

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2021**

2. Commission identification number: **175222**

3. BIR Tax Identification No.: **242-603-734-000**

Vivant Corporation

4. Exact name of issuer as specified in its charter

City of Mandaluyong

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

**9th Floor, Oakridge IT Center 3, Oakridge Business Park, A.S. Fortuna Street,
Brgy. Banilad, Mandaue City, Cebu**

7. Address of issuer's principal office

6014
Postal Code

(032) 234-2256; (032) 234-2285

8. Issuer's telephone number, including area code

NA

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the SRC

Title of each Class

Number of shares of common
stock outstanding and amount
of debt outstanding

Common Shares at Php 1.00 per share
Amount of debt outstanding

Php 1,023,456,698
Php 6,421,912,466

11. Are any or all of the securities listed on a Stock Exchange?

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

Common Stock

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Company Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes ☒ No ☐

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒ No ☐

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached financial statements and schedules.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the Company's consolidated financial condition and results of operations for the interim period ended March 31, 2021 compared with the interim period ended March 31, 2020. This report should be read in conjunction with the consolidated financial statements and the notes thereto.

KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Company and its investee companies:

1. **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings (or loss) of associates is the Company's share in the income or loss of associates, or investee companies accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.
2. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it the interest, depreciation and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company's ability to generate cash from operations to cover financial charges and income taxes.

3. **Cash Flow Generated.** Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing and financing activities.
4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company's leverage position and is computed by dividing total liabilities with total stockholders' equity.
5. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

Year-to-Date (YTD) March 31, 2021 versus YTD March 31, 2020

The table below shows the comparative figures of the key performance indicators for the period in review.

Key Performance Indicators <i>Amounts in Php '000, except for ratios</i>	YTD March 2021	YTD March 2020	YE 2020 Audited
Equity in Net Earnings of Associates and Joint Ventures	336,583	493,673	
EBITDA	335,376	446,360 ¹	
Net increase in cash and cash equivalents	574,460	514,654	
Net cash flows used in operating activities	(111,538)	(118,067)	
Net cash flows from investing activities	492,417	833,122	
Net cash flows from (used in) financing activities	193,582	(200,401)	
Debt-to-Equity Ratio (x)	0.39	0.38	0.38
Current Ratio (x)	3.31	1.42	1.33

The Company's share in net earnings of associates and joint ventures as of end-March 2021 amounted to Php 336.6 mn, representing a 32% year-on-year (YoY) decrease from Php 493.7 mn. This was a result of the following:

1. Visayan Electric Company (VECO), the Company's distribution utility, recorded an 18% YoY drop in its bottomline contribution, from Php 212.5 mn to Php 175.0 mn. The 13% decline in volume sold mainly accounted for VECO's contraction in net earnings. This resulted from the slowdown in economic activities amidst the COVID-19 pandemic. Adding to this was the higher operating expense recorded during the quarter in review as depreciation on asset revaluation was not taken up in the previous year.
2. 40%-owned Abovant Holdings, Inc. (AHI) posted a 9% YoY decrease in its income contribution to Php 70.5 mn from Php 77.3 mn. This was driven by the decrease in the profitability of its associate, Cebu Energy Development Corporation (CEDC). CEDC posted lower earnings during the quarter in review, which was mainly attributed to the reduced dispatch in its energy-based bilateral contract (down by 7% YoY). This was in spite of better profits on sales at the Wholesale Electricity Spot Market (WESM) due to improved spot market rates. Increased operating expenses also contributed to the decline in income contribution.

¹ Reported as Php 423.6 mn in the SEC 17 1Q FY 2020 report. The restatement to Php 446.36 mn was made to align the formula with the Schedule of Financial Soundness Indicators, Annex 68 E of the 2020 Audited Consolidated Financial Statements. In the revised EBITDA computation, operating income includes foreign exchange gain / (loss) and finance cost on finance lease liability is added back.

3. 40%-owned Minergy Power Corporation (MPC) brought in contributions of Php 48.0 mn during the quarter in review, a 67% YoY decline from Php 146.7 mn. This can be mainly attributed to the drop in the volume of energy sales (down by 19% YoY). Increase in MPC's operating expenses also contributed to the unfavorable YoY variance.
4. 40%-owned Cebu Private Power Corporation (CPPC) recorded a 27% YoY drop in earnings contribution to Php 31.1 mn from Php 42.6 mn in spite of better profits from the sale of excess power to the WESM due to higher spot market rates. The quarter in review recorded higher operating expenses, which was due to the non-recording of the depreciation on asset revaluation last year, and lower interest income.
5. 50%-owned Calamian Islands Power Corporation (CIPC) saw a 56% YoY drop in its income contribution from Php 14.0 mn to Php 6.2 mn. This was brought about by the 33% YoY decline in energy sales volume as the COVID-19 pandemic affected overall power demand in the islands. CIPC also incurred costs for the preventive maintenance work done during the first quarter of 2021.
6. 50%-owned Delta P, Inc. (DPI) shored in an income contribution of Php 5.3 mn as of end-March 2021, a 79% YoY drop from Php 25.0 mn as of end-March 2020. The expiry of the company's Power Supply Agreement (PSA) for its old plant facility in April 2020 and the decline in electricity demand caused by the COVID-19 pandemic accounted for the drop in its bottomline. DPI also incurred costs for the preventive maintenance of its expansion plant facility that contributed to the reduced earnings during the quarter in review.

The above contraction in earnings contributions were tempered by the following:

1. 20%-owned Therma Visayas, Inc. (TVI) recorded a positive income contribution of Php 0.4 mn as of end-March 2021. This was a turnaround from the net loss contribution of Php 23.9 mn as of end-March 2020. Revenues from contracts with Retail Electricity Supply (RES) customers rose by 20% YoY, which mainly accounted for its improved bottomline. Further to this, the lower operating expenses during the quarter in review resulted to enhanced profitability.
2. 40%-owned Prism Energy, Inc. (Prism Energy), an RES, saw a 26% YoY rise in its income contribution to Php 3.1 mn from Php 2.5 mn. This was mainly attributed to the RES' enhanced margin per kilowatt hour (kWh).

EBITDA for the period dropped by 25% YoY to Php 335.4 mn from Php 446.4 mn. This was mainly an outcome of the 31% YoY decrease in operating income, which stemmed from:

1. 32% drop in equity earnings resulting from the decline in the bottomline of four associates and two joint ventures during the quarter in review. These are VECO, AHI, MPC, CPPC, CIPC and DPI.
2. 79% YoY reduction in engineering service income. This mainly resulted from the timing of billings to customers by 60%-owned Watermatic Philippines, Inc. (WMP).
3. 77% YoY drop in interest income driven by lower rates for its short-term investments.
4. 31% YoY rise in operating expenses.

However, this drop in EBITDA was mitigated by the following:

1. Sale of power showed a 33% YoY growth. This was mainly attributed to:
 - 23% YoY rise in the energy sales of 55.2%-owned 1590 Energy Corporation (1590 EC) that resulted from improved revenues from its ancillary services (up by 29% YoY) and the sale of its excess capacity to the WESM (up by 16% YoY).
 - Wholly-owned Corenergy, Inc. (Corenergy) and ET Energy Island, Inc. (ETEI) ended the quarter in review with 75% and 33% YoY increases in volume of energy sold, respectively. These were mainly attributed to the increased contracted capacities of the solar rooftop business of both companies.
 - 65%-owned Isla Norte Energy Corporation (INEC) shored in a revenue contribution of Php 15.2 mn from its interim power supply agreement with Bantayan Electric Cooperative, Inc. (BANELCO).
2. 9% YoY reduction in total cost of services which was mainly attributed to the lower cost of generation in 1590 EC given the reduced fuel consumption that resulted from lower energy dispatched to the WESM and a timing difference in the technical service agreements during the quarter in review.

