

Fredlin Agang

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> on behalf of ICTD Submission
Sent: Friday, May 13, 2022 3:10 PM
To: fredlin.agang@vivant.com.ph
Subject: Re: Vivant Corporation_SEC 17Q_Q1 2022

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

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NOTICE

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Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:

AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

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For your information and guidance.

Thank you and keep safe.

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, 2022**

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**

6014

7. Address of issuer's principal office

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

Php 1,023,456,698

Amount of debt outstanding

Php 6,890,853,108

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, 2022 compared with the interim period ended March 31, 2021. 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, 2022 versus YTD March 31, 2021

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 2022	YTD March 2021	YE 2021 Audited
Equity in Net Earnings of Associates and Joint Ventures	74,156	336,583	
EBITDA	330,252	335,376	
Net increase (decrease) in cash and cash equivalents	(166,383)	574,460	
Net cash flows from (used in) operating activities	145,384	(111,538)	
Net cash flows from (used in) investing activities	(192,785)	492,417	
Net cash flows from (used in) financing activities	(118,982)	193,582	
Debt-to-Equity Ratio (x)	0.38	0.39	0.39
Current Ratio (x)	5.44	3.31	5.46

The Company's share in net earnings of associates and joint ventures as of end-March 2022 amounted to Php 74.2 mn, representing a 78% year-on-year (YoY) decrease from Php 336.6 mn. This was a result of the following:

1. Visayan Electric Company (VECO), the Company's distribution utility, posted a Php 7.8 mn net loss contribution during the quarter in review, a reversal from its Php 175.0 mn net income contribution as of end-March 2021. The devastation caused by Typhoon Odette in December 2021 resulted to a prolonged power outage in Cebu. Restoration works of VECO resulted to phased in energization of its franchise area. This translated to a 15% YoY drop in the volume of electricity sold by VECO in the first quarter (Q1) of 2022. Waiver of certain charges as a financial assistance to its customers and the delayed cost recovery of generation charges also contributed to the net loss incurred by VECO during the quarter in review.
2. 20%-owned Therma Visayas, Inc. (TVI) recorded a net loss contribution of Php 78.9 mn as of Q1 2022. This was a reversal from the net income contribution of Php 0.4 mn as of Q1 2021. This was mainly attributed to the reduced power generation (down by 15% YoY) due to the plant's downtime related to Typhoon Odette.
3. 40%-owned Cebu Private Power Corporation (CPPC) recorded a Php 2.9 mn net loss contribution during the quarter in review, 109% lower YoY. This unfavorable performance was mainly a result of the termination of its bilateral contract in August 2021.

4. 40%-owned Prism Energy, Inc. (Prism Energy), a Retail Electricity Supply (RES) company, saw an 80% YoY decline in its income contribution to Php 0.6 mn as of end-Q1 2022. The higher cost of purchased power (up by 16% YoY per kwh) offset the improved topline performance resulting from the 21% YoY rise in the volume of energy sold and 12% YoY rise in average selling price per kwh.

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

1. 40%-owned Minergy Power Corporation (MPC) brought in contributions of Php 74.5 mn, 55% ahead of the Php 48.0 mn earnings contribution as of end-Q1 2021. This was on the back of the 145% YoY topline growth and lower debt service after the principal amortization of a long-term loan and the full payment of a short-term loan.
2. 50%-owned Delta P, Inc. (DPI) recorded an income contribution of Php 11.0 mn, recording a growth of 109% YoY. Electricity demand started to pick up as the economy in the island gradually opened post-pandemic. This, in turn, translated to a 10% YoY increase in volume of energy sold for DPI. Moreover, DPI incurred lower repairs during the quarter in review vis-à-vis costs for preventive maintenance work spent in the same period last year.
3. 50%-owned Calamian Islands Power Corporation (CIPC) showed a 12% YoY rise in its income contribution to Php 6.9 mn as of end-Q1 2022. This was mainly brought about by the 7% YoY rise in volume of energy sold as the overall power demand slowly improved with the relaxed restrictions and a stronger economic environment in the islands.
4. 40.31%-owned Puerto Princesa Water Reclamation and Learning Center, Inc. (PPWRLC) shored in a fresh income contribution of Php 0.5 mn during the quarter in review. This was on account of the earnings from the septage component of its wastewater treatment operations in Palawan.

EBITDA for the period fell by 2% YoY to Php 330.3 mn from Php 335.4 mn. This was mainly an outcome of the 18% YoY decrease in operating income, which stemmed from:

1. Engineering service income went down by 48% YoY. This was mainly due to the 99% YoY decline in the topline performance of 60%-owned Watermatic Philippines, Inc. (WMP). The company had lower service billings during the quarter in review. In 2021, WMP had non-recurring engineering service contracts which were completed during the year. The decline was partially offset by the engineering solutions business of 100%-owned Corenergy, Inc. (Corenergy) as it shored in a revenue of Php 1.7 mn during the first quarter of 2022.
2. 78% YoY contraction in equity earnings resulting from the decrease in the income contributions of four associates as of end-March 2022. These are TVI, VECO, CPPC and Prism Energy.
3. 157% YoY spike in cost of services, which was mainly driven by the 171% YoY surge in generation cost. This was on the back of increased dispatch in 65%-owned Isla Norte Energy Corporation (INEC) and in 1590, higher cost of purchased power of Corenergy as energy sales volume went up, and increased direct costs to service additional customers of 100%-owned Corenergy Solar Solutions Corporation (CSSC).

The cost of generation incurred by 90%-owned Bukidnon Power Corporation (BPC) and North Bukidnon Power Corporation (NBPC) also contributed to the cost expansion as of end-March 2022. Equity stakes in BPC and NBPC were acquired in May 2021.

