Fredlin Agang

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> on behalf of ICTD Submission
Sent: Friday, November 11, 2022 4:03 PM
To: fredlin.agang@vivant.com.ph
Subject: Re: Vivant Corporation_SEC 17Q_Q3 2022

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD. (Subject to Verification and Review of the Quality of the Attached Document) Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) Secondary Reports such as: 17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

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Further, note that other reports shall be filed thru the ELECTRONIC FILING AND SUBMISSION TOOL (eFAST) 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)

FOR MC28, please go to SEC website:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

COVER SHEET

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S.E.C. Registration Number

P.S.E. Control Number

VIVANT CORPORATION

(Company's Full Name)

9TH FLR. OAKRIDGE IT CENTER 3
OAKRIDGE BUSINESS PARK A.S.
FORTUNA ST MANDAUE CITY, CEBU

(Business Address: No. Street City/Town Province)

Joan A. Giduquio-Baron	(032) 232-0283, 234-2256 and 234-2285
Contact Persons	Telephone Number of the Contact Person

3rd Quarterly Report 2022
SEC FORM 17-Q

1 2	3 1	FORM TYPE	0 6	1 6
Month	Day		Month	Day
Fiscal Year			Annual Meeting	

N/A

Secondary license Type, If Applicable

C F D	
Dept. Requiring this Doc.	Amended Articles Number/Section

1,413	1,023,402,079	54,619
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. Use black ink for scanning purposes

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: **September 30, 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 8,276,783,240**

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 September 30, 2022 compared with the interim period ended September 30, 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) September 30, 2022 versus YTD September 30, 2021

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

Key Performance Indicators *Amounts in Php '000, except for ratios*	**YTD September 2022**	**YTD September 2021**	**YE 2021 Audited**
Equity in Net Earnings of Associates and Joint Ventures	1,077,837	1,324,171	
EBITDA	1,636,273	2,090,313[1]	
Net increase (decrease) in cash and cash equivalents	(488,706)	984,058	
Net cash flows from operating activities	110,837	465,409[2]	
Net cash flows from (used in) investing activities	(1,610,715)	583,140[3]	
Net cash flows from (used in) financing activities	1,011,171	(64,492)	
Debt-to-Equity Ratio (x)	0.44	0.40	0.39
Current Ratio (x)	2.03	5.85	5.46

The Company's share in net earnings of associates and joint ventures as of end-September 2022 amounted to Php 1.1 bn, representing a 19% year-on-year (YoY) decrease from Php 1.3 bn. This was a result of the following:

1. Visayan Electric Company (VECO), the Company's distribution utility, posted a Php 363.4 mn income contribution during the period in review, a 39% drop from its Php 596.3 mn earnings contribution as of end-September 2021. The devastation caused by Typhoon Odette in December 2021 resulted to a prolonged power outage in Cebu. The volume of electricity sold by VECO in the months of January and February 2022 went down by 29% compared to the same period in 2021. Waiver of certain charges as a financial assistance to its customers also contributed to the reduced income contribution. Restoration works of VECO resulted to phased in energization of its franchise area. Consequently, energy sales volume covering March 2022 up to end-September 2022 increased by 4% YoY due to recovering demand. Moreover, the delayed recovery of generation charges contributed to the lower profit contribution for the period.

2. 40%-owned Cebu Private Power Corporation (CPPC) recorded a Php 36.7 mn net loss contribution during the period in review, a reversal of the Php 101.3 mn in net income

[1] Reported as Php 2,101,104 in the September 2021 SEC 17-Q3 report. The change is to eliminate an intra-group engineering services revenue.

[2] Reported as Php 484,084 in the September 2021 SEC 17-Q3 report resulting from the change described in Note 1.

[3] Reported as Php 564,465 in the September 2021 SEC 17-Q3 report resulting from the change described in Note 1.

contribution in the same period last year. Revenue from its sale of energy to the Wholesale Electricity Spot Market (WESM) rose by 126% YoY, but this did not fully compensate for the termination of its bilateral contract in August 2021.

3. 40%-owned Prism Energy, Inc. (Prism Energy), a Retail Electricity Supply (RES) company, saw an 85% YoY decline in its income contribution to Php 2.5 mn as of end-September 2022. Cost of purchased power went up by 22% YoY per kilowatt-hour (kWh) that outweighed the 2% YoY rise in the volume of energy sold.

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

1. 40%-owned Abovant Holdings Inc. (AHI) posted a 7% increase in its income contribution to Php 268.1 mn as of end-September 2022 from Php 249.5 mn as of end-September 2021. This was driven by the increase in profitability of its associate, Cebu Energy Development Corporation (CEDC). CEDC's robust performance during the period in review was on the back of higher contracted capacity and reduced debt service.

2. 40%-owned Minergy Power Corporation (MPC) brought in contributions of Php 222.9 mn, 27% ahead of the Php 175.0 mn earnings contribution as of end-September 2021. This was on account of the 33% YoY growth in the revenues from bilateral contracts and lower debt service after the principal amortizations of a long-term loan were made in January and July 2022.

3. 20%-owned Therma Visayas, Inc. (TVI) recorded an income contribution of Php 188.6 mn as of end-September 2022, which was 12% higher YoY from Php 167.8 mn. This was mainly attributed to higher profits from its WESM sales (up by 30% YoY) as volume of energy sold increased by 23% YoY. Deferred income tax benefit from unrealized foreign exchange losses also contributed to the improved net income contribution during the period in review. However, this strong showing was offset by lower profit from bilateral contracts (down by 5% YoY) due to the destruction caused by Typhoon Odette in December 2021 and lower profit from RES contracts (down by 11% YoY) due to increased cost of power.

4. 50%-owned Delta P, Inc. (DPI) recorded a 66% YoY growth in its income contribution to Php 32.1 mn as of end-September 2022. This was mainly attributed to the 28% YoY increase in volume of energy sold during the period. As the island of Palawan opened up, the local economy has shown recovery with business activities picking up. Moreover, DPI incurred lower cost of repairs during the period in review.