The Company ended the quarter in review with a net increase in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 574.5 mn. This was 12% higher than the net increase in cash as of end-March 2020 in the amount of Php 514.7 mn. Financing activities posted a net cash inflow as of end-March 2021, which was a reversal of the net cash outflow as of end-March 2020. Reduced spending for operating activities (dropped by 6% YoY) further contributed to the expansion in cash level. The net increase in cash was tempered by the decline in cash inflows from investing activities (down by 41% YoY) during the quarter in review.

Operating activities showed a net cash outflow of Php 111.5 mn during the quarter in review, which was 6% lower than the net cash outflow of Php 118.1 mn as of end-March 2020. This was mainly due to the significantly lower payments for trade and other payables and accrued expenses during the quarter in review. The Company and 1590 EC also saw a drop in the interest payments as of end-March 2021.

Investing activities generated cash in the amount of Php 492.4 mn vis-à-vis Php 833.1 mn as of end-March 2020. The 41% YoY decline was a result of the following: (1) increased capital expenditures by a subsidiary for the acquisition of properties intended to be the site for its future project; (2) construction costs for INEC's power generation facility and ETEI's solar rooftop projects; and (3) investments made by wholly owned Vivant Energy Corporation (VEC) and its subsidiaries, which included a 90% equity stake in two diesel power generation companies and a 34.81% equity stake in a solar engineering company. Cash level for investing activities was further reduced by lower dividends from associates (down by 12% YoY) and interest received from short-term investments during the period in review.

Financing activities for first quarter of 2021 generated cash of Php 193.6 mn, a reversal of the Php 200.4 mn in net cash outflow as of end-March 2020. This mainly stemmed from the proceeds of the Company's new Fixed Rate Corporate Note (FRCN) issued in January 2021 and the proceeds from a

bridge financing facility of INEC. The infusion from a minority shareholder of INEC also contributed to the cash inflows during the quarter in review. These were offset by the settlement of the old FRCN in February 2021, the partial payment made by 1590 EC for its short-term loan, transaction costs related to the new FRCN and a subsidiary's advances to an associate. In 2020, the Company extended an interest-bearing loan to an associate for the latter's wastewater treatment project.

Debt-to-Equity ratio went up to 0.39x as of end-March 2021 vis-à-vis end-December 2020 level of 0.38x. Total equity increased by 1%, which was attributed to the earnings for the quarter. Meanwhile, total liabilities rose by 2%, which mainly stemmed from the net proceeds from the issuance of the new FRCN and the bridge financing facility of INEC. The accrued income tax of 1590 EC and the accrued pension of the Company and VEC also contributed to the increase in total liabilities.

The Company's current ratio improved to 3.31x as of end-March 2021 from year-end 2020 level of 1.33x. Current assets posted a growth of 7% (attributed to the 12% rise in cash and cash equivalents and a subsidiary's advances to an associate), while current liabilities showed a significant decrease of 57% from end-2020 level. The Company's outstanding FRCN in the amount of Php 2.8 bn, which was recognized as a current liability as of end-2020, was paid in February 2021. Payment of trade payables and accrued expenses (mostly in the Company, VEC, 1590 EC, ETEI and INEC) and the amortization of finance lease liability-current portion contributed to the decline in current liabilities.

Material Changes in Line Items of Registrant's Income Statement
(YTD March 2021 vs. YTD March 2020)

As of end-March 2021, the Company's total revenues amounted to Php 777.5 mn, recording a 10% YoY decline from Php 860.0 mn in the same period last year.

1. Sale of power went up by 33% YoY, which is attributed to:
 - 23% YoY rise in the energy sales of 55.2%-owned 1590 EC that resulted from improved revenues from its ancillary services (up by 29% YoY) and on the sale of its excess capacity to the WESM (up by 16% YoY).
 - Wholly-owned Corenergy and ETEI ended the quarter in review with 75% and 33% YoY increases in volume of energy sold, respectively. These were mainly attributed to the increased contracted capacities of the solar rooftop business of both companies.
 - 65%-owned INEC shored in a revenue contribution of Php 15.2 mn from its interim power supply agreement with BANELCO.
2. The Company's share in net earnings of associates and joint ventures as of end-March 2021 amounted to Php 336.6 mn, representing a 32% YoY decrease from Php 493.7 mn. This was a result of the following:
 - VECO, the Company's distribution utility, recorded an 18% YoY drop in its bottomline contribution, from Php 212.5 mn to Php 175.0 mn. The 13% decline in volume sold mainly accounted for VECO's contraction in net earnings. This resulted from the slowdown in economic activities amidst the COVID-19 pandemic. Adding to this was the higher operating expense recorded during the quarter in review as depreciation on asset revaluation was not taken up in the previous year.

- 40%-owned AHI posted a 9% YoY decrease in its income contribution to Php 70.5 mn from Php 77.3 mn. This was driven by the decrease in the profitability of its associate, CEDC. CEDC posted lower earnings during the quarter in review, which was mainly attributed to the reduced dispatch in its energy-based bilateral contract (down by 7% YoY). This was inspite of better profits on sales at the WESM due to improved spot market rates. Increased operating expenses also contributed to the decline in income contribution.
- 40%-owned MPC brought in contributions of Php 48.0 mn during the quarter in review, a 67% YoY decrease from Php 146.7 mn. This can be mainly attributed to the drop in the volume of energy sales (down by 19% YoY). Increase in MPC's operating expenses also contributed to the unfavorable YoY variance.
- 40%-owned CPPC recorded a 27% YoY drop in earnings contribution to Php 31.1 mn from Php 42.6 mn in spite of better profits from the sale of excess power to the WESM due to higher spot market rates. The quarter in review recorded higher operating expenses, which was due to the non-recording of the depreciation on asset revaluation last year, and lower interest income.
- 50%-owned CIPC saw a 56% YoY drop in its income contribution from Php 14.0 mn to Php 6.2 mn. This was brought about by the 33% YoY decline in energy sales volume as the COVID-19 pandemic affected overall power demand in the islands. CIPC also incurred costs for the preventive maintenance work done during the first quarter of 2021.
- 50%-owned DPI shored in an income contribution of Php 5.3 mn as of end-March 2021, a 79% YoY drop from Php 25.0 mn as of end-March 2020. The expiry of the company's PSA for its old plant facility in April 2020 and the decline in electricity demand caused by the COVID-19 pandemic accounted for the drop in its bottomline. DPI also incurred costs for the preventive maintenance of its expansion plant facility that contributed to the reduced earnings during the quarter in review.

The above contraction in earnings contributions were tempered by the following:

- 20%-owned TVI recorded a positive income contribution of Php 0.4 mn as of end-March 2021. This was an improvement compared to the net loss contribution of Php 23.9 mn as of end-March 2020. Revenues from contracts with RES customers rose by 20% YoY, which mainly accounted for its improved bottomline. Further to this, the lower operating expenses during the quarter in review resulted to enhanced profitability.
 - 40%-owned Prism Energy, an RES, saw a 26% YoY rise in its income contribution to Php 3.1 mn from Php 2.5 mn. This was mainly attributed to the RES' enhanced margin per kWh.
3. Engineering service income significantly dropped to Php 4.3 mn from Php 20.1 mn. This was mainly attributed to the timing of billings for the engineering service projects of 60%-owned WMP.