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

1. Sale of power significantly grew by 131% YoY, from Php 431.5 mn to Php 995.4 mn. This was mainly attributed to the revenue generated by the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

Oil-fired Power Plants

- 95% YoY rise in the total energy sales of 55.2%-owned 1590 Energy Corporation (1590 EC), which was mainly driven by the 131% YoY increase in volume sold at the WESM, coupled with a 6% YoY spike in WESM rates. Moreover, revenues from ancillary services also went up by 59% YoY due to favorable rates during the quarter in review (up by 62% YoY).
- 65%-owned INEC shored in a revenue contribution of Php 124.9 mn (up by 723% YoY) driven by higher energy sales during the period with the completion and operation of its 23.3-MW power generation facility in November 2021.
- 90%-owned BPC and NBPC brought in revenue contributions of Php 20.2 mn and Php 17.2 mn, respectively, as of end-March 2022. The Company, through wholly owned subsidiaries Vivant Energy Corporation (VEC) and Vivant Integrated Diesel Corporation (VIDC) acquired both BPC and NBPC in May 2021.

Retail Electricity Supply

- 100%-owned Corenergy showed higher RES revenues (up 152% YoY) as of end-March 2022. This strong showing was attributed to the rise in contracted capacity, from 8.15 MW as of end-March 2021 to 21.7 MW as of end-March 2022.

Solar Rooftop

- 100%-owned CSSC, posted a 41% YoY expansion in its volume of energy sales on account of improved customer base during the quarter in review.
2. Interest income increased by 6% YoY, which was driven by higher interest rates for short-term investments.
 3. 19% YoY drop in engineering service fees, which was attributed to lower cost of materials, technical and consultancy services for various projects of WMP during the quarter in review.
 4. Operating expenses fell by 37% YoY.

The Company ended the quarter in review with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 166.4 mn. This was a shift from the net increase in cash of Php 574.5 mn as of Q1 2021. Investing activities, which makes up 116% of the net decrease in cash, showed a spending of Php 192.8 mn as of Q1 2022 vis-à-vis the net cash inflows of Php 492.4 mn as of Q1 2021. Adding to this is the net cash outflows from financing activities of Php 119.0 mn as of Q1 2022, likewise, a reversal of the net cash inflows of Php 193.6 mn as of Q1 2021.

These were tempered by the net cash inflow of Php 145.4 mn from operating activities as of end-March 2022.

Operating activities generated a net cash inflow of Php 145.4 mn during the quarter in review, which was attributed to lower payments for trade and other payables and accrued expenses (down by 76% YoY) and collection of trade and non-trade receivables during Q1 2022. This was offset by the purchase of inventories owing to the increased dispatch of 1590 EC and INEC, higher income tax payments by 1590 EC as result of its improved profitability, and income tax payments by two subsidiaries, BPC and NBPC, from taxable year 2021. As of end-March 2021, the Company used cash for operating activities in the amount of Php 111.5 mn.

Investing activities ended the quarter in review with a net cash outflow of Php 192.8 mn. In 2021, the Company posted a net cash inflow of Php 492.4 mn, which was mainly attributed to the dividends from associates as of end-March 2021. Spending during Q1 2022 included 1590 EC's advance payments to a supplier of plant spare parts and supplies and the bid bond for a property acquisition and INEC's input VAT from capital expenditures. These were offset by dividend payments made by two joint ventures (CIPC and DPI) that were declared in 2021.

Financing activities as of end-March 2022 showed a net cash outflow of Php 119.0 mn, versus the Php 193.6 mn net cash inflow as of end-March 2021. As of the same period last year, the inflows mainly stemmed from the net proceeds of the Company's Fixed Rate Corporate Note (FRCN) issued in January 2021 and the proceeds from the bridge financing facility of INEC. Meanwhile, the net cash outflows during the quarter in review mainly pertained to the loan principal amortizations paid by the Company, BPC and NBPC, and the lease payments by the Company, 1590 EC and WMP.

Debt-to-Equity ratio marginally went down to 0.38x as of end-March 2022 vis-à-vis end-2021 level of 0.39x. While total equity was roughly at the same level, total liabilities dipped by 1%. This mainly stemmed from the loan principal amortization payments by the Company, BPC and NBPC; the amortization of the finance lease liability by the Company, 1590 EC, and WMP; and the reduction in pension liability.

The Company's current ratio improved to 5.44x as of end-March 2022 from year-end 2021 level of 5.46x. Current assets fell by 2% given the lower cash levels as of quarter-end, which offset the increase in inventories for fuel of 1590 EC and INEC. On the other hand, current liabilities was lower by 1% from end-2021 level. The amortization of the finance lease liability was offset by the increased accrued income tax booked by four investee companies (1590EC, CSSC, BPC and NBPC) for the first quarter of 2022.

Material Changes in Line Items of Registrant's Income Statement
(YTD March 2022 vs. YTD March 2021)

As of end-March 2022, the Company's total revenues amounted to Php 1.1 bn, recording a 39% YoY increase from Php 777.5 mn in the same period last year.

1. Sale of power significantly grew by 131% YoY, from Php 431.5 mn to Php 995.4 mn. This was mainly attributed to the revenue generated by the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

Oil-fired Power Plants

- 95% YoY rise in the total energy sales of 55.2%-owned 1590 EC, which was mainly driven by the 131% YoY increase in volume sold at the WESM, coupled with a 6% YoY spike in WESM rates. Moreover, revenues from ancillary services also went up by 59% YoY due to favorable rates during the quarter in review (up by 62% YoY).
- 65%-owned INEC shored in a revenue contribution of Php 124.9 mn (up by 723% YoY) driven by higher energy sales during the period with the completion and operation of its 23.3-MW power generation facility in November 2021.
- 90%-owned BPC and NBPC brought in revenue contributions of Php 20.2 mn and Php 17.2 mn, respectively, as of end-March 2022. The Company, through wholly owned subsidiaries VEC and VIDC acquired both BPC and NBPC in May 2021.

Retail Electricity Supply

- 100%-owned Corenergy showed higher RES revenues (up 152% YoY) as of end-March 2022. This strong showing was attributed to the rise in contracted capacity from 8.15 MW as of end-March 2021 to 21.7 MW as of end-March 2022.

Solar Rooftop

- 100%-owned CSSC, posted a 41% YoY expansion in its volume of energy sales on account of improved customer base during the quarter in review.

2. Engineering service income went down by 48% YoY. This was mainly due to the 99% YoY decline in the topline performance of 60%-owned WMP, given its lower service billings during the quarter in review. WMP had non-recurring engineering service contracts which were completed in 2021.