5. 50%-owned Calamian Islands Power Corporation (CIPC) showed a 66% YoY rise in its income contribution to Php 31.4 mn as of end-September 2022. This was mainly brought about by the 26% YoY rise in volume of energy sold backed by the recovery in economic activities in the islands.

6. 45%-owned Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWS), through its 89.58%-owned subsidiary, Puerto Princesa Water Reclamation and Learning Center, Inc. (PPWRLC), shored in a fresh income contribution of Php 8.7 mn during the period in review. This was on account of the earnings from the sewage and septage component of its wastewater treatment operations in Palawan.

EBITDA for the period fell by 22% YoY to Php 1.6 bn from Php 2.1 bn. This was mainly an outcome of the 28% YoY decrease in operating income, which stemmed from:

1. 19% YoY contraction in equity earnings resulting from the decrease in the income contributions of three associates as of end-September 2022. These are VECO, CPPC and Prism Energy.

2. 79% YoY spike in cost of services as generation cost was 86% higher YoY. This was on the back of the increased dispatch of 65%-owned Isla Norte Energy Corporation (INEC), higher plant repairs and depreciation incurred by 55.2%-owned 1590 Energy Corporation (1590 EC), higher cost of purchased power of Corenergy Inc. (Corenergy) as energy sales volume went up, and the increased direct costs incurred to service additional customers of 100%-owned Corenergy Solar Solutions Corporation (CSSC) as of end-September 2022.

   The cost of operating a solar energy supply contract by 100%-owned Vivant Solar Corporation (VSC) starting in January 2022, cost of generation incurred by 90%-owned Bukidnon Power Corporation (BPC) and North Bukidnon Power Corporation (NBPC) and the direct costs incurred by newly incorporated 65%-owned Isla Norte Power Corporation (INPC) also contributed to the cost expansion during the period in review. Equity stakes in BPC and NBPC were acquired in May 2021 while INPC was incorporated in February 2022.

3. Operating expenses rose by 5% YoY.

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

1. Sale of power grew by 34% YoY to Php 3.1 bn from Php 2.3 bn. 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
   - 65%-owned INEC shored in a revenue contribution of Php 224.8 mn (up by 596% 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 76.8 mn and Php 54.0 mn, respectively, as of end-September 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.

   - 65%-owned INPC[4], a newly incorporated power generation company, brought in fresh revenue contribution of Php 313.5 mn.

   Retail Electricity Supply
   - 100%-owned Corenergy showed higher RES revenues (up 113% YoY) as of end-September 2022. This strong showing was attributed to the rise in contracted capacity on its bilateral contracts, from 19.2 MW as of end-September 2021 to 22.9 MW as of end-September 2022. Moreover, Corenergy sold its excess capacity to the WESM that shored in a revenue of Php 59.3 mn during the period in review vis-à-vis Php 8.5 mn as of end-September 2021.

[4] INPC was incorporated with the Philippine Securities and Exchange Commission on February 14, 2022. It started commercial operations on May 6, 2022 by leasing the power facility owned and operated by INEC.

Solar Rooftop

- 100%-owned CSSC, posted a 42% YoY expansion in its volume of energy sales on account of improved customer base during the period in review.

- 100%-owned VSC contributed fresh revenue of Php 2.3 mn resulting from the operation of its solar energy supply contract starting in January 2022.

However, 55.2%-owned 1590 EC saw a drop in topline performance to Php 2.0 bn as of end-September 2022, 3% lower YoY. This was on account of lower revenue from ancillary services (volume down by 9% YoY) and WESM sales (volume down by 9% YoY).

2. Management and service fees grew by 160% YoY. This was due to a service level agreement with an associate that was executed in the fourth quarter of 2021. Also, management and service fees with two joint ventures slightly increased during the period in review.

3. Engineering service income went up by 19% YoY. This was mainly due to the improved earnings from the engineering solutions business of Corenergy, which shored in a revenue of Php 29.9 mn as of end-September 2022. Meanwhile, 60%-owned Watermatic Philippines, Inc. (WMP) saw a 92% YoY decline in its topline performance due to lower service billings during the semester in review. In 2021, WMP had engineering service contracts which were completed in the same year.

4. Engineering service fees were 63% lower YoY, which was mainly a consequence of the reduced service billings of WMP during the period in review as most contracts were completed in 2021. On the other hand, Corenergy saw a significant increase in its engineering cost (up by 324% YoY) to service a robust growth in its engineering solutions business.

5. Interest income increased by 59%, which was driven by higher interest rates for short-term investments.

The Company ended the period in review with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 488.7 mn. This was a shift from the net increase in cash of Php 984.1 mn as of end-September 2021. Investing activities, which significantly accounted for the net decrease in cash, showed a spending of Php 1.6 bn as of end-September 2022 vis-à-vis the net cash inflows of Php 583.1 mn as of end-September 2021. The net decrease was tempered by the net cash inflows of Php 1.0 bn from financing activities and Php 110.8 mn from operating activities as of the period in review.

Operating activities showed a net cash inflow of Php 110.8 mn during the period in review, which mainly stemmed from the timing of payment of trade and other payables and accrued expenses (mostly in INEC, 1590 EC, CORE, and WMP). This was tempered by the cash usage on the purchase of fuel inventories (due to increased dispatch of INEC), increase in trade receivables (due to improved operations of INPC, Corenergy and CSSC), and advance payment to suppliers (mostly for WMP's technical and engineering service providers). For the same period in 2021, the Company generated cash from operating activities in the amount of Php 465.4 mn.

Investing activities ended the period in review with a net cash outflow of Php 1.6 bn. In 2021, the Company posted a net cash inflow of Php 583.1 mn, which was mainly attributed to the dividends from associates and the proceeds from the sale of an associate. The significant spending as of end-September 2022 was on account of the following:

1. 1590 EC's purchase of the previously leased Bauang Diesel Power Plant (BDPP);
2. Capital expenditure for the acquisition of a real property by INPC and purchase of equipment by INEC, pre-development costs for a desalination plant, solar projects of CSSC and VSC, and the Company's purchase of vehicles and furniture; and
3. Additional investments in an associate and a financial asset.