4. Interest income dropped by 77% YoY to Php 5.1 mn, which mainly resulted from lower interest rates on short-term placements.

Total cost of services and operating expenses for the first quarter of 2021 expanded by 6% YoY, from Php 493.6 mn to Php 523.6 mn. Said movement can be accounted for by the following:

1. Total cost of services dropped by 9% YoY to Php 277.9 mn from Php 306.2 mn. This can be attributed to the 13% YoY contraction in generation cost to Php 257.5 mn from Php 294.5 mn, which was brought about by the reduction in fuel consumption that resulted from lower energy dispatched to the WESM and a timing difference in technical service agreements during the quarter in review. This was tempered by the higher cost of power incurred by Corenergy as its energy sales volume went up by 75% YoY. Moreover, the increase in ETEI's cost of services (up by 43% YoY), which was attributed to technical consultancy contracts and higher depreciation cost on solar panels to service additional customers, offset the cost contraction.

Meanwhile, engineering service fees ended up higher by 74% YoY to Php 20.4 mn from Php 11.8 mn. This was on the back of the improvement in WMP's contracts for water engineering projects.

2. Professional fees surged by 295% YoY to Php 102.9 mn from Php 26.1 mn. This was mainly due to legal fees incurred by two subsidiaries relating to projects.
3. Salaries and employee benefits went down by 8% YoY to Php 62.5 mn from Php 67.7 mn. Lower accrued expense for employee benefit mainly accounted for the decrease.
4. Taxes and licenses fell by 47% YoY to Php 20.6 mn from Php 38.8 mn, which was mainly due to lower business taxes and documentary stamp taxes (DST) paid during the quarter in review. As of end-March 2020, the Company and its subsidiaries incurred additional business taxes due to the change of business address. Payment of DSTs were also made in the same period last year as a result of the share issuance by a subsidiary and booking of advances from shareholders by INEC for the construction of an oil-fired power generation facility.
5. Depreciation and amortization grew by 7% YoY to Php 11.6 mn from Php 10.9 mn. The increase was attributed to higher depreciation expense due to the purchase of new assets and the depreciation of the right-of-use asset for a lease that was contracted in the second half of 2020.
6. Outside services went down by 38% YoY to Php 4.3 mn from Php 6.8 mn. The Company saw delays in supplier billings for its enterprise resource planning (ERP) system during the quarter in review. Further to this, costs as of end-March 2020 included delayed billings from suppliers for services covering 2019.
7. Management fees went down by 21% YoY to Php 2.7 mn from Php 3.4 mn. This was due to the non-renewal of a subsidiary's service agreement that expired in the second quarter of 2020. This is tempered by the increased frequency of the Company's board and committee meetings.
8. Communication and utilities went up by 31% YoY to Php 1.9 mn from Php 1.5 mn. This was mainly due to delayed billings from the Company's internet and communications service provider.

9. Rent and association dues was higher by 26% YoY at Php 1.6 mn from Php 1.2 mn. This resulted from delayed billings for association dues covering certain months of 2020.
10. Travel expenses significantly dropped by 81% YoY to Php 0.8 mn from Php 4.3 mn. This can be attributed to reduced business travel frequency due to government-mandated travel and mobility restrictions that were imposed since the latter part of the first quarter of 2020.
11. Representation expenses fell by 34% YoY to Php 0.3 mn from Php 0.4 mn. More virtual meetings were held as a result of travel restrictions and physical distancing requirements still in place during the quarter in review.
12. Other operating expenses rose by 39% YoY to Php 36.5 mn from Php 26.3 mn. This resulted from higher donations to Vivant Foundation Inc (VFI). New memberships in business organizations, new software subscriptions, and higher Securities and Exchange Commission (SEC)-related fees for the incorporation of a new subsidiary also contributed to the increase in cost.

Vivant booked Php 48.3 mn in other charges as of end-March 2021, recording a 15% decrease from the Php 56.6 mn in other charges booked in the same period last year. The following account for the movement:

1. Finance costs on the Company's FRCN was lower by 12% YoY to Php 36.5 mn from Php 41.3 mn. This reduction is attributed to lower rates for the new FRCN.
2. Finance costs on lease liabilities dropped by 23% YoY to Php 15.4 mn from Php 20.1 mn, which was a result of the amortization of the finance lease under PFRS 16.
3. Unrealized foreign exchange gain went down by 33% YoY to Php 1.8 mn from Php 2.7 mn. This was due to the lower US Dollar and Euro cash balances of the Company and three subsidiaries during the quarter in review.
4. Other income of Php 1.8 mn was booked as of end-March 2021, which was 11% lower than the Php 2.0 mn booked in the same period last year. Receipt of proceeds from an insurance claim by a subsidiary within the same quarter last year accounted for the variance.

For the first quarter of 2021, the Company booked an accrued consolidated income tax expense of Php 21.2 mn. This is a reversal of the Php 5.2 mn income tax benefit that was recorded last year, which was on account of the deferred income tax on the lease of 1590 EC.

Taking all of the above into account, the Company recorded a total net income of Php 184.4 mn for the period ending March 31, 2021, which is 41% lower than the Php 314.9 mn net income in the same period last year. Net income attributable to parent amounted to Php 142.0 mn, down by 56% YoY.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-March 2021 vs. Year-end 2020)

The Company's total assets marginally grew by 2%, from end-2020's level of Php 22.6 bn to Php 22.9 bn. The following are the material movements in the consolidated assets of the Company as of end-March 2021.

1. Cash and cash equivalents expanded by 12% to Php 5.4 bn as of end-March 2021 from Php 4.9 mn as of end-2020. This was attributed to the net cash generated from financing activities, a reversal of the use of cash for Php 291.7 mn as of end-2020. This was tempered by the use of cash for operating activities as of end-March 2021 of Php 111.5 mn as against the net cash inflow as of end-2020 of Php 114.5 mn, and lower net cash inflows from investing activities of Php 492.4 mn during the quarter in review vis-à-vis Php 640.0 mn as of end-2020.
2. Trade and other receivables went down by 10% to Php 730.3 mn as of end-March 2021. The decline was mainly a result of MPC's payment of dividends declared in 2020. Moreover, the lower interest rates on short term placements resulted to a reduction in accrued interest receivable during the quarter ending March 2021 as against end-2020 level.
3. Inventories dropped by 21% to Php 174.7 mn as of end-March 2021. This was attributed to the fuel consumption of 1590 EC and INEC.
4. Prepayments and other current assets were lower by 5% YoY at Php 267.8 mn as of end-March 2021. Transaction costs related to the Company's new FRCN was reclassified as a contra-liability account in compliance with PFRS 9² upon drawing in January 2021. Recoupment of INEC's down payments to contractors for the on-going construction of an oil-fired power generation facility and claims of input VAT against output VAT on revenues in 1590 EC during the quarter in review contributed to the drop in prepaid assets. This was tempered by the payment of a bid security for a power project.
5. Property, plant, and equipment rose by 7% to Php 2.4 bn, which was mainly attributed to the costs incurred for the construction of an oil-fired power plant by INEC. Project costs for the solar projects in ETEI, acquisition of a property as future project site of a subsidiary and the Company's purchase of service vehicles and other assets also contributed to the increase.
6. Right-of-use assets was lower by 9% at Php 614.2 mn, which was due to the amortization as of end-March 2021.
7. Deferred income tax assets grew by 13% YoY to Php 38.3 mn, as a result of the amortization of 1590 EC's finance lease liability under PFRS 16.
8. Other noncurrent asset rose by 8% YoY to Php 1.3 bn. VEC and a wholly-owned subsidiary made down payments for an investment in two power generation plant facilities during the quarter in review. Accumulation of input VAT-noncurrent and creditable withholding taxes also contributed to the asset expansion.