On the other hand, the engineering solutions business of 100%-owned Corenergy shored in a revenue of Php 1.7 mn during the first quarter of 2022.

3. The Company's share in net earnings of associates and joint ventures as of end-March 2022 amounted to Php 74.2 mn, representing a 78% YoY decrease from Php 336.6 mn. This was a result of the following:
 - VECO, the Company's distribution utility, posted a Php 7.8 mn net loss contribution during the quarter in review, a reversal from its Php 175.0 mn net income contribution as of end-March 2021. The devastation caused by Typhoon Odette in December 2021 resulted to a prolonged power outage in Cebu. Restoration works of VECO resulted to phased in energization of its franchise area. This translated to a 15% YoY drop in the volume of electricity sold by VECO in the Q1 of 2022. Waiver of certain charges as a financial assistance to its customers and the delayed cost recovery of generation charges also contributed to the net loss incurred by VECO during the quarter in review.
 - 20%-owned TVI recorded a net loss contribution of Php 78.9 mn as of Q1 2022. This was a reversal from the net income contribution of Php 0.4 mn as of Q1 2021. This was mainly attributed to the reduced power generation (down by 15% YoY) due to the plant's downtime related to Typhoon Odette.

- 40%-owned CPPC recorded a Php 2.9 mn net loss contribution during the quarter in review, 109% lower YoY. This unfavorable performance was mainly a result of the termination of its bilateral contract in August 2021.
- 40%-owned Prism Energy, a RES company, saw an 80% YoY decline in its income contribution to Php 0.6 mn as of end-Q1 2022. The higher cost of purchased power (up by 16% YoY per kwh) offset the improved topline performance resulting from the 21% YoY rise in the volume of energy sold and 12% YoY rise in average selling price per kwh.

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

- 40%-owned MPC brought in contributions of Php 74.5 mn, 55% ahead of the Php 48.0 mn earnings contribution as of end-Q1 2021. This was on the back of the 145% YoY topline growth and lower debt service after principal amortization of a long-term loan and full payment of a short-term loan.
 - 50%-owned DPI recorded an income contribution of Php 11.0 mn, recording a growth of 109% YoY. Electricity demand started to pick up as the economy in the island gradually opened post-pandemic. This, in turn, translated to a 10% YoY increase in volume of energy sold for DPI. Moreover, DPI incurred lower repairs during the quarter in review vis-à-vis costs for preventive maintenance work spent in the same period last year.
 - 50%-owned CIPC showed a 12% YoY rise in its income contribution to Php 6.9 mn as of end-Q1 2022. This was mainly brought about by the 7% YoY rise in volume of energy sold as the overall power demand slowly improved with the relaxed restrictions and a stronger economic environment in the islands.
 - 40.31%-owned PPWRLC shored in a fresh income contribution of Php 0.5 mn during the quarter in review. This was on account of the earnings from the septage component of its wastewater treatment operations in Palawan.
4. Interest income increased by 6% YoY, which was driven by higher interest rates for short-term investments.

Total cost of services and operating expenses as of Q1 2022 expanded by 66% YoY, from Php 523.6 mn to Php 869.1 mn. Said movement can be accounted for by the following:

1. Total cost of services rose by 157% YoY to Php 713.4 mn from Php 277.9 mn. This can be mainly attributed to the 171% YoY increase in generation cost to Php 696.9 mn from Php 257.5 mn, which resulted from the following:
 - (i) Increased fuel cost on the back of the rise in fuel consumption by 1590 EC and INEC;
 - (ii) Higher cost of purchased power incurred by Corenergy as its energy sales volume went up by 114% YoY;
 - (iii) 21% YoY rise in CSSC's cost of service on account of technical services and higher depreciation cost on solar panels with the installation of additional rooftop facilities; and

(iv) Cost of generation of subsidiaries acquired in May 2021, BPC and NBPC.

Meanwhile, engineering service fees shrank by 19% YoY to Php 16.5 mn. This was mainly attributed to the lower cost of materials and technical and consultancy fees for various projects of WMP. This was countered by the increased engineering service fees of Corenergy to carry out its growing service contracts with customers.

2. Salaries and employee benefits went up by 39% YoY to Php 87.1 mn from Php 62.5 mn. Increase in headcount mainly accounted for the cost expansion.
3. Depreciation and amortization increased by 15% YoY to Php 13.4 mn. This was attributed to the depreciation of newly purchased fixed assets.
4. Professional fees were significantly lower by 92% YoY at Php 8.7 mn. In the same period last year, two wholly owned subsidiaries incurred non-recurring legal fees relating to projects.
5. Communication and utilities went up by 34% YoY to Php 2.6 mn. This was mainly due to the settlement of delayed billings from the Company's communications service providers covering the fourth quarter of 2021. Higher consumption of water and electricity as a result of the increased number of employees working on premise also contributed to the increase in cost during the quarter in review.
6. Travel expenses significantly rose by 205% YoY to Php 2.5 mn from Php 0.8 mn. This can be attributed to the higher frequency of business travel brought about by the lifting of travel restrictions that started in the second quarter of 2021.
7. Management fees shrank by 11% YoY to Php 2.4 mn, which can be mainly attributed to the timing of booking of director's per diem.
8. Rent and association dues closed the first quarter of 2022 at Php 1.3 mn, 16% lower YoY. The Company booked higher association dues in the same period last year due to delayed billings from certain months in 2020.
9. Representation expenses went up by 310% YoY to Php 1.2 mn. This was mainly due to the increase in face-to-face business meetings with partners and project stakeholders.
10. Other operating expenses declined to Php 12.2 mn, posting a 67% reduction YoY. This was mainly attributed to the timing of the donation to Vivant Foundation, Inc. (VFI), which was made in the same period last year. The reduced costs of vehicle and office repairs and office supplies in view of the Company's green initiatives also contributed to the favorable YoY variance.