These were offset by dividends received from VECO, AHI, MPC, CIPC, and DPI.

Financing activities as of end-September 2022 generated cash in the amount of Php 1.0 bn, a reversal of the Php 64.5 mn net cash outflow as of end-September 2021. The inflows during the period in review mainly stemmed from 1590 EC's short-term loan, which was used to settle the advances from its shareholders, and the proceeds from the additional equity infusion made by its minority shareholders to fund the purchase of the BDPP. Also, proceeds from the additional investments of the minority shareholder of INEC, NBPC's long term loan drawn in June 2022 (net of the settlement of another loan), and INPC's long term loan drawn in July 2022 were additional sources of cash. Meanwhile, spending as of end-September 2021 were mainly for the payment of cash dividends, lease payments by the Company, 1590 EC, and WMP, debt issue cost for the Company's fixed rate corporate notes (FRCN) and INEC's loan, and additional advances to related parties.

Debt-to-Equity ratio went up to 0.44x as of end-September 2022, vis-à-vis as end-December 2021 level of 0.39x. Total liabilities increased by 19%, which was mainly attributed to the short-term loan of 1590 EC used to pay off the advances from its shareholders to fund the purchase of the BDPP. Trade and other payables also went up on the back of improved operations of INPC and Corenergy, increased fuel billings of INEC, on-going engineering work for a project of WMP, price increases for fuel and spare parts seen in 1590 EC, and dividend declaration by the Company. Meanwhile, total equity rose by 5%, which stemmed from the earnings, net of the dividends declared by the Company, during the period in review.

The Company's current ratio declined to 2.03x as of end-September 2022 from year-end 2021 level of 5.46x. Current liabilities significantly grew by 171% from end-2021 level. The short-term loan of 1590 EC and the reclassification of the Company's Php 1.0 bn FRCN maturing on January 2023 from non-current to current liability, and the increase in trade and other payables as a result of improved operations and price increases for fuel and spare parts contributed to the rise in current liabilities. On the other hand, current assets rose by 1%. The lower cash levels as of period-end were offset by the increase in trade receivables given the improved operations of INEC, CSSC, and VSC, and the purchase of fuel inventories of 1590 EC and INEC.

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

As of end-September 2022, the Company's total revenues amounted to Php 4.3 bn, recording a 16% YoY increase from Php 3.7 bn[5].

[5] Reported as Php 3.8 bn in the September 2021 SEC 17-Q3 report resulting from the change described in Note 1.

1. Sale of power grew by 34% YoY to Php 3.1 bn from Php 2.3 bn. 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
   - 65%-owned INEC shored in a revenue contribution of Php 224.8 mn (up by 596% 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 76.8 mn and Php 54.0 mn, respectively, as of end-September 2022. The Company, through wholly owned subsidiaries VEC and VIDC acquired both BPC and NBPC in May 2021.

   - 65%-owned INPC, a newly incorporated power generation company, brought in fresh revenue contribution of Php 313.5 mn.

   Retail Electricity Supply
   - 100%-owned Corenergy showed higher RES revenues (up 113% YoY) as of end-September 2022 This strong showing was attributed to the rise in contracted capacity on its bilateral contracts, from 19.2 MW as of end-September 2021 to 22.9 MW as of end-September 2022. Moreover, Corenergy sold its excess capacity to the WESM that shored in a revenue of Php 59.3 mn during the period in review vis-à-vis Php 8.5 mn as of end-September 2021.

   Solar Rooftop
   - 100%-owned CSSC, posted a 42% YoY expansion in its volume of energy sales on account of improved customer base during the period in review.

   - 100%-owned VSC contributed fresh revenue of Php 2.3 mn resulting from the operation of its solar energy supply contract starting in January 2022.

   However, 55.2%-owned 1590 EC saw a drop in topline performance to Php 2.0 bn as of end-September 2022, 3% lower YoY. This was on account of lower revenue from ancillary services (volume down by 9% YoY) and WESM sales (volume down by 9% YoY).

2. Management and service fees grew by 160% YoY. This was due to a service level agreement with an associate that was executed in the fourth quarter of 2021. Also, management and service fees with two joint ventures slightly increased during the period in review.

3. Engineering service income went up by 19% YoY. This was mainly due to the improved earnings from the engineering solutions business of Corenergy, which shored in a revenue of Php 29.9 mn as of end-September 2022. Meanwhile, 60%-owned WMP saw a 92% YoY decline in its topline performance due to lower service billings during the semester in review. In 2021, WMP had engineering service contracts which were completed in the same year.

4. The Company's share in net earnings of associates and joint ventures as of end-September 2022 amounted to Php 1.1 bn, representing a 19% YoY decrease from Php 1.3 bn. This was a result of the following:

- VECO, the Company's distribution utility, posted a Php 363.4 mn income contribution during the period in review, a 39% drop from its Php 596.3 mn earnings contribution as of end-September 2021. The devastation caused by Typhoon Odette in December 2021 resulted to a prolonged power outage in Cebu. The volume of electricity sold by VECO in the months of January and February 2022 went down by 29% compared to the same period in 2021. Waiver of certain charges as a financial assistance to its customers also contributed to the reduced income contribution. Restoration works of VECO resulted to phased in energization of its franchise area. Consequently, energy sales volume covering March 2022 up to end-September 2022 increased by 4% YoY due to recovering demand. Moreovver, the delayed recovery of generation charges contributed to the lower profit contribution for the period.

- 40%-owned CPPC recorded a Php 36.7 mn net loss contribution during the period in review, a reversal of the Php 101.3 mn in net income contribution in the same period last year. Revenue from its sale of energy to the WESM rose by 126% YoY, but this did not fully compensate for the termination of its bilateral contract in August 2021.

- 40%-owned Prism Energy, a RES company, saw an 85% YoY decline in its income contribution to Php 2.5 mn as of end-September 2022. Cost of purchased power went up by 22% YoY per kilowatt-hour (kWh) that outweighed the 2% YoY rise in the volume of energy sold.