² PFRS 9, *Financial Instruments*, provides that at initial recognition, an entity measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of the financial asset or financial liability.

Total consolidated liabilities grew by 2% YoY to Php 6.4 bn as of first quarter 2021 from end-2020's Php 6.3 bn. This can be mainly attributed to the proceeds from the issuance of the new FRCN, net of the full settlement of the old FRCN. Other factors include:

1. Short-term note payable increased by 10% to Php 826.5 mn from Php 749.3 mn. This was due to the additional borrowings made by INEC against a bridge financing facility, but tempered by the partial principal payment made by 1590EC.
2. Income tax payable significantly increased by 68% to Php 62.1 mn, which was attributed to the earnings of 1590 EC during the quarter in review.

The growth in liabilities were offset by the following:

1. Current portion of trade and other payables were lower by 6% to Php 822.7 mn from Php 875.8 mn. This was attributed to the settlement of trade payables and accrued expenses (mostly by VVT, VEC, 1590 EC, ETEI, and INEC) during the period in review.
2. Current portion of lease liabilities decreased by 11% to Php 319.7 mn from Php 360.1 mn. This was mainly attributed to the amortization of the finance lease recognized in 1590 EC under PFRS 16.

As a result of net income generated during the period in review, total stockholders' equity slightly increased by 1%, from Php 16.3 bn as of year-end 2020 to Php 16.5 bn as of end-March 2021. Meanwhile, equity attributable to parent ended slightly higher by 1% at Php 15.6 bn as of end-March 2021.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-March 2021 vs. End-March 2020)

Cash and cash equivalents were higher by 11% YoY, from Php 4.9 bn as of end-March 2020 to Php 5.4 bn as of end-March 2021.

The Company ended the quarter in review with a net increase in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 574.5 mn. This was 12% higher than the net increase in cash as of end-March 2020 in the amount of Php 514.7 mn. Financing activities posted a net cash inflow as of end-March 2021, which was a reversal of the net cash outflow as of end-March 2020. Reduced spending for operating activities (dropped by 6% YoY) further contributed to the expansion in cash level. The net increase in cash was tempered by the decline in cash inflows from investing activities (down by 41% YoY) during the quarter in review.

Operating activities showed a net cash outflow of Php 111.5 mn during the quarter in review, which was 6% lower than the net cash outflow of Php 118.1 mn as of end-March 2020. This was mainly due to the significantly lower payments for trade and other payables and accrued expenses during the quarter in review. The Company and 1590 EC also saw a drop in the interest payments as of end-March 2021.

Investing activities generated cash in the amount of Php 492.4 mn vis-à-vis Php 833.1 mn as of end-March 2020. The 41% YoY decline was a result of the following: (1) increased capital expenditures by a subsidiary for the acquisition of properties intended to be the site for its project; (2) construction costs

for INEC's power generation facility and ETEI's solar rooftop projects; and (3) investments made by wholly owned VEC and its subsidiaries, which included a 90% equity stake in two diesel power generation companies and a 34.81% equity stake in a solar engineering company. Cash level for investing activities was further reduced by lower dividends from associates (down by 12% YoY) and interest received from short-term investments during the period in review.

Financing activities for first quarter of 2021 generated cash of Php 193.6 mn, a reversal of the Php 200.4 mn in net cash outflow as of end-March 2020. This mainly stemmed from the proceeds of the Company's new FRCN issued in January 2021 and the proceeds from a bridge financing facility of INEC. The infusion from a minority shareholder of INEC also contributed to the cash inflows during the quarter in review. These were offset by the settlement of the old FRCN in February 2021, the partial payment made by 1590 EC for its short-term loan, transaction costs related to the new FRCN and a subsidiary's advances to an associate. In 2020, the Company extended an interest-bearing loan to an associate for the latter's wastewater treatment project.

Financial Ratios

Debt-to-Equity ratio went up to 0.39x as of end-March 2021 vis-à-vis end-December 2020 level of 0.38x. Total equity increased by 1%, which was attributed to the earnings for the quarter. Meanwhile, total liabilities rose by 2%, which mainly stemmed from the net proceeds from the issuance of the new FRCN and the bridge financing facility of INEC. The accrued income tax of 1590 EC and the accrued pension of the Company and VEC also contributed to the increase in total liabilities.

The Company's current ratio improved to 3.31x as of end-March 2021 from year-end 2020 level of 1.33x. Current assets posted a growth of 7% (attributed to the 12% rise in cash and cash equivalents and a subsidiary's advances to an associate), while current liabilities showed a significant decrease of 57% from end-2020 level. The Company's outstanding FRCN in the amount of Php 2.8 bn, which was recognized as a current liability as of end-2020, was paid in February 2021. Payment of trade payables and accrued expenses (mostly in the Company, VEC, 1590 EC, ETEI and INEC) and the amortization of finance lease liability-current portion contributed to the decline in current liabilities.

Material Events and Uncertainties

- Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

The Company does not expect any liquidity problems and is not in default of any financial obligations.

- Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

- Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Company does not have material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons created during the period in review.

- Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

The Company has projects in the pipeline, at varying degrees of development.

POWER GENERATION

These projects are being undertaken through wholly-owned subsidiary, VEC.

- Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the project proponent for the development and implementation of a greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facilities in Barangay Kapitan Ramon in Silay City, Negros Occidental. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The company has finalized the detailed engineering plans of the facility. Vivant, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved by 2020 upon the completion of the Cebu-Negros-Panay 230kV backbone project of NGCP. VEC holds an effective equity stake of 67% in VMHI.
- Culna Renewable Energy Corporation (CREC) is the project proponent for the construction and operation of hybrid facilities to supply Culion Island with a guaranteed dependable capacity of 1.96 MW and to supply Linapacan Island with guaranteed dependable capacity of 0.358 MW. The Culion Power Station will have a configuration of 2.42 MW Diesel Genset, 2.80 MWp Solar PV and a battery storage system while the Linapacan Power Station's installed capacity will be composed of 540 kW Diesel Gensets and 325 kWp Solar PV. A Joint Application for the approval of the PSA was filed by CREC and BISELCO with the ERC on July 17, 2017, which is pending resolution.
- Global Energy Development Corporation (GLEDC) is a special purpose vehicle that was set up to undertake the construction and operation of a 2x335 MW coal fired power plant in La Union. In December 2017, Vivant, through wholly-owned subsidiary Vivant Integrated Generation Corporation (VIGC), and Global Business Power Corporation signed a Pre-Development Agreement to jointly participate in this project. Vivant has an effective ownership of 42.5% in GLEDC.
- In November 2019, the Bantayan Electric Cooperative (BANELCO) concluded a successful competitive selection process by awarding a 15-year contract to supply 15 MW of the island's energy requirements to INEC, a 65% owned subsidiary of VEC.

In February 2020, INEC entered into a 15-year PSA with BANELCO for the entire capacity of the plant. A Joint Application for the approval of the PSA was filed by INEC and BANELCO with the ERC on October 12, 2020. The power station currently in construction is composed of 2 x 7.496

MW diesel engines and 3 x 2.773 MW diesel engines, and is expected to be operational within the second half of 2021. The project is funded via equity (25%) and debt (75%).