Vivant booked Php 51.4 mn in other charges as of end-March 2022, recording a 6% cut from the Php 48.3 mn in other charges booked in the same period last year. The following account for the movement:

1. Finance costs on loans saw a 50% expansion YoY to Php 54.6 mn. Debt servicing of three of its subsidiaries (INEC, BPC and NBPC) contributed to the cost expansion. This was offset by a 13% drop in the finance cost related to the Company's new FRCN as a result of lower interest rate vis-à-vis the old FRCN, and the principal amortization payment during Q1 2022.

2. Finance costs on lease liabilities dropped by 51% YoY to Php 7.5 mn, which was a result of the amortization of the finance lease under PFRS 16.
3. Unrealized foreign exchange gain is at Php 9.2 mn as of end-March 2022, 410% higher than the Php 1.8 mn as of end-March 2021. This pertains to the translation of the Company's US Dollar and Euro cash balances.
4. Other income went down by 10% YoY from Php 1.8 mn to Php 1.6 mn. As of end-March 2021, the Company, through a subsidiary, received a one-off reimbursement for operating expenses from an associate.

As of Q1 2022, the Company booked a consolidated provision for income tax of Php 44.2 mn, which was 109% higher than the Php 21.2 mn in accrued consolidated income tax provision as of Q1 2021. This was mainly due to the higher earnings of 1590 EC and CSSC on account of improved performance. Provision for income taxes accrued by 90%-owned subsidiaries, BPC and NBPC, also contributed to the increase.

Taking all of the above into account, the Company recorded a total net income of Php 112.5 mn for the period ending March 31, 2022, which is 39% lower than end-March 2021's net income of Php 184.4 mn. Net income attributable to parent, net of the share of the minority shareholders of seven subsidiaries, amounted to Php 35.1 mn, down by 75% YoY.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-March 2022 vs. Year-end 2021)

The Company's total assets was flat at Php 25.0 bn as of end-March 2022. The following are the material movements in the consolidated assets of the Company during the quarter in review.

1. Inventories were higher by 8% at Php 164.2 mn as of end-March 2022. This was attributed to the fuel purchases by 1590 EC and INEC.
2. Right-of-use assets was lower by 12% at Php 387.5 mn, due to the amortization as of end-March 2022.
3. Other noncurrent assets went up by 8% YoY to Php 1.6 bn, which was mainly attributed to a bid bond posted for a project. Rise in noncurrent VAT also contributed to the expansion of this account.

Total consolidated liabilities amounted to Php 6.9 bn as of end-March 2022, slightly lower than the end-2021 level of Php 7.0 bn. This was attributed to the following:

1. The current portion of finance lease liabilities was lower by 29% at Php 142.4 mn. The amortization of the finance lease liabilities of the Company, 1590, and WMP accounted for the contraction.
2. Pension liability was reduced by 14% to Php 53.0 mn. The accrued pension expense was offset by the retirement cost incurred during the quarter in review.

The drop in liabilities was offset by the increase in income tax payable from Php 4.0 mn as of end-December 2021 to Php 35.9 mn as of quarter-end. This was mainly attributed to the increased taxable

income of 1590 EC and CSSC given the improvement in their profitability during the quarter in review. Moreover, income taxes payable of BPC and NBPC were booked following the acquisition of these companies in May 2021.

As a result of net income generated during the period in review, total stockholders' equity increased by 1%, from Php 18.0 bn as of year-end 2021 to Php 18.2 bn as of end-March 2022. Meanwhile, equity attributable to parent was flat at Php 17.0 bn as of March 31, 2022.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-March 2022 vs. End-March 2021)

Cash and cash equivalents were higher by 1% YoY, from Php 5.4 bn as of end-March 2021 to Php 5.5 bn as of end-March 2022.

The Company ended the quarter in review with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 166.4 mn. This was a shift from the net increase in cash of Php 574.5 mn as of Q1 2021. Investing activities, which makes up 116% of the net decrease in cash, showed a spending of Php 192.8 mn as of Q1 2022 vis-à-vis the net cash inflows of Php 492.4 mn as of Q1 2021. Adding to this is the net cash outflows from financing activities of Php 119.0 mn as of Q1 2022, likewise, a reversal of the net cash inflows of Php 193.6 mn as of Q1 2021. These were tempered by the net cash inflow of Php 145.4 mn from operating activities as of end-March 2022.

Operating activities generated a net cash inflow of Php 145.4 mn during the quarter in review, which was attributed to lower payments for trade and other payables and accrued expenses (down by 76% YoY) and collection of trade and non-trade receivables during Q1 2022. This was offset by the purchase of inventories owing to the increased dispatch of 1590 EC and INEC, higher income tax payments by 1590 EC as result of its improved profitability, and income tax payments by two subsidiaries, BPC and NBPC, from taxable year 2021. As of end-March 2021, the Company used cash for operating activities in the amount of Php 111.5 mn.

Investing activities ended the quarter in review with a net cash outflow of Php 192.8 mn. In 2021, the Company posted a net cash inflow of Php 492.4 mn, which was mainly attributed to the dividends from associates as of end-March 2021. Spending during Q1 2022 included 1590 EC's advance payments to a supplier of plant spare parts and supplies and the bid bond for a property acquisition and INEC's input VAT from capital expenditures. These were offset by dividend payments made by two joint ventures (CIPC and DPI) that were declared in 2021.

Financing activities as of end-March 2022 showed a net cash outflow of Php 119.0 mn, versus the Php 193.6 mn in net cash inflow as of end-March 2021. As of the same period last year, the inflows mainly stemmed from the net proceeds of the Company's FRCN issued in January 2021 and the proceeds from the bridge financing facility of INEC. Meanwhile, the net cash outflows during the quarter in review mainly pertained to the loan principal amortizations paid by the Company, BPC and NBPC, and the lease payments by the Company, 1590 EC and WMP.

Financial Ratios

Debt-to-Equity ratio marginally went down to 0.38x as of end-March 2022 vis-à-vis end-2021 level of 0.39x. While total equity was roughly at the same level, total liabilities dipped by 1%. This mainly stemmed from the loan principal amortization payments by the Company, BPC and NBPC; the amortization of the finance lease liability by the Company, 1590 EC and WMP; and the reduction in pension liability.