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

- 40%-owned AHI posted a 7% increase in its income contribution to Php 268.1 mn as of end-September 2022 from Php 249.5 mn as of end-September 2021. This was driven by the increase in profitability of its associate, CEDC. CEDC's robust performance during the period in review was on the back of higher contracted capacity and reduced debt service.

- 40%-owned MPC brought in contributions of Php 222.9 mn, 27% ahead of the Php 175.0 mn earnings contribution as of end-September 2021. This was on account of the 33% YoY growth in the revenues from bilateral contracts and lower debt service after the principal amortizations of a long-term loan were made in January and July 2022.

- 20%-owned TVI recorded an income contribution of Php 188.6 mn as of end-September 2022, which was 12% higher YoY from Php 167.8 mn. This was mainly attributed to higher profits from its WESM sales (up by 30% YoY) as volume of energy sold increased by 23% YoY. Deferred income tax benefit from unrealized foreign exchange losses also contributed to the improved net income contribution during the period in review. However, this strong showing was offset by lower profit from bilateral contracts (down by 5% YoY) due to the destruction caused by Typhoon Odette in December 2021 and lower profit from RES contracts (down by 11% YoY) due to increased cost of power.

- 50%-owned DPI recorded a 66% YoY growth in its income contribution to Php 32.1 mn as of end-September 2022. This was mainly attributed to the 28% YoY increase in volume of energy sold during the period. As the island of Palawan opened up, the local economy has shown recovery with business activities picking. Moreover, DPI incurred lower cost of repairs during the period in review.

- 50%-owned CIPC showed a 66% YoY rise in its income contribution to Php 31.4 mn as of end-September 2022. This was mainly brought about by the 26% YoY rise in volume of energy sold backed by the recovery in economic activities in the islands.

- 45%-owned FLOWS, through its 89.58%-owned subsidiary, PPWRLC, shored in a fresh income contribution of Php 8.7 mn during the period in review. This was on account of the earnings from the sewage and septage component of its wastewater treatment operations in Palawan.

5. Interest income increased by 59%, which was driven by higher interest rates for short-term investments.

Total cost of services and operating expenses as of end-September 2022 expanded by 57% YoY, from Php 1.9 bn[6] to Php 3.0 bn. Said movement can be accounted for by the following:

1. Total cost of services rose by 79% YoY to Php 2.4 bn from Php 1.3 bn[7]. This can be mainly attributed to the 86% YoY increase in generation cost to Php 2.4 bn from Php 1.3 bn, which resulted from the following:

   - Increased fuel cost on the back of the rise in fuel consumption by INEC given increased dispatch;

   - Hike in the prices of spare parts for plant repairs and higher depreciation expense seen in 1590 EC;

   - Higher cost of purchased power incurred by Corenergy as energy sales volume of its RES business went up by 53% YoY;

   - 24% YoY and 126% YoY rise in CSSC's and VSC's cost of service, respectively, on account of technical services and higher depreciation cost on solar panels with the installation of additional rooftop facilities; and

   - Cost of generation of BPC and NBPC, which were acquired in May 2021.

   Meanwhile, engineering service cost shrank by 63% YoY to Php 22.6 mn. This was mainly attributed to the effect of the engineering service contracts of WMP which were completed in 2021. 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 28% YoY to Php 301.8 mn from Php 236.3 mn. Increase in headcount, salary rate and the payment of the annual performance bonus mainly accounted for the cost expansion.

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6 Reported as Php 2.0 mn in the September 2021 SEC 17-Q3 report resulting from the change described in Note 1.

7 Reported as Php 1.4 bn in the September 2021 SEC 17-Q3 report resulting from the change described in Note 1.

3. Taxes and licenses significantly grew by 193% YoY to Php 89.8 mn from Php 30.6 mn. This was mainly caused by the payment of documentary stamp tax (DST) related to the purchase of the BDPP and infusions to subsidiaries and a joint venture.

4. Professional fees were significantly lower by 66% YoY at Php 49.5 mn. In the same period last year, three subsidiaries incurred non-recurring legal fees relating to projects.

5. Depreciation and amortization increased by 5% YoY to Php 39.8 mn. This was attributed to the depreciation of newly acquired BDPP and other fixed assets.

6. Travel expenses significantly rose by 74% YoY to Php 12.9 mn. This can be attributed to the increased frequency of business travel brought about by the lifting of travel restrictions that started in the second quarter of 2021.

7. Outside services dropped by 37% YoY to Php 12.5 mn from Php 20.0 mn. Cost incurred as of end-September 2021 included delayed billings for cloud hosting services covering 2020 and a geo-technical study for a power project. There are no similar billings as of end-September 2022.

8. Communication and utilities were higher by 26% YoY to Php 9.3 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 period in review.

9. Representation expenses went up by 26% YoY to Php 5.7 mn. This was mainly due to the increase in face-to-face business meetings with partners and project stakeholders.

10. Rent and association dues as of end-September 2022 was at Php 3.5 mn, 30% lower YoY. As of end-September 2021, the Company incurred delayed billings for common use service area (CUSA) and association dues covering various months in 2020.

11. Other operating expenses declined to Php 57.1 mn, posting a 7% reduction YoY. This was mainly due to the lower donation made to Vivant Foundation, Inc. (VFI). 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 164.1 mn in other charges as of end-September 2022, recording an increase of 38% from the Php 118.6 mn in other charges booked in the same period last year. The following account for the movement:

1. Finance costs on loans saw a 56% YoY expansion to Php 171.2 mn. Debt servicing of three subsidiaries accounted for the cost expansion. In 2021, INEC's finance cost was capitalized prior to the start of commercial operation in November 2021. In addition, finance cost from BPC and NBPC as of end-September 2022 covers nine months whereas finance cost as of end-September 2021 covers four months since equity stakes in BPC and NBPC were acquired in May 2021. Meanwhile, the reduced borrowing rate of the Company's new FRCN and the principal amortization payments as of end-September 2022 tempered the cost expansion.