- La Pampanga Energy Corporation (LPEC) is an on-grid project, where VEC currently has a 50% equity stake. The project will involve the construction and operation of an embedded 15MW bunker-fired power plant in Porac, Pampanga. The capacity of the embedded plant will supply the peaking power and ancillary requirements of PELCO II pursuant to the 15-year PSA that was awarded after a successful conduct of CSP by the distribution utility in 2020. The project will be funded through a combination of equity and debt.
- The Company, through its Business Development Group, continuously looks for opportunities in the power generation business, whether it be via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project's land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers. The Company intends to bankroll these projects via a combination of equity and debt, where debt will be booked at the project company.

WATER INFRASTRUCTURE

These projects are being undertaken through wholly-owned subsidiary, Vivant Hydrocore Holdings Inc. (VHHI).

- In February 2020, VHHI acquired a 45% equity interest in Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWs). The transaction resulted in Vivant ultimately owning 40% in Puerto Princesa Water Reclamation and Learning Center, Inc. (PPWRLC), the joint venture company of the City of Puerto Princesa and FLOWs in developing a combined sewerage and septage facility serving the City of Puerto Princesa.
 - Vivant, through VHHI, is on the look-out for opportunities in water infrastructure which relates to the provision of water and wastewater engineering and technological solutions bulk water supply, water distribution and wastewater treatment services. The Company intends to bankroll these projects via a combination of equity and debt, where debt will be booked at the project company.
- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

The overall economic performance of the Philippines is a key factor in the sale of electricity. Thus, the performance of the Company, including its subsidiaries and associates, is affected by the economic state of the country.

Given the uncontracted portion of the Company's attributable generation capacity, any movement in the spot market price of electricity could have a significant impact on the Company's overall financial performance. Spot price of electricity is mostly determined by the supply and demand situation prevailing in the market.

- Any significant elements of income or loss that did not arise from the registrant's continuing operations

None.

- Any material changes in estimates of amounts reported in prior interim period of the current financial year and interim period of the prior financial year, respectively.

None.

- Any seasonal aspects that had a material effect on the financial condition or results of operations

None.

- Any material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period

None

PART II--OTHER INFORMATION

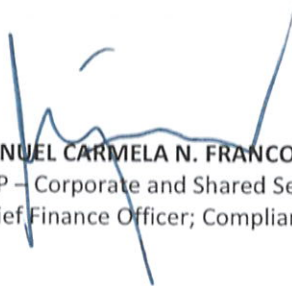
Other than what has been reported, no event has since occurred.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIVANT CORPORATION

By:



MINUEL CARMELA N. FRANCO
SVP – Corporate and Shared Services;
Chief Finance Officer; Compliance Officer



MARIA VICTORIA E. SEMBRANO
VP – Controllershship

May 12, 2021

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements

As of March 31, 2021 (with Comparative Audited Consolidated Figures as of
December 31, 2020) and for the Three Months Ended March 31, 2020

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(With Comparative Figures as of December 31, 2020)

(Amounts in Philippine Pesos)

	Notes	March 31, 2021	December 31, 2020
ASSETS			
Current Assets			
Cash and cash equivalents	1	₱5,448,587,711	₱4,872,331,464
Trade and other receivables	2	730,316,690	814,103,832
Advances to associates, joint ventures and stockholders	2	259,777,223	253,060,382
Inventories – at cost		174,730,355	220,498,758
Prepayments and other current assets	3	267,757,378	281,892,670
Total Current Assets		6,881,169,357	6,441,887,106
Noncurrent Assets			
Investments in associates and joint ventures	4	10,948,233,176	11,247,606,324
Property, plant and equipment	5	2,426,822,619	2,260,461,407
Right-of-use assets		614,185,793	672,222,914
Investment properties	6	757,280,601	757,280,601
Deferred income tax assets		38,330,322	34,013,474
Other noncurrent assets	7	1,262,967,598	1,167,489,781
Total Noncurrent Assets		16,047,820,109	16,139,074,501
TOTAL ASSETS		₱22,928,989,466	₱22,580,961,607

	Notes	March 31, 2021	December 31, 2020
LIABILITIES AND EQUITY			
Current Liabilities			
Current portion of trade and other payables		₱822,714,166	₱ 875,837,380
Short term notes payable		826,526,448	749,300,741
Current portion of lease liabilities		319,726,157	360,063,325
Advances from related parties		5,689,112	5,689,112
Income tax payable		62,056,001	36,955,619
Current portion of long-term notes payable		40,349,718	2,819,508,120
Total Current Liabilities		2,077,061,602	4,847,354,297
Noncurrent Liabilities			
Long-term notes payable - net of current portion		2,923,814,750	—
Lease liabilities – net of current portion		303,114,979	303,114,979
Pension liability		90,773,899	87,541,306
Deferred income tax liabilities		188,869,055	189,832,424
Other noncurrent liabilities – net of current portion		838,278,181	837,635,182
Total Noncurrent Liabilities		4,344,850,864	1,418,123,891
Total Liabilities		6,421,912,466	6,265,478,188
Equity Attributable to Equity Holders of the Parent			
Capital stock	8	1,023,456,698	1,023,456,698
Additional paid-in capital		8,339,452	8,339,452
Other components of equity:			
Share in revaluation increment of an associate		1,658,598,674	1,658,598,674
Remeasurement losses on employee benefits		(13,035,095)	(13,035,095)
Share in remeasurement losses on employee benefits of associates and a joint venture		(96,181,114)	(96,181,114)
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income (FVOCI)		2,862,209	2,862,209
Equity reserves		(25,128,554)	(25,128,554)
Retained earnings:			
Appropriated for business expansion		5,213,900,230	5,213,900,230
Unappropriated		7,816,792,803	7,674,801,422
Equity Attributable to Equity Holders of the Parent		15,589,605,303	15,447,613,922
Equity Attributable to Non-controlling Interests		917,471,697	867,869,497
Total Equity		16,507,077,000	16,315,483,419
TOTAL LIABILITIES AND EQUITY		₱22,928,989,466	₱22,580,961,607

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2021
(With Comparative Figures for the same period in 2020)
(Amounts in Philippine Pesos)

	2021	2020
REVENUE		
Sale of power	₱431,474,920	₱324,235,855
Equity in net earnings of associates and joint ventures	336,582,753	493,672,941
Engineering service income	4,290,366	20,103,751
Interest income	5,118,344	22,011,104
	777,466,383	860,023,651
COST OF SERVICES		
Generation costs	257,490,279	294,461,820
Engineering service fees	20,441,733	11,774,240
	277,932,012	306,236,060
OPERATING EXPENSES		
Professional fees	102,895,599	26,074,500
Salaries and employee benefits	62,530,043	67,702,114
Taxes and licenses	20,552,859	38,799,256
Depreciation and amortization	11,605,877	10,889,401
Outside services	4,250,714	6,827,180
Management fees	2,690,000	3,404,000
Communication and utilities	1,925,198	1,468,339
Rent and association dues	1,574,501	1,244,960
Travel	811,030	4,253,409
Representation	289,321	436,211
Other operating expenses	36,508,756	26,311,445
	245,633,898	187,410,815
INCOME FROM OPERATIONS	253,900,473	366,376,776
OTHER INCOME (CHARGES)		
Finance costs on loans	(36,462,045)	(41,275,541)
Finance costs on lease liabilities	(15,411,731)	(20,095,077)
Foreign exchange gains (losses) – net	1,796,141	2,687,279
Other income	1,809,674	2,042,083
	(48,267,961)	(56,641,256)
INCOME BEFORE INCOME TAX	205,632,512	309,735,520
PROVISION FOR INCOME TAX (BENEFIT)	21,205,220	(5,163,541)
NET INCOME	184,427,292	314,899,061
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱184,427,292	₱314,899,061
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	₱141,991,381	₱321,264,179
Non-controlling interests	42,435,911	(6,365,118)
	₱184,427,292	₱314,899,061
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent (see Note 9)	₱0.139	₱0.314