The Company's current ratio improved to 5.44x as of end-March 2022 from year-end 2021 level of 5.46x. Current assets fell by 2% given the lower cash levels as of quarter-end, which offset the increase in inventories for fuel of 1590 EC and INEC. On the other hand, current liabilities was lower by 1% from end-2021 level. The amortization of the finance lease liability was offset by the increased accrued income tax booked by four investee companies (1590EC, CSSC, BPC and NBPC) for the first quarter of 2022.

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 any material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationships with unconsolidated 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. Construction of the plant is estimated to be completed after a period of 22 to 24 months. 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 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.
- 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.

WATER INFRASTRUCTURE

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

- In June 2021, VHHI was awarded a 25-year Bulk Water Supply Agreement by the Metropolitan Cebu Water District (MCWD). VHHI will build a utility scale desalination plant that will augment the limited bulk water supply of MCWD by twenty thousand cubic meters (20,000 cu.m) per day of treated and potable water.

The Company, through its subsidiaries' business development Group, continuously looks for opportunities in the power and water infrastructure industries, 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 (30%) and debt (70%), 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

Executive Vice President & Chief Corporate Officer;
Chief Finance Officer



MARIA VICTORIA E. SEMBRANO

VP – Controller and Corporate Services for Infra

May 13, 2022

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements

As of March 31, 2022 (with Comparative Audited Consolidated Figures as of
December 31, 2021) and for the Three Months Ended March 31, 2021

VIVANT CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****(With Comparative Figures as of December 31, 2021)****(Amounts in Philippine Pesos)**

	Notes	March 31, 2022	December 31, 2021
ASSETS			
Current Assets			
Cash and cash equivalents	1	₱5,492,798,866	₱5,650,024,939
Trade and other receivables	2	883,584,100	880,046,705
Advances to associates, joint ventures and stockholders	2	276,669,776	276,564,877
Inventories – at cost		164,218,299	152,675,459
Prepayments and other current assets	3	342,041,020	330,572,837
Total Current Assets		7,159,312,061	7,289,884,817
Noncurrent Assets			
Investments in associates and joint ventures	4	11,689,486,622	11,614,930,568
Property, plant and equipment	5	3,343,694,863	3,318,784,838
Right-of-use assets		387,545,848	442,360,406
Investment properties	6	863,642,001	863,642,001
Deferred income tax assets		20,414,257	20,414,257
Other noncurrent assets	7	1,580,964,238	1,467,011,681
Total Noncurrent Assets		17,885,747,829	17,727,143,751
TOTAL ASSETS		₱25,045,059,890	₱25,017,028,568

Notes	March 31, 2022	December 31, 2021
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	₱1,040,675,362	₱ 1,032,237,239
Current portion of lease liabilities	142,439,189	200,707,787
Current portion of long-term notes payable	92,076,898	92,076,898
Advances from related parties	5,689,112	5,689,112
Income tax payable	35,910,120	4,016,925
Total Current Liabilities	1,316,790,681	1,334,727,961
Noncurrent Liabilities		
Long-term notes payable - net of current portion	4,318,488,823	4,381,463,942
Lease liabilities – net of current portion	158,012,021	158,012,021
Pension liability	53,035,733	61,460,008
Deferred income tax liabilities	206,231,919	205,019,567
Other noncurrent liabilities – net of current portion	838,293,931	838,293,931
Total Noncurrent Liabilities	5,574,062,427	5,644,249,469
Total Liabilities	6,890,853,108	6,978,977,430
Equity Attributable to Equity Holders of the Parent		
Capital stock	8	1,023,456,698
Additional paid-in capital		8,339,452
Other components of equity:		
Share in revaluation increment of an associate	1,702,071,167	1,702,071,167
Remeasurement losses on employee benefits	(56,940)	(56,940)
Share in remeasurement losses on employee benefits of associates and a joint venture	(94,016,067)	(94,016,067)
Unrealized valuation gain on financial assets at fair value through other comprehensive income (FVOCI)	4,643,039	4,643,039
Equity reserves	(25,128,554)	(25,128,554)
Retained earnings:		
Appropriated for business expansion	6,198,363,882	6,198,363,882
Unappropriated	8,212,832,971	8,177,690,481
Equity Attributable to Equity Holders of the Parent	17,030,505,648	16,995,363,158
Equity Attributable to Non-controlling Interests	1,123,701,134	1,042,687,980
Total Equity	18,154,206,782	18,038,051,138
TOTAL LIABILITIES AND EQUITY	₱25,045,059,890	₱25,017,028,568

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2022
(With Comparative Figures for the same period in 2021)
(Amounts in Philippine Pesos)**

	2022	2021
REVENUE		
Revenue from contracts with customers		
Sale of power	₱995,398,341	₱431,474,920
Engineering service income	2,231,479	4,290,366
	997,629,820	435,765,286
Equity in net earnings of associates and joint ventures	74,156,055	336,582,753
Interest income	5,439,069	5,118,344
	1,077,224,944	777,466,383
COST OF SERVICES		
Generation costs	696,870,456	257,490,279
Engineering service fees	16,510,257	20,441,733
	713,380,713	277,932,012
OPERATING EXPENSES		
Salaries and employee benefits	87,094,126	62,530,043
Taxes and licenses	20,273,630	20,552,859
Depreciation and amortization	13,364,662	11,605,877
Professional fees	8,716,010	102,895,599
Outside services	4,180,021	4,250,714
Communication and utilities	2,576,175	1,925,198
Travel	2,476,458	811,030
Management fees	2,393,333	2,690,000
Rent and association dues	1,328,264	1,574,501
Representation	1,187,072	289,321
Other operating expenses	12,158,131	36,508,756
	155,747,882	245,633,898
INCOME FROM OPERATIONS	208,096,349	253,900,473
OTHER INCOME (CHARGES)		
Finance costs on loans	(54,625,155)	(36,462,045)
Foreign exchange gain (loss) – net	9,156,834	1,796,141
Finance costs on lease liabilities	(7,540,294)	(15,411,731)
Other income	1,636,346	1,809,674
	(51,372,269)	(48,267,961)
INCOME BEFORE INCOME TAX	156,724,080	205,632,512
PROVISION FOR INCOME TAX	44,224,586	21,205,220
NET INCOME	112,499,494	184,427,292
OTHER COMPREHENSIVE INCOME	–	–
TOTAL COMPREHENSIVE INCOME	₱112,499,494	₱184,427,292
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	₱35,142,490	₱141,991,381
Non-controlling interests	77,357,004	42,435,911
	₱112,499,494	₱184,427,292
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	₱0.034	₱0.139