2. Other charges of Php 48.5 mn was posted as of end-September 2022. This was mainly attributed to the recognition of a one-off loss resulting from the derecognition of 1590 EC's right-of-use asset and lease liability upon acquisition of the power plant in April 2022. This was

tempered by a one-off gain which resulted from the collection of additional proceeds from a share sale transaction entered into and executed by two subsidiaries in 2018. Meanwhile, the Company, through a subsidiary, booked other income of Php 20.7 mn as of end-September 2021 pertaining to one-off billings for the reimbursement of operating expenses to an associate.

3. As of end-September 2021, there were one-off gains booked by the Company through its subsidiaries. These were the following:

    - VEC and 100%-owned Vivant Renewable Energy Corporation (VREC) booked a net gain of Php 3.7 mn on the sale of their equity stake in an associate.
    - VEC booked a gain of Php 3.6 mn for the dilution of its equity stake (from 100% to 50%) in a company that will undertake a 15-MW on-grid bunker-fired power plant project in Pampanga.
    - 50.94%-owned Hijos de F. Escano, Inc. (HDFE) recorded a gain on sale of its AFS investment at Php 0.6 mn.

The increase in other charges were offset by the following:

1. Finance costs on lease liabilities dropped by 80% YoY to Php 8.6 mn, which was mainly due to the derecognition of 1590 EC's finance lease liability related to the purchase of the BDPP. Amortization of the finance lease under PFRS 16 recognized by the Company and WMP also contributed to the decrease.

2. Unrealized foreign exchange gain stands at Php 64.3 mn as of end-September 2022. This pertains to the translation of the US Dollar and Euro cash balances of the Company and a subsidiary.

As of end-September 2022, the Company booked a consolidated provision for income tax of Php 87.3 mn, which was 28% lower than the Php 122.0 mn in accrued consolidated income tax provision as of end-September 2021. This was mainly due to the lower taxable income of 1590 EC and INEC.

Taking all of the above into account, the Company recorded a total net income of Php 1.0 bn for the period ending September 30, 2022, which is 33% lower than end-September 2021's net income of Php 1.6 bn. Net income attributable to parent, net of the share of the minority shareholders of eight subsidiaries, amounted to Php 943.3 mn, down by 24% YoY.

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

The Company's total assets grew by 9% from end-2021's level of Php 25.0 bn to Php 27.2 bn. The following are the material movements in the consolidated assets of the Company during the period in review.

1. Cash and cash equivalents was reduced to Php 5.2 bn as of end-September 2022. Spending for investing activities of Php 1.6 bn mainly drove the decrease in cash. This was partly offset by the cash inflows from operating activities amounting to Php 110.8 mn albeit lower than the cash inflows of Php 477.9 mn as of end-2021, and financing activities amounting to Php 1.0 bn, a reversal from the cash outflows of Php 283.7 mn as of end-2021.

2. Trade and other receivables went up by 43% to Php 1.3 bn as of end-September 2022 from Php 880.0 mn as of end-2021. This was mainly attributed to the improved operations of INEC, Corenergy, CSSC, and fresh earnings from INPC.

3. Inventories were higher by 24% to Php 188.9 mn as of end-September 2022. This was attributed to the fuel purchases by 1590 EC and INEC.

4. Prepayments and other current assets grew by 21% to Php 400.5 mn. During the period in review, WMP made advance payments to an engineering and technical services provider for an on-going engineering project. Also, the increase in creditable withholding tax and deferred input VAT were mostly in INEC and Corenergy on the back of improved operations, and in the Company, VEC and 100%-owned Vivant Infracore Holdings, Inc (VIHI).

5. Property, plant, and equipment rose by 69% to Php 5.6 bn, which was mainly attributed to the acquisition of the BDPP by 1590 EC. Other capital expenditures that contributed to the asset expansion during the period in review include land acquisition and equipment purchase by oil-fired plants, pre-development costs for a water desalination plant of wholly-owned Isla Mactan-Cordova Corporation (IMCC), solar projects of CSSC, and purchase of service vehicles and other assets by the Company.

6. Right-of-use assets (ROU) significantly dropped by 95% at Php 22.3 mn. This was on account of the derecognition of the ROU booked in 1590 EC as the lease contract for the BDPP was terminated resulting from its acquisition of the same asset. This was further reduced by the recurring amortization of the ROUs booked in the Company and WMP.

7. Other noncurrent assets went up by 23% to Php 1.8 bn, which was mainly attributed to the investment in a financial asset. Rise in noncurrent VAT also contributed to the expansion of this account.

Total consolidated liabilities amounted to Php 8.3 bn as of end-September 2022, 19% higher than the end-2021 level of Php 7.0 bn. This was attributed to the following:

1. Short-term notes amounting to Php 1.1 bn was drawn by 1590 EC. Proceeds of which were used to settle the shareholder advances that funded the purchase of BDPP.

2. Trade and other payables grew by 34% to Php 1.4 bn. This was mainly attributed to higher deferred output VAT posted in INPC and increased billings for purchased power, materials and engineering service contracts seen in Corenergy, both of which resulted from these companies' improved operations. The increased fuel billings of INEC, the on-going engineering work for a project of WMP, price increases for fuel and spare parts seen in INEC and 1590 EC, and dividend declaration by the Company also contributed to the liability expansion.

3. Advances from related parties went up to Php 8.5 mn from Php 5.7 mn. This was mainly attributed to INPC's advances from its minority shareholder.

4. Income tax payable significantly increased by 274% to Php 15.0 mn, which was attributed to the taxable earnings of 1590 EC, Corenergy, INPC, BPC, NBPC, and 100%-owned Vivant Integrated Generation Corp. (VIGC).

5. Pension liability rose by 13% to Php 69.2 mn as accruals for pension were booked by the Company, VEC, and VIHI.

The acquisition of the BDPP resulted to the derecognition of the related finance lease liability and deferred income tax liabilities booked in 1590 EC. Consequently, current and non-current finance lease liabilities dropped to Php 27.1 mn (down by 92%) and deferred income tax liability reduced to Php 182.7 mn (11% lower YoY).