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED MARCH 31, 2021

(With Comparative Figures for the same period in 2020)

(Amounts in Philippine Pesos)

	2021	2020
REVENUE		
Sale of power	₱431,474,920	₱324,235,855
Equity in net earnings of associates and joint ventures	336,582,753	493,672,941
Engineering service income	4,290,366	20,103,751
Interest income	5,118,344	22,011,104
	777,466,383	860,023,651
COST OF SERVICES		
Generation costs	257,490,279	294,461,820
Engineering service fees	20,441,733	11,774,240
	277,932,012	306,236,060
OPERATING EXPENSES		
Professional fees	102,895,599	26,074,500
Salaries and employee benefits	62,530,043	67,702,114
Taxes and licenses	20,552,859	38,799,256
Depreciation and amortization	11,605,877	10,889,401
Outside services	4,250,714	6,827,180
Management fees	2,690,000	3,404,000
Communication and utilities	1,925,198	1,468,339
Rent and association dues	1,574,501	1,244,960
Travel	811,030	4,253,409
Representation	289,321	436,211
Other operating expenses	36,508,756	26,311,445
	245,633,898	187,410,815
INCOME FROM OPERATIONS	253,900,473	366,376,776
OTHER INCOME (CHARGES)		
Finance costs on loans	(36,462,045)	(41,275,541)
Finance costs on lease liabilities	(15,411,731)	(20,095,077)
Foreign exchange gains (losses) - net	1,796,141	2,687,279
Other income	1,809,674	2,042,083
	(48,267,961)	(56,641,256)
INCOME BEFORE INCOME TAX	205,632,512	309,735,520
PROVISION FOR INCOME TAX (BENEFIT)	21,205,220	(5,163,541)
NET INCOME	184,427,292	314,899,061
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE INCOME	₱184,427,292	₱314,899,061
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	₱141,991,381	₱321,264,179
Non-controlling interests	42,435,911	(6,365,118)
	₱184,427,292	₱314,899,061
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the parent (see Note 9)	₱0.139	₱0.314

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2021
(With Comparative Figures for the same period in 2020)
(Amounts in Philippine Pesos)**

	Attributable to Equity Holders of the Parent									
	Share in									
	Remeasurement									
	Capital Stock	Additional Paid-in Capital	Revaluation Increment of an Associate	Share in Remeasurement Losses on Employee Benefits	Unrealized Valuation Gain (Loss) on Financial Assets at FVOCI	Equity Reserves	Retained Earnings	Unappropriated	Appropriated	Total
Balances at January 1, 2021	₱1,023,456,698	₱8,339,452	₱1,658,598,674	(₱13,035,095)	(₱96,181,114)	(₱25,128,554)	₱2,862,209	₱7,674,801,422	₱5,213,900,230	₱15,447,613,922
Total comprehensive income (loss)	-	-	-	-	-	-	-	141,991,381	-	₱16,315,483,419
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	₱184,427,252
Balances at March 31, 2021	₱1,023,456,698	₱8,339,452	₱1,658,598,674	(₱13,035,095)	(₱96,181,114)	(₱25,128,554)	₱2,862,209	₱7,816,792,803	₱5,213,900,230	₱16,507,077,000
										₱7,166,289
										₱917,471,697

Balances at January 1, 2020	₱1,023,456,698	₱8,339,452	₱1,323,680,397	(₱10,270,755)	(₱80,413,281)	(₱25,128,554)	₱2,836,709	₱7,392,814,294	₱4,449,483,361	₱14,084,798,321
Total comprehensive income (loss)	-	-	-	-	-	-	-	321,264,179	-	₱14,801,047,640
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(6,365,118)
Balances at March 31, 2020	₱1,023,456,698	₱8,339,452	₱1,323,680,397	(₱10,270,755)	(₱80,413,281)	(₱25,128,554)	₱2,836,709	₱7,714,078,473	₱4,449,483,361	₱15,118,057,109
										₱2,110,408

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2021
(With Comparative Figures for the same period in 2020)
(Amounts in Philippine Pesos)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱205,632,512	₱309,735,520
Adjustments for:			
Equity in net earnings of associates and joint ventures		(336,582,753)	(493,672,941)
Depreciation and amortization		77,870,133	75,254,094
Finance costs on loans		36,462,045	41,275,541
Finance costs on lease liabilities		15,411,731	20,095,077
Interest income		(5,118,344)	(22,011,104)
Unrealized foreign exchange gains		(1,796,141)	(2,687,279)
Pension expense		3,232,593	2,496,101
Operating loss before working capital changes		(4,888,224)	(69,514,991)
Decrease (increase) in:			
Trade and other receivables	2	(52,016,341)	364,070,067
Inventories		45,768,403	(9,394,205)
Prepayments and other current assets	3	1,459,916	(105,039,032)
Increase (decrease) in trade and other payables		(46,176,727)	(236,374,500)
Cash used in operations		(55,852,973)	(56,252,661)
Interest paid		(55,685,386)	(61,618,417)
Income taxes paid		–	(195,756)
Net cash flows used in operating activities		(111,538,359)	(118,066,834)

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from associates and joint ventures		863,555,901	978,111,200
Additions to property, plant and equipment	5	(186,623,777)	(28,393,092)
Increase in other noncurrent assets		(95,836,991)	(23,233,021)
Additional investments in and advances to associates and joint ventures	4	(94,000,000)	(119,399,592)
Interest received		5,321,829	26,036,518
Net cash flows from investing activities		492,416,962	833,122,013
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		3,093,725,707	-
Payments of:			
Loans		(2,836,500,000)	(30,000,000)
Lease liabilities		(39,548,440)	(36,843,309)
Debt issue cost		(24,545,210)	-
Cash dividends		-	(44,801,825)
Additional investments and deposits for future stock subscription of non-controlling interest of a subsidiary		7,166,289	2,110,407
Net proceeds (payments) in advances to from related parties		(6,716,843)	(90,866,299)
Net cash flows from (used in) financing activities		193,581,503	(200,401,026)
NET INCREASE IN CASH AND CASH EQUIVALENTS		574,460,106	514,654,153
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		1,796,141	2,687,279
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD			
Cash and cash equivalents		4,872,331,464	4,405,244,649
Restricted cash		2,002,002	650,000
		4,874,333,466	4,405,894,649
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and cash equivalents		5,448,587,711	4,922,586,081
Restricted cash		2,002,002	650,000
		₱5,450,589,713	₱4,923,236,081

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 2021

1. Cash and Cash Equivalents

This account consists of:

	March 31, 2021	December 31, 2020
Cash on hand and in banks	₱391,200,367	₱513,649,511
Short-term investments	5,057,387,344	4,358,681,953
	₱5,448,587,711	₱4,872,331,464

2. Trade and Other Receivables and Advances to Associates and Stockholders

This account consists of:

	March 31, 2021	December 31, 2020
Trade receivables	₱570,046,800	₱540,175,502
Dividend receivable	124,000,000	257,600,000
Accounts receivable	35,336,751	7,654,602
Advances to officers and employees	6,620,080	4,321,890
Accrued interest	3,378,842	3,582,634
Others	45,206,252	55,041,239
	784,588,725	868,375,867
Less allowance for impairment loss	54,272,035	54,272,035
	₱730,316,690	₱814,103,832
Advances to associates, joint ventures and stockholders	₱259,777,223	₱253,060,382

2.1 Aging of Trade and Other Receivables

	March 31, 2021				December 31, 2020			
	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL
Trade receivables, advances and other current receivables	P216,750,747	P6,979,796	P560,858,182	P784,588,725	P610,651,931	P188,070,522	P69,653,414	P868,375,867
Less: Allowance for impairment loss			54,272,035	54,272,035			54,272,035	54,272,035
	P216,750,747	P6,979,796	P506,586,147	P730,316,690	P610,651,931	P188,070,522	P15,381,379	P814,103,832

3. Prepayments and Other Current Assets

The composition of this account is shown below:

	March 31, 2021	December 31, 2020
Advances to suppliers and other parties	₱107,139,926	₱126,752,274
Input VAT - current	80,572,208	75,782,374
Prepaid expenses	28,307,446	41,650,277
Creditable withholding taxes - current	8,131,669	9,082,487
Others	43,606,129	28,625,258
	₱267,757,378	₱281,892,670

4. Investment in Associates and Joint Ventures

The Company's associates and joint ventures, which are all incorporated in the Philippines, and the corresponding equity ownership as of March 31, 2021 follow:

	Nature of Business	Percentage of Owners hip	
		2021	2020
Associates:			
Visayan Electric Company, Inc. (VECO)	Power distribution	34.81	34.81
Lunar Power Core Inc. (LPCI)	Power generation	42.50	42.50
Global Luzon Energy Development Corporation (GLEDC)	Power generation	42.50	42.50
Cebu Private Power Corporation (CPPC)	Power generation	40.00	40.00
Prism Energy Inc (Prism Energy)	Power generation	40.00	40.00
Abovant Holdings Inc. (AHI)	Holding company	40.00	40.00
Minergy Power Corporation (MPC)	Power generation	40.00	40.00
Therma Visayas Inc. (TVI)	Power generation	20.00	20.00
Sabang Renewable Energy Corporation (SREC)	Power generation	30.00	30.00
Culina Renewable Energy Corp. (CREC)	Power generation	35.00	35.00
Lihangin Wind Energy Corporation (LWEC) ³	Power generation	40.00	40.00
Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWS)	Holding company	45.00	45.00
Buskowitz Finance Inc. (BFI)	Solar engineering company	34.85	-
Joint ventures:			
Calamian Islands Power Corp. (CIPC)	Power generation	50.00	50.00
Delta P, Inc. (DPI)	Power generation	50.00	50.00

³ Changed its corporate name from 6 Barracuda Energy Corporation (6 Barracuda) to LWEC on June 15, 2020.

The components of the carrying values of investments in associates and joint ventures are as follows:

	March 31, 2021	December 31, 2020
Investment in VECO:		
Acquisition Cost	₱882,952,562	₱882,952,562
Accumulated Equity Earnings-net	(84,025,013)	470,903,238
Revaluation Surplus	1,802,786,831	1,802,786,831
Carrying Value	2,601,714,380	3,156,642,631
Investment in LPCI:		
Acquisition Cost	114,750,000	114,750,000
Accumulated Equity Earnings-net	(603,520)	(597,848)
Carrying Value	114,146,480	114,152,152
Investment in GLEDC:		
Acquisition Cost	-	-
Accumulated Equity Earnings-net	(33,321,183)	(34,398,627)
Carrying Value	(33,321,183)	(34,398,627)
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
Accumulated Equity Earnings-net	(302,602,635)	(333,659,949)
Carrying Value	2,516,414	(28,540,900)
Investment in Prism Energy:		
Acquisition Cost	8,432,400	6,900,000
Additional investment	-	1,532,400
Accumulated Equity Earnings-net	20,387,865	17,275,001
Carrying Value	28,820,265	25,707,401
Investment in AHI:		
Acquisition Cost	976,784,699	976,784,699
Accumulated Equity Earnings-net	750,108,906	679,653,884
Carrying Value	1,726,893,605	1,656,438,583
Investment in MPC:		
Acquisition Cost	2,756,240,000	2,756,240,000
Accumulated Equity Earnings-net	686,186,190	638,145,239
Carrying Value	3,442,426,190	3,394,385,239
Investment in TVI:		
Acquisition Cost	2,155,304,701	2,155,304,701
Accumulated Equity Earnings-net	287,227,110	286,781,176
Carrying Value	2,442,531,811	2,442,085,877
Investment in SREC:		
Acquisition Cost	45,000,000	40,200,000
Additional investment	-	4,800,000
Accumulated Equity Earnings-net	(14,155,505)	(10,635,763)
Carrying Value	30,844,495	34,364,237
Investment in CREC:		
Acquisition Cost	10,593,000	10,592,000
Additional investment	-	1,000
Accumulated Equity Earnings-net	(788,538)	(785,144)
Carrying Value	9,804,462	9,807,856

	March 31, 2021	December 31, 2020
Investment in LWEC:		
Acquisition Cost	12,730,910	12,730,910
Additional investment	-	(2,146,070)
Accumulated Equity Earnings-net	(2,606,869)	
Carrying Value	10,124,041	10,584,840
Investment in FLOWS:		
Acquisition Cost	65,000,000	65,000,000
Accumulated Equity Earnings-net	(2,182,447)	(2,122,511)
Carrying Value	62,817,553	62,877,489
Investment in BFI:		
Acquisition Cost	94,000,000	-
Carrying Value	94,000,000	-
Investment in CIPC:		
Acquisition Cost	102,097,169	102,097,169
Accumulated Equity Earnings-net	61,766,887	55,608,928
Carrying Value	163,864,056	157,706,097
Investment in DPI:		
Acquisition Cost	235,261,426	255,411,833
Additional investment	-	19,849,593
Redemption of shares	-	(40,000,000)
Accumulated Equity Earnings-net	15,789,181	10,532,023
Carrying Value	251,050,607	245,793,449
Total Carrying Value of Investments	₱10,948,233,176	₱11,247,606,324

5. Property, Plant and Equipment

Property, plant and equipment consists of the following major classifications:

	March 31, 2021						
	Land	Plant Machinery and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements
Cost							Construction in Progress
At January 1	₱38,373,755	₱446,465,014	₱36,421,603	₱71,595,486	₱82,393,435	₱108,620,458	₱85,141,819
Additions	54,800,000	396,668	-	3,093,750	446,957	47,100	380,000
Disposal	-	-	-	-	(433,575)	-	-
Reclassification	-	-	-	-	-	7,789,091	-
At December 31	93,173,755	446,861,682	36,421,603	74,689,236	82,406,817	116,456,649	85,521,819
Accumulated Depreciation and Amortization							Construction in Progress
At January 1	-	274,297,222	24,168,840	44,386,158	61,054,645	19,607,611	28,846,292
Depreciation	-	9,292,995	121,782	2,663,025	2,039,641	2,621,527	3,523,595
Disposal	-	-	-	-	(433,575)	-	-
At December 31	-	283,590,217	24,290,622	47,049,183	62,660,711	22,229,138	32,369,887
Net Book Value	₱93,173,755	₱163,271,465	₱12,130,981	₱27,640,053	₱19,746,106	₱94,227,511	₱53,151,932
							₱1,953,480,816
							₱2,426,822,619
	December 31, 2020						
	Land	Plant Machinery and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements
Cost							Construction in Progress
At January 1	30,731,600	₱369,568,177	₱36,421,603	₱61,933,130	₱68,361,383	₱82,290,699	₱50,439,728
Additions	7,742,155	77,012,702	-	10,900,560	9,733,096	645,741	472,091
Reclassification	(100,000)	(115,865)	-	-	4,372,978	25,684,018	34,230,000
Disposal	-	-	-	(1,238,204)	(74,022)	-	-
At December 31	38,373,755	446,465,014	36,421,603	71,595,486	82,393,435	108,620,458	85,141,819
Accumulated Depreciation and Amortization							Construction in Progress
At January 1	-	242,497,577	23,681,714	36,273,281	50,444,337	13,359,106	16,004,497
Depreciation	-	31,823,545	487,126	9,351,081	10,684,330	6,224,605	12,878,401
Reclassification	-	(23,900)	-	-	-	23,900	(36,606)
Disposal	-	-	-	(1,238,204)	(74,022)	-	-
At December 31	-	274,297,222	24,168,840	44,386,158	61,054,645	19,607,611	28,846,292
Net Book Value	38,373,755	₱172,167,792	₱12,252,763	₱27,209,328	₱21,338,790	₱89,012,847	₱56,295,527
							₱1,843,810,605
							₱2,260,461,407

6. Investment Properties

	March 31, 2021	December 31, 2020
Land		
Cost	P733,195,868	P733,195,868
Condominium Units		
Cost	24,084,733	24,084,733
Total Investment Properties	P757,280,601	P757,280,601

Some of the Company's investment properties were leased out to the Parent company and outside parties to earn rental income. Total rental income amounting to Php 0.4 mn and Php 0.3 mn as of end-March 2021 and end-March 2020, respectively, were recorded as part of "Other income" in the consolidated statements of comprehensive income.

Management assessed that there is no significant change in the fair value of the Group's investment properties from the valuation date until March 31, 2021.

Direct costs pertain to real property taxes amounting to Php 1.3 mn and Php 0.9 mn as of end-March 2021 and 2020, respectively, are included under "Taxes and licenses" account in the consolidated statements of comprehensive income.

The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct, or develop investment properties.

7. Other Noncurrent Assets

The details of this account are shown below:

	March 31, 2021	December 31, 2020
Advances to suppliers and other parties	P784,699,716	P718,694,310
Creditable withholding taxes - noncurrent	214,903,425	214,245,466
Input VAT - noncurrent	131,175,100	124,343,584
Goodwill	82,381,116	82,381,116
Financial assets at FVOCI	7,400,000	7,400,000
Software cost – net	978,359	902,260
Others - net of allowance for impairment loss of Php 48.05 mn	41,429,882	19,523,045
	P1,262,967,598	P1,167,489,781

8. Capital Stock

The details of the capital stock account are as follows:

	March 31, 2021	December 31, 2020
Authorized Capital Stock – P1.00 par value		
Authorized - 2,000,000	P2,000,000,000	P2,000,000,000
Issued – 1,023,456,698 shares	1,023,456,698	1,023,456,698

9. Earnings Per Share (EPS)

The financial information pertinent to the derivation of earnings per share follows:

	March 31, 2021	December 31, 2020
Net income attributable to the shareholders of the Parent company	₱141,991,381	₱1,442,131,978
Weighted average number of outstanding common shares	1,023,456,698	1,023,456,698
Basic EPS	₱0.139	₱1.409

10. OTHER DISCLOSURES

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

The principal accounting policies and methods of computation used in the annual financial statements were also followed in the preparation of the interim financial statements.

There are no significant changes in estimates in amounts reported in prior financial years that have a material effect in the current interim period.

There are no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.

There are no material contingencies, events or transactions that are material to an understanding of the current interim period.

Vivant Corporation made full payment on the principal of the 7-year fixed rate note issued on February 3, 2014 and March 31, 2014 for Php. 2.82 bn in February 2021.

Vivant Corporation issued an FRCN last January 27, 2021 with a total size of Php 3.0 bn. Proceeds from the issue were used to partially refinance the balloon payment on the then maturing 7-year FRCN last February 2021 and for general corporate purposes.

The FRCN issue was done in two tranches. The first tranche of notes amounting to Php 1.0 bn and the second tranche of notes amounting to Php 2.0 bn were issued at an interest rate of 3.4510% per annum (p.a.) and 4.3000% p.a., respectively.

The first tranche is for a term of two years and payable on January 27, 2023 while the second tranche is for a term of five years and will mature on January 27, 2026 with principal payment of Php 50.0 mn for the first four years and a balloon payment of Php 1.8 bn on maturity.

The issue was fully subscribed by a consortium of local financial institutions composed of Metropolitan Bank and Trust Company, Land Bank of the Philippines, Robinsons Bank Corporation and BDO Unibank Inc. – Trust and Investment Group as Investment Manager for BDO Life Assurance Company, Inc. and BDO Retirement Fund.

The Company is not required to disclose segment information in its interim financial statements.

There have been no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

There are no contingent liabilities or contingent assets since the last annual balance sheet date.

Financial Instruments and Financial Risk Management

The Company and its subsidiaries (the "Group") are exposed to a variety of financial risks which resulted from its operating and investing activities. The Group focuses on actively securing its short-to-medium term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

Credit Risk

Credit Risk represents the risk of loss the Group would incur if counterparties fail to perform their contractual obligations. The Group's credit risk arises principally from its receivables.

Generally, the maximum credit risk exposure of financial assets is their carrying amount as shown in the balance sheets. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount. The Group's receivables are actively monitored to avoid significant concentrations of credit risk. Please refer to the Note 2.1 of the Notes to the interim Financial Statements as of March 31, 2021 for the aging analysis of the Group's receivables.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors and maintains a level of cash deemed adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances and short-term loans, when necessary.

Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Philippine Peso (PHP), which are United States Dollar (USD) and European Euro (€).

The Group's exposure to foreign currency risk based on amounts is as follows:

	March 31, 2021
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 935,320
	Euro 2,541
Trade Payables	USD –
	Euro –
Gross Exposure	USD 935,320
	Euro 2,541

The average exchange rates for the quarter ended March 31, 2021 are as follows:

US Dollar-Philippine Peso	US\$1 = Php 48.55
Euro-Philippine Peso	Eu€1 = Php 57.79

The exchange rates applicable as of March 31, 2021 are the following:

US Dollar-Philippine Peso	US\$1 = Php 48.53
Euro-Philippine Peso	Eu€1 = Php 56.79

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of March 31, 2021 would have decreased equity and profit by Php 4.6 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of March 31, 2021 would have an equal but opposite effect, on the basis that all other variables remain constant.

The Group absorbs the risk and favorable and unfavorable exchange rate movement as they arise.

The Company neither issues nor invests in complex securities, particularly on derivatives.

The Company does not have investments in foreign securities.

The carrying values of cash and cash equivalents, receivables, trade, and other payables approximate their fair values due to short-term maturity of these instruments.

The Company has minimal financial instruments in the form of available for sale shares of stock which are traded in the market. These financial instruments are however not traded actively.