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2022
(With Comparative Figures for the same period in 2021)
(Amounts in Philippine Pesos)

	2022	2021
REVENUE		
Revenue from contracts with customers		
Sale of power	₱995,398,341	₱431,474,920
Engineering service income	2,231,479	4,290,366
	997,629,820	435,765,286
Equity in net earnings of associates and joint ventures	74,156,055	336,582,753
Interest income	5,439,069	5,118,344
	1,077,224,944	777,466,383
COST OF SERVICES		
Generation costs	696,870,456	257,490,279
Engineering service fees	16,510,257	20,441,733
	713,380,713	277,932,012
OPERATING EXPENSES		
Salaries and employee benefits	87,094,126	62,530,043
Taxes and licenses	20,273,630	20,552,859
Depreciation and amortization	13,364,662	11,605,877
Professional fees	8,716,010	102,895,599
Outside services	4,180,021	4,250,714
Communication and utilities	2,576,175	1,925,198
Travel	2,476,458	811,030
Management fees	2,393,333	2,690,000
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Other operating expenses	12,158,131	36,508,756
	155,747,882	245,633,898
INCOME FROM OPERATIONS	208,096,349	253,900,473
OTHER INCOME (CHARGES)		
Finance costs on loans	(54,625,155)	(36,462,045)
Foreign exchange gain (loss) – net	9,156,834	1,796,141
Finance costs on lease liabilities	(7,540,294)	(15,411,731)
Other income	1,636,346	1,809,674
	(51,372,269)	(48,267,961)
INCOME BEFORE INCOME TAX	156,724,080	205,632,512
PROVISION FOR INCOME TAX	44,224,586	21,205,220
NET INCOME	112,499,494	184,427,292
OTHER COMPREHENSIVE INCOME		
	–	–
TOTAL COMPREHENSIVE INCOME	₱112,499,494	₱184,427,292
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	₱35,142,490	₱141,991,381
Non-controlling interests	77,357,004	42,435,911
	₱112,499,494	₱184,427,292
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	₱0.034	₱0.139

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022
(With Comparative Figures for the same period in 2021)
(Amounts in Philippine Pesos)

	Attributable to Equity Holders of the Parent											Equity Attributable to Non-Controlling Interests	Total Equity
	Capital Stock	Additional Paid-in Capital	Share in Revaluation Increment of an Associate	Remeasurement Losses on Employee Benefits	Share in Remeasurement Losses on Employee Benefits of Associates and a Joint Venture	Unrealized Valuation Gain on Financial Assets at FVOCI	Equity Reserves	Retained Earnings		Total			
							Appropriated	Unappropriated					
Balances at January 1, 2022	₱1,023,456,698	₱8,339,452	₱1,702,071,167	(₱56,940)	(₱94,016,067)	₱4,643,039	(₱25,128,554)	₱6,198,363,882	₱8,177,690,481	₱16,995,363,158	₱1,042,687,980	₱18,038,051,138	
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	35,142,490	35,142,490	77,357,004	112,499,494	
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,656,150	3,656,150	
Balances at March 31, 2022	₱1,023,456,698	₱8,339,452	₱1,702,071,167	(₱56,940)	(₱94,016,067)	₱4,643,039	(₱25,128,554)	₱6,198,363,882	₱8,212,832,971	₱17,030,505,648	₱1,123,701,134	₱18,154,206,782	
Balances at January 1, 2021	₱1,023,456,698	₱8,339,452	₱1,658,598,674	(₱13,035,095)	(₱96,181,114)	₱2,862,209	(₱25,128,554)	₱5,213,900,230	₱7,674,801,422	₱15,447,613,922	₱867,869,497	₱16,315,483,419	
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	141,991,381	141,991,381	42,435,911	184,427,292	
Additional investments of non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	7,166,289	7,166,289	
Balances at March 31, 2021	₱1,023,456,698	₱8,339,452	₱1,658,598,674	(₱13,035,095)	(₱96,181,114)	₱2,862,209	(₱25,128,554)	₱5,213,900,230	₱7,816,792,803	₱15,589,605,303	₱917,471,697	₱16,507,077,000	

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2022
(With Comparative Figures for the same period in 2021)
(Amounts in Philippine Pesos)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱156,724,080	₱205,632,512
Adjustments for:			
Depreciation and amortization		111,362,259	77,870,133
Equity in net earnings of associates and joint ventures		(74,156,055)	(336,582,753)
Finance costs on loans		54,625,155	36,462,045
Unrealized foreign exchange gains		(9,156,834)	(1,796,141)
Finance costs on lease liabilities		7,540,294	15,411,731
Pension expense		7,481,933	3,232,593
Interest income		(5,439,070)	(5,118,344)
Operating income (loss) before working capital changes		248,981,762	(4,888,224)
Decrease (increase) in:			
Trade and other receivables	2	(28,088,939)	(52,016,341)
Inventories		(11,542,840)	45,768,403
Prepayments and other current assets	3	15,496,955	1,459,916
Increase (decrease) in trade and other payables		(11,259,807)	(46,176,727)
Cash generated from (used in) operations		213,587,131	(55,852,973)
Interest paid		(57,017,456)	(55,685,386)
Income taxes paid		(11,186,059)	—
Net cash flows from (used in) operating activities		145,383,616	(111,538,359)