As a result of net income generated, net of the dividends declared during the period in review, total stockholders' equity increased by 5%, from Php 18.0 bn as of year-end 2021 to Php 18.9 bn as of end-September 2022. Meanwhile, equity attributable to parent was flat at Php 17.5 bn as of September 30, 2022.

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

Cash and cash equivalents fell by 11% YoY, from Php 5.9 bn as of end-September 2021 to Php 5.2 bn as of end-September 2022.

The Company ended the period in review with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 488.7 mn. This was a shift from the net increase in cash of Php 984.1 mn as of end-September 2021. Investing activities, which significantly accounted for the net decrease in cash, showed a spending of Php 1.6 bn as of end-September 2022 vis-à-vis the net cash inflows of Php 583.1 mn as of end-September 2021. The net decrease was tempered by the net cash inflows of Php 1.0 bn from financing activities and Php 110.8 mn from operating activities as of the period in review.

Operating activities showed a net cash inflow of Php 110.8 mn during the period in review, which mainly stemmed from the timing of payment of trade and other payables and accrued expenses (mostly in INEC, 1590 EC, CORE, and WMP). This was tempered by the cash usage on the purchase of fuel inventories (due to increased dispatch of INEC), increase in trade receivables (due to improved operations of INPC, Corenergy and CSSC), and advance payment to suppliers (mostly for WMP's technical and engineering service providers). For the same period in 2021, the Company generated cash from operating activities in the amount of Php 465.4 mn.

Investing activities ended the period in review with a net cash outflow of Php 1.6 bn. In 2021, the Company posted a net cash inflow of Php 583.1 mn, which was mainly attributed to the dividends from associates and the proceeds from the sale of an associate. The significant spending as of end-September 2022 was on account of the following:

1. 1590 EC's purchase of the previously leased BDPP;
2. Capital expenditure for the acquisition of a real property by INPC and purchase of equipment by INEC, pre-development costs for a desalination plant, solar projects of CSSC and VSC, and the Company's purchase of vehicles and furniture; and
3. Additional investments in an associate and a financial asset.

These were offset by dividends received from VECO, AHI, MPC, CIPC, and DPI.

Financing activities as of end-September 2022 generated cash in the amount of Php 1.0 bn, a reversal of the Php 64.5 mn net cash outflow as of end-September 2021. The inflows during the period in review mainly stemmed from 1590 EC's short-term loan, which was used to settle the advances from its shareholders, and the proceeds from the additional equity infusion made by its minority shareholders to fund the purchase of the BDPP. Also, proceeds from the additional investments of the minority shareholder of INEC, NBPC's long term loan drawn in June 2022 (net of the settlement of another loan), and INPC's long term loan drawn in July 2022 were additional sources of cash. Meanwhile, spending as of end-September 2021 were mainly for the payment of cash dividends, lease payments by the Company, 1590 EC, and WMP, debt issue cost for the Company's FRCN and INEC's loan, and additional advances to related parties.

Financial Ratios

Debt-to-Equity ratio went up to 0.44x as of end-September 2022, vis-à-vis as end-December 2021 level of 0.39x. Total liabilities increased by 19%, which was mainly attributed to the short-term loan of 1590 EC used to pay off the advances from its shareholders to fund the purchase of the BDPP. Trade and other payables also went up on the back of improved operations of INPC and Corenergy, increased fuel billings of INEC, on-going engineering work for a project of WMP, price increases for fuel and spare parts seen in 1590 EC, and dividend declaration by the Company. Meanwhile, total equity rose by 5%, which stemmed from the earnings, net of the dividends declared by the Company, during the period in review.

The Company's current ratio declined to 2.03x as of end-September 2022 from year-end 2021 level of 5.46x. Current liabilities significantly grew by 171% from end-2021 level. The short-term loan of 1590 EC and the reclassification of the Company's Php 1.0 bn FRCN maturing on January 2023 from non-current to current liability, and the increase in trade and other payables as a result of improved operations and price increases for fuel and spare parts contributed to the rise in current liabilities. On the other hand, current assets rose by 1%. The lower cash levels as of period-end were offset by the increase in trade receivables given the improved operations of INEC, CSSC, and VSC, and purchase of inventories for fuel of 1590 EC and INEC as of end-September 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 incorporated and registered a Special Purpose Vehicle (SPV), IMCC, to 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 plant will be located in Barangays Buagsong and Catarman, Cordova, Cebu.

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

DYAN RAMONA S. OLEGARIO
Assistant Vice President – Accounting

November 11, 2022

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of September 30, 2022 (with Comparative Audited Consolidated Figures as of December 31, 2021) and for the Nine Months Ended September 30, 2022

VIVANT CORPORATION AND SUBSIDIARIES

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

	Notes	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱5,225,586,787**	₱5,650,024,939
Trade and other receivables	2	**1,259,815,292**	880,046,705
Advances to associates, joint ventures and stockholders	2	**281,584,706**	276,564,877
Inventories – at cost		**188,897,613**	152,675,459
Prepayments and other current assets	3	**400,543,480**	330,572,837
Total Current Assets		**7,356,427,878**	7,289,884,817
Noncurrent Assets			
Investments in associates and joint ventures	4	**11,496,871,997**	11,614,930,568
Property, plant and equipment	5	**5,603,472,554**	3,318,784,838
Right-of-use assets		**22,269,291**	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	**1,802,660,869**	1,467,011,681
Total Noncurrent Assets		**19,809,330,969**	17,727,143,751
TOTAL ASSETS		**₱27,165,758,847**	₱25,017,028,568

