X® Rev II™ and the GRID® PC game distribution platform. Combined sales of the company's products were in the excess of three billion units, a quarterly record.



### *Prisma Media*

Prisma Media's total net income for the quarter were of \$19 billion, primary driven by the success of its touring and music division. Combined income of these two units represented more than half of the total income. Additionally, the Publishing division shipped more than two million products.

### *Prisma Supplies*

Prisma Supplies total net income for the quarter were of \$584 million, primary driven by its office supplies services.

### *Prisma Air*

Prisma Air's total net income for the quarter were of \$14 billion, driven primarily by the company's air routes in the European and North American markets. Total volumes of passengers and cargo transported are increasing from previous demand.

### *Prisma Automotives*

Prisma Automotives total net income for the quarter were of \$66 billion, driver primarily by the company's mass-market models. Negative affecting the net income is the already disclosed \$481 million recall related write-down. However, the effect is negligible when compared to the unit's overall performance.

## **Industrial Services**

### *Prisma Wholesale*

Prisma Wholesale's total net sales for the quarter were of \$808 million, driven primarily by the company's business-to-business online trading platform *PrismaTrading*<sup>™</sup>. Volumes of total delivered products reached a new-all-time high. The company's existing network of physical points of sale also showed strong growth.

### *Prisma Energy*

Prisma Energy's total net sales for the quarter were of \$133 million, as a result of increased demand for petrol and other related products across the world. The division is also heavily investing in sustainable and alternative sources of energy and fuel to stay competitive in today's modern world.

### *Prisma Transportation*

Prisma Transportation's total net sales for the quarter were of \$287 million, as a result of increased demand for transportation across the European and Asian markets. Total volumes delivered reached an all-time high in the quarter, primarily driven by the company's *PointTransfer*<sup>™</sup> technology.

### *Prisma Developments*

Prisma Development's total net sales for the quarter were of \$2 million, primary driven by the contracts reached with the Kingdom of Monaciencio, who represent the unit's biggest client and other governments across the world.

## **Financial Services**

### **Investment Portfolio**

Financial Services' total net sales for the quarter were of \$51 million, primarily driven by the success of the unit's key-investments in technology, agriculture, and telecommunications.

### **Gross Margin**

Business Units gross margin and gross margin percentage for the four-month periods ended April 31, 2023, and April 31, 2022, were as follows (dollars in millions):

	<b>Four Months Ended</b>	
	<b>April 31, 2023</b>	<b>April 31, 2022</b>
<b>Gross Margin</b>		
Consumer Services	\$ 213,220	\$ -
Industrial Services	\$ 2,860	\$ -
Financial Services	\$ 50	\$ -
<b>Total Gross Margin</b>	<b>\$ 216,130</b>	<b>\$ -</b>
<b>Gross margin percentage</b>		
Consumer Services	98.87%	-
Industrial Services	1.11%	-
Financial Services	0.01%	-

### **Consumer Services Gross Margin**

Consumer Services gross margin was primarily driven by the Prisma Games unit, which represent more than half the gross margin points for the quarter.

### **Industrial Services Gross Margin**

Industrial Services gross margin for the quarter was primary driven by Prisma Development, which accounted for almost half of the total gross margin for the quarter.

### **Financial Services Gross Margin**

Financial Services gross margin for the quarter was driven by the unit's financial investment activities on the stock market.

The Company's future gross margins can be impacted by a variety of factors, as discussed in Part I, Item 1A of the 2022 Form 10-K under the heading "Risk Factors." As a result, the Company believes, in general, gross margins will be subject to volatility and upward pressure.

## Operating Expenses

Operating expenses for the four-month periods ended April 31, 2023, and April 31, 2022, were as follows (dollars in millions):

	Four Months Ended	
	April 31, 2023	April 31, 2022
Operating Expenses		
Research and Development	\$ 4	\$ -
Selling, general and administrative	\$ 6	\$ -
Total operating expenses	\$ 10	\$ -

### *Research And Development*

Research and Development (R+D) is centralized in the company's operations and is transversal to the company's operations, while it represents half of the total expenses for the quarter, the company believes that its continued investment in R+D is critical for the future growth and sustainability of the company.

### *Selling, general and administrative*

This item covers all unallocated expenses for corporate governance and structure, including salaries, accommodation, headquarters, marketing, and more.

## Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with Monaciencio's generally accepted accounting principles 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 condensed consolidated Financial Statements in Part I, Item 1 of this Form 10-Q and in the Notes to Consolidated Financial Statements in Part II, Item 8 of the 2021 Form 10-K describe the significant accounting policies and methods used in the preparation of the Company's condensed consolidated financial statements. There have been no material changes to the Company's critical accounting estimates since the 2021 Form 10-K.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the quarter, Prisma Wholesale, a unit within the Industrial Services division of the company, created a new trading market in the city of Kyokoni. Recent political events in the city have introduced instability to the region that has affected not only Prisma Wholesale, but other businesses in the region as well. As a result, management of Prisma Wholesale has decided to halt physical trading activities in the city. As a result, the streamlining of the company's operations in the city has not had a material impact in its performance during the quarter, nor does Management expect a significant impact on further quarters, as the company has leveraged *Prisma Trading* to offer its products around the world regardless of physical presence.

For a discussion of the Company's exposure to market risk, refer to the Company's market risk disclosures set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of the 2022 Form 10-K.

### Item 4. 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 Securities Exchange Act of 2015, as amended (the "Exchange Act") were effective as of April 31, 2023 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.

#### Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the first quarter of 2023, 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.

## PART 2 — OTHER INFORMATION

### Item 1. Legal Proceedings

The Company is subject to other 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 the first quarter of 2023 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 1A. Risk Factors

The Company's business, reputation, results of operations and financial condition, as well as the price of the Company's stock, can be affected by a number of factors, whether currently known or unknown, including those described in Part I, Item 1A of the 2022 Form 10-K under the heading "Risk Factors." When any one or more of these risks materialize from time to time, the Company's business, reputation, results of operations and financial condition, as well as the price of the Company's stock, can be materially and adversely affected. There have been no material changes to the Company's risk factors since the 2022 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

*None.*

### Item 3. Defaults Upon Senior Securities

*None.*

### Item 4. Mine Safety Disclosures

*Non applicable.*

### Item 5. Other Information

*None.*

## Item 6. Exhibits

Exhibit Number	Exhibit Description
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.
101*	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.
104*	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.

\* Filed herewith.

\*\* Furnished herewith.

## Signature

Pursuant to the requirements 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

## Exhibit 31.1

### CERTIFICATION

I, Facundo M. Pignanelli, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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



## Exhibit 31.2

### CERTIFICATION

I, Thomas Fawke, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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

## Exhibit 32.1

### **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.