	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other noncurrent assets		(114,090,690)	(95,836,991)
Additions to property, plant and equipment	5	(81,319,592)	(186,623,777)
Advances to suppliers on purchase of fixed assets		(26,965,139)	–
Dividends received from associates and joint ventures		23,880,000	863,555,901
Interest received		6,110,614	5,321,829
Additional investments in and advances to associates and joint ventures	4	(400,000)	(94,000,000)
Net cash flows from (used in) investing activities		(192,784,807)	492,416,962
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans		(63,409,368)	(2,836,500,000)
Lease liabilities		(58,268,599)	(39,548,440)
Cash dividends		(855,000)	–
Debt issue cost		–	(24,545,210)
Additional investments and deposits for future stock subscription of non-controlling interest of a subsidiary		3,656,150	7,166,289
Net payments in advances to / from related parties		(104,900)	(6,716,843)
Proceeds from availment of loans		–	3,093,725,707
Net cash flows from (used in) financing activities		(118,981,717)	193,581,503
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(166,382,907)	574,460,106
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		9,156,834	1,796,141
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD			
Cash and cash equivalents		5,650,024,939	4,872,331,464
Restricted cash		2,003,311	2,002,002
		5,652,028,250	4,874,333,466
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and cash equivalents		5,492,798,866	5,448,587,711
Restricted cash		2,003,119	2,002,002
		₱5,494,801,985	₱5,450,589,713

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 2022

1. Cash and Cash Equivalents

This account consists of:

	March 31, 2022	December 31, 2021
Cash on hand and in banks	₱1,203,046,660	₱523,471,825
Short-term investments	4,289,752,206	5,126,553,114
	₱5,492,798,866	₱5,650,024,939

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

This account consists of:

	March 31, 2022	December 31, 2021
Trade receivables	₱730,066,784	₱713,951,493
Dividend receivable	19,335,000	39,400,000
Accounts receivable	18,361,165	35,226,207
Advances to officers and employees	7,534,051	8,179,942
Accrued interest	6,215,176	6,146,305
Others	157,620,947	131,414,793
	939,133,123	934,318,740
Less allowance for impairment loss	55,549,023	54,272,035
	₱883,584,100	₱880,046,705
Advances to associates, joint ventures and stockholders	₱276,669,776	₱276,564,877

2.1 Aging of Trade and Other Receivables

	March 31, 2022				December 31, 2021			
	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	₱751,631,479	₱95,872,798	₱91,628,846	₱939,133,123	₱804,610,007	₱18,743,937	₱110,964,796	₱934,318,740
Less: Allowance for impairment loss			55,549,023	55,549,023			54,272,035	54,272,035
	₱751,631,479	₱95,872,798	₱36,079,823	₱883,584,100	₱804,610,007	₱18,743,937	₱56,692,761	₱880,046,705

3. Prepayments and Other Current Assets

The composition of this account is shown below:

	March 31, 2022	December 31, 2021
Advances to suppliers and other parties	₱ 156,883,042	₱ 136,928,721
Input VAT - current	118,335,691	124,988,810
Prepaid expenses	33,468,178	40,370,900
Creditable withholding taxes - current	14,361,283	1,713,591
Others	18,992,826	26,570,815
	₱342,041,020	₱330,572,837

4. Investments 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, 2022 follow:

	Nature of Business	Percentage of Ownership	
		2022	2021
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
Culna Renewable Energy Corp. (CREC)	Power generation	35.00	35.00
Lihangin Wind Energy Corporation (LWEC)	Power generation	40.00	40.00
Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWS)	Holding company	45.00	45.00
Puerto Princesa Water Reclamation and Learning Center, Inc. (PPWRLC)	Sewage and septage facility	40.31	40.31
Joint ventures:			
Calamian Islands Power Corp. (CIPC)	Power generation	50.00	50.00
Delta P, Inc. (DPI)	Power generation	50.00	50.00
La Pampang Energy Corp. (LPEC)	Power generation	50.00	50.00

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

	March 31, 2022	December 31, 2021
Investment in VECO:		
Acquisition Cost	₱882,952,562	₱882,952,562
Accumulated Equity Earnings-net	546,992,157	554,746,061
Revaluation Surplus	1,846,259,323	1,846,259,324
Carrying Value	3,276,204,042	3,283,957,947
Investment in LPCI:		
Acquisition Cost	114,750,000	114,750,000
Accumulated Equity Earnings-net	(614,258)	(608,933)
Carrying Value	114,135,742	114,141,067
Investment in GLEDC:		
Acquisition Cost	-	-
Accumulated Equity Earnings-net	(35,102,799)	(34,417,926)
Carrying Value	(35,102,799)	(34,417,926)
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
Accumulated Equity Earnings-net	(113,668,718)	(110,776,342)
Carrying Value	191,450,331	194,342,707
Investment in Prism Energy:		
Acquisition Cost	8,432,400	8,432,400
Additional investment	-	-
Accumulated Equity Earnings-net	22,037,103	21,400,949
Carrying Value	30,469,503	29,833,349
Investment in AHI:		
Acquisition Cost	976,784,699	976,784,699
Accumulated Equity Earnings-net	579,297,410	507,494,520
Carrying Value	1,556,082,109	1,484,279,219
Investment in MPC:		
Acquisition Cost	2,756,240,000	2,756,240,000
Accumulated Equity Earnings-net	692,869,908	618,355,675
Carrying Value	3,449,109,908	3,374,595,675
Investment in TVI:		
Acquisition Cost	2,155,304,701	2,155,304,701
Accumulated Equity Earnings-net	390,651,884	469,520,288
Carrying Value	2,545,956,585	2,624,824,989
Investment in CREC:		
Acquisition Cost	17,468,952	10,593,000
Additional investment	-	6,875,952
Accumulated Equity Earnings-net	(791,027)	(791,027)
Carrying Value	16,677,925	16,677,925
Investment in LWEC:		
Acquisition Cost	14,930,910	12,730,910
Additional investment	400,000	2,200,000
Accumulated Equity Earnings-net	(4,205,827)	(3,774,659)
Carrying Value	11,125,083	11,156,251