	Notes	**September 30, 2022 (Unaudited)**	December 31, 2021 (Audited)
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		**₱1,382,450,111**	₱ 1,032,237,239
Short-term notes payable		**1,126,000,000**	–
Current portion of long-term notes payable		**1,085,962,716**	92,076,898
Current portion of lease liabilities		**3,820,902**	200,707,787
Advances from related parties		**8,536,115**	5,689,112
Income tax payable		**15,003,772**	4,016,925
Total Current Liabilities		**3,621,773,616**	1,334,727,961
Noncurrent Liabilities			
Long-term notes payable - net of current portion		**3,541,588,644**	4,381,463,942
Lease liabilities – net of current portion		**23,256,472**	158,012,021
Pension liability		**69,197,458**	61,460,008
Deferred income tax liabilities		**182,673,119**	205,019,567
Other noncurrent liabilities – net of current portion		**838,293,931**	838,293,931
Total Noncurrent Liabilities		**4,655,009,624**	5,644,249,469
Total Liabilities		**8,276,783,240**	6,978,977,430
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		**1,702,071,167**	1,702,071,167
Share in remeasurement losses on employee benefits of associates and a joint venture		**(94,016,067)**	(94,016,067)
Remeasurement losses on employee benefits		**(56,940)**	(56,940)
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		**8,676,689,550**	8,177,690,481
Equity Attributable to Equity Holders of the Parent		**17,494,362,227**	16,995,363,158
Equity Attributable to Non-controlling Interests		**1,394,613,380**	1,042,687,980
Total Equity		**18,888,975,607**	18,038,051,138
TOTAL LIABILITIES AND EQUITY		**₱27,165,758,847**	₱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 SEPTEMBER 30, 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	**₱3,119,894,027**	₱2,331,763,993
Management and service fees	**65,086,360**	25,011,082
Engineering service income	**30,671,986**	25,773,566
	3,215,652,373	2,382,548,641
Equity in net earnings of associates and joint ventures	**1,077,837,089**	1,324,170,836
Interest income	**27,228,555**	17,164,946
	4,320,718,017	3,723,884,423
COST OF SERVICES		
Generation costs	**2,394,156,498**	1,286,014,145
Engineering service fees	**22,609,932**	60,812,261
	2,416,766,430	1,346,826,406
OPERATING EXPENSES		
Salaries and employee benefits	**301,787,648**	236,255,497
Taxes and licenses	**89,820,728**	30,618,037
Professional fees	**49,503,575**	144,925,005
Depreciation and amortization	**39,806,739**	38,049,008
Management fees	**23,405,157**	23,395,413
Travel	**12,882,931**	7,406,614
Outside services	**12,531,634**	19,958,069
Communication and utilities	**9,313,378**	7,411,552
Representation	**5,658,773**	4,506,389
Rent and association dues	**3,529,763**	5,019,977
Other operating expenses	**57,129,982**	61,464,333
	605,370,308	579,009,894
INCOME FROM OPERATIONS	**1,298,581,279**	1,798,048,123
OTHER INCOME (CHARGES)		
Finance costs on loans	**(171,214,333)**	(109,564,635)
Unrealized foreign exchange gain (loss) – net	**64,268,109**	5,469,152
Finance costs on lease liabilities	**(8,638,766)**	(43,029,118)
Gain on sale of an associate	**–**	3,684,540
Gain on dilution of investment in a subsidiary	**–**	3,579,734
Gain on sale of AFS investment	**–**	620,000
Other income/(charges)	**(48,510,326)**	20,666,624
	(164,095,316)	(118,573,703)
INCOME BEFORE INCOME TAX	**1,134,485,963**	1,679,474,420
PROVISION FOR INCOME TAX/(BENEFIT)	**87,316,431**	122,020,496
NET INCOME	**1,047,169,532**	1,557,453,924
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱1,047,169,532**	₱1,557,453,924
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱943,281,621**	₱1,238,522,567
Non-controlling interests	**103,887,911**	318,931,357
	₱1,047,169,532	₱1,557,453,924
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	**₱0.922**	₱1.210

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 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	**₱1,129,533,117**	₱799,131,381
Management and service fees	**21,695,453**	25,011,082
Engineering service income	**8,914,676**	9,043,446
	1,160,143,246	833,185,909
Equity in net earnings of associates and joint ventures	**473,091,442**	471,783,466
Interest income	**15,923,405**	5,809,794
	1,649,158,093	1,310,779,169
COST OF SERVICES		
Generation costs	**882,662,023**	424,635,691
Engineering service fees	**782,565**	21,496,626
	883,444,588	446,132,317
OPERATING EXPENSES		
Salaries and employee benefits	**85,722,246**	65,548,593
Professional fees	**23,733,795**	12,243,427
Taxes and licenses	**15,746,211**	3,136,244
Depreciation and amortization	**13,150,302**	14,199,204
Management fees	**8,946,667**	4,905,000
Travel	**4,233,967**	4,335,227
Outside services	**3,768,111**	9,966,358
Communication and utilities	**2,639,759**	3,262,653
Representation	**1,899,417**	2,942,106
Rent and association dues	**458,930**	2,220,353
Other operating expenses	**23,252,598**	5,929,865
	183,552,003	128,689,030
INCOME FROM OPERATIONS	**582,161,502**	735,957,822
OTHER INCOME (CHARGES)		
Finance costs on loans	**(62,950,612)**	(41,983,456)
Finance costs on lease liabilities	**(369,632)**	(13,139,760)
Unrealized foreign exchange gain (loss) – net	**28,985,143**	2,540,732
Gain on sale of an associate	**–**	3,684,540
Gain on dilution of investment in a subsidiary	**–**	3,579,734
Gain on sale of AFS investment	**–**	620,000
Other income/(charges)	**28,220,279**	7,486,069
	(6,114,822)	(37,212,141)
INCOME BEFORE INCOME TAX	**576,046,680**	698,745,681
PROVISION FOR INCOME TAX	**47,490,395**	31,285,359
NET INCOME	**528,556,285**	667,460,322
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱528,556,285**	₱667,460,322
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱491,260,108**	₱551,858,385
Non-controlling interests	**37,296,177**	115,601,937
	₱528,556,285	₱667,460,322
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	**₱0.480**	₱0.539

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
(With Comparative Figures for the same period in 2021)
(Amounts in Philippine Pesos)