	March 31, 2022	December 31, 2021
Investment in FLOWS:		
Acquisition Cost	65,000,000	65,000,000
Accumulated Equity Earnings-net	(2,151,510)	(2,151,510)
Carrying Value	62,848,490	62,848,490
Investment in PPWRLC:		
Acquisition Cost	-	-
Accumulated Equity Earnings-net	(116)	(493,032)
Carrying Value	(116)	(493,032)
Investment in CIPC:		
Acquisition Cost	102,097,169	102,097,169
Accumulated Equity Earnings-net	68,749,702	61,878,074
Carrying Value	170,846,871	163,975,243
Investment in DPI:		
Acquisition Cost	235,261,426	235,261,426
Additional investment	-	-
Redemption of shares	-	-
Accumulated Equity Earnings-net	25,258,408	14,267,350
Carrying Value	260,519,834	249,528,776
Investment in LPEC:		
Acquisition Cost	40,616,354	-
Additional investment	-	40,616,354
Accumulated Equity Earnings-net	(1,453,240)	(936,466)
Carrying Value	39,163,114	39,679,888
Total Carrying Value of Investments	₱11,689,486,622	₱11,614,930,568

5. Property, Plant and Equipment

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

	March 31, 2022								
	Land	Plant Machineries and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements	Construction in Progress	Total
Cost									
At January 1	P44,635,755	P807,181,108	P186,530,988	P86,101,718	P95,659,625	P125,320,911	P86,899,416	P2,444,944,422	P3,877,273,943
Additions	4,500,000	-	-	-	3,641,695	494,205	-	72,683,692	81,319,592
Reclassification	-	1,318,909,939	-	-	-	27,721,493	-	(1,346,631,432)	-
At March 31	49,135,755	2,126,091,047	186,530,988	86,101,718	99,301,320	153,536,609	86,899,416	1,170,996,682	3,958,593,535
Accumulated Depreciation and Amortization									
At January 1	-	340,738,594	29,965,374	46,203,515	72,017,826	26,564,826	42,998,970	-	558,489,105
Depreciation	-	42,232,735	2,397,242	3,187,524	2,567,713	2,475,669	3,548,684	-	56,409,567
At March 31	-	382,971,329	32,362,616	49,391,039	74,585,539	29,040,495	46,547,654	-	614,898,672
Net Book Value	P49,135,755	P1,743,119,718	P154,168,372	P36,710,679	P24,715,781	P124,496,114	P40,351,762	P1,170,996,682	P3,343,694,863

	December 31, 2021								
	Land	Plant Machineries and Equipment	Condominium Units, Building and Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Tools and Other Assets	Leasehold and Land Improvements	Construction in Progress	Total
Cost									
At January 1	38,373,755	₱446,465,014	₱36,421,603	₱71,595,486	₱82,393,435	₱108,620,458	₱85,141,819	₱1,843,810,605	₱2,712,822,175
Acquisition of subsidiaries	6,262,000	353,170,069	150,109,385	–	452,229	–	1,377,597	–	511,371,280
Additions	54,800,000	7,546,025	–	26,424,908	9,298,397	4,178,603	380,000	618,699,916	721,327,849
Reclassification	–	–	–	–	4,888,893	12,677,206	–	(17,566,099)	–
Derecognition from loss of control in a subsidiary	(54,800,000)	–	–	–	–	–	–	–	(54,800,000)
Disposal	–	–	–	(11,918,676)	(1,373,329)	(155,356)	–	–	(13,447,361)
At December 31	44,635,755	807,181,108	186,530,988	86,101,718	95,659,625	125,320,911	86,899,416	2,444,944,422	3,877,273,943
Accumulated Depreciation and Amortization									
At January 1	–	274,297,222	24,168,840	44,386,158	61,054,645	19,607,611	28,846,292	–	452,360,768
Depreciation	–	66,441,372	5,796,534	13,062,346	12,185,677	7,112,570	14,152,678	–	118,751,177
Disposal	–	–	–	(11,244,989)	(1,222,496)	(155,355)	–	–	(12,622,840)
At December 31	–	340,738,594	29,965,374	46,203,515	72,017,826	26,564,826	42,998,970	–	558,489,105
Net Book Value	44,635,755	₱466,442,514	₱156,565,614	₱39,898,203	₱23,641,799	₱98,756,085	₱43,900,446	₱2,444,944,422	₱3,318,784,838

6. Investment Properties

	March 31, 2022	December 31, 2021
Land	P838,460,268	P838,460,268
Condominium Units	25,181,733	25,181,733
Total Investment Properties	P863,642,001	P863,642,001

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 0.6 mn and Php 0.4 mn as of end-March 2022 and end-March 2021, 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, 2022.

Direct costs pertain to real property taxes amounting to Php 0.4 mn and Php 1.3 mn as of end-March 2022 and 2021, 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, 2022	December 31, 2021
Advances to suppliers and other parties	P719,883,518	P636,974,713
Goodwill	299,014,763	299,014,763
Creditable withholding taxes - noncurrent	223,106,903	222,496,037
Input VAT - noncurrent	211,242,966	192,788,560
Financial assets at FVOCI	102,000,000	102,000,000
Software cost – net	1,010,290	1,046,953
Others - net of allowance for impairment loss of Php 46.01 mn	24,705,798	12,690,655
	P1,580,964,238	P1,467,011,681

8. Capital Stock

The details of the capital stock account are as follows:

	March 31, 2022	December 31, 2021
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, 2022	December 31, 2021
Net income attributable to the shareholders of the Parent company	₱35,142,490	₱1,777,031,392
Weighted average number of outstanding common shares	1,023,456,698	1,023,456,698
Basic EPS	₱0.034	₱1.736

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 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. Vivant Corporation made the first principal payment of Php 50.0 mn on January 27, 2022.

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.

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.

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.

The Company has 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, 2022 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, 2022
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 7,648,511
	Euro 1,556,656
Trade Payables	USD –
	Euro –
Gross Exposure	USD 7,648,511
	Euro 1,556,656

The average exchange rates for the quarter ended March 31, 2022 are as follows:

US Dollar-Philippine Peso	US\$1 = Php 52.15
Euro-Philippine Peso	Eu€1 = Php 57.41

The exchange rates applicable as of March 31, 2022 are the following:

US Dollar-Philippine Peso	US\$1 = Php 51.74
Euro-Philippine Peso	Eu€1 = Php 57.99

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of March 31, 2022 would have decreased equity and profit by Php 48.6 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of March 31, 2022 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.