	Attributable to Equity Holders of the Parent											
	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 Appropriated	Retained Earnings Unappropriated	Total	Equity Attributable to Non-Controlling Interests	Total Equity
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)	–	–	–	–	–	–	–	–	**943,281,621**	**943,281,621**	**103,887,911**	**1,047,169,532**
Dividends declared	–	–	–	–	–	–	–	–	**(444,282,552)**	**(444,282,552)**	–	**(444,282,552)**
Additional investments of non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	**248,037,489**	**248,037,489**
Balances at September 30, 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**	**₱8,676,689,550**	**₱17,494,362,227**	**₱1,394,613,380**	**₱18,888,975,607**
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)	–	–	–	–	–	–	–	–	1,238,522,567	1,238,522,567	318,931,357	1,557,453,924
Dividends declared	–	–	–	–	–	–	–	–	(358,209,839)	(358,209,839)	(24,329,146)	(382,538,985)
Reversal of impairment loss on AFS investment	–	–	–	–	–	1,950,000	–	–	–	1,950,000	–	1,950,000
Retained earnings from acquired subsidiaries	–	–	–	–	–	–	–	–	(1,458,930)	(1,458,930)	28,397,350	26,938,420
Additional investments of non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	46,181,196	46,181,196
Balances at September 30, 2021	₱1,023,456,698	₱8,339,452	₱1,658,598,674	(₱13,035,095)	(₱96,181,114)	₱4,812,209	(₱25,128,554)	₱5,213,900,230	₱8,553,655,220	₱16,328,417,720	₱1,237,050,254	₱17,565,467,974

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 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		**₱1,134,485,963**	₱1,679,474,420
Adjustments for:			
Equity in net earnings of associates and joint ventures		**(1,077,837,089)**	(1,324,170,836)
Depreciation and amortization		**321,933,509**	258,244,939
Finance costs on loans		**171,214,333**	109,564,635
Loss on derecognition of ROU		**79,568,449**	–
Unrealized foreign exchange gains -net		**(64,268,109)**	(5,469,152)
Interest income		**(27,228,555)**	(17,164,946)
Pension expense		**23,643,654**	10,085,112
Finance costs on lease liabilities		**8,638,766**	43,029,118
Gain on disposal of an associate		**–**	(3,684,540)
Gain on dilution of investment in a subsidiary		**–**	(3,579,734)
Gain on sale of AFS investment		**–**	(620,000)
Gain on disposal of property and equipment		**(64,473)**	(2,198,564)
Operating income before working capital changes		**570,086,448**	743,510,452
Decrease (increase) in:			
Trade and other receivables	2	**(409,070,948)**	(118,035,114)
Inventories		**(36,222,154)**	65,742,328
Prepayments and other current assets	3	**(69,970,644)**	(10,999,337)
Increase in trade and other payables		**339,536,179**	75,519,808
Cash generated from operations		**394,358,881**	755,738,137
Interest paid		**(185,003,485)**	(157,077,321)
Income taxes paid		**(98,518,184)**	(133,251,560)
Net cash flows from operating activities		**110,837,212**	465,409,256

	Notes	**2022**	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	**(2,527,178,342)**	(532,431,914)
Dividends received from associates and joint ventures		**1,295,935,658**	1,617,955,897
Net cash outflow from acquisition of shares of a subsidiary		**–**	(420,279,113)
Additions to financial asset at FVOCI		**(270,000,000)**	–
Additional investments in and advances to associates and joint ventures	4	**(68,400,000)**	(144,192,302)
(Increase)/Decrease in other noncurrent assets		**(66,580,837)**	7,293,240
Interest received		**24,919,342**	16,583,923
Proceeds from:			
Disposal of property and equipment		**764,677**	2,724,286
Sale of an associate		**–**	33,225,512
Sale of AFS investment		–	2,620,000
Increase in intangible asset		**(175,375)**	(359,053)
Net cash flows from (used in) investing activities		**(1,610,714,877)**	583,140,476
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of loans		**1,614,096,179**	4,198,722,854
Payments of:			
Cash dividends		**(444,519,521)**	(347,863,049)
Loans		**(334,085,659)**	(3,687,678,070)
Lease liabilities		**(70,184,257)**	(163,289,338)
Debt issue cost		**–**	(31,926,912)
Additional investments and deposits for future stock subscription of non-controlling interest of a subsidiary		**248,037,489**	46,181,195
Net payments in advances to / from related parties		**(2,172,827)**	(78,638,463)
Net cash flows from (used in) financing activities		**1,011,171,404**	(64,491,783)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(488,706,261)**	984,057,949
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**64,268,109**	5,469,152
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		**5,225,586,787**	5,861,858,565
Restricted cash		**2,003,119**	2,002,002
		₱5,227,589,906	₱5,863,860,567

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2022

1. Cash and Cash Equivalents

This account consists of:

	September 30, 2022	December 31, 2021
Cash on hand and in banks	**₱881,370,345**	₱523,471,825
Short-term investments	**4,344,216,442**	5,126,553,114
	₱5,225,586,787	₱5,650,024,939

2. Trade and Other Receivables and Advances to Associates, Joint Ventures and Stockholders

This account consists of:

	September 30, 2022	December 31, 2021
Trade receivables	**₱1,142,741,098**	₱713,951,493
Accounts receivable	**33,575,183**	35,226,207
Advances to officers and employees	**23,240,512**	8,179,942
Accrued interest	**8,451,163**	6,146,305
Dividend receivable	**7,760,000**	39,400,000
Others	**80,328,388**	131,414,793
	1,296,096,344	934,318,740
Less allowance for impairment loss	**36,281,052**	54,272,035
	₱1,259,815,292	₱880,046,705

Advances to associates, joint ventures and stockholders	**₱281,584,706**	₱276,564,877

2.1 Aging of Trade and Other Receivables

	September 30, 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	**₱474,848,346**	**₱132,856,479**	**₱688,391,519**	**₱1,296,096,344**	₱804,610,007	₱18,743,937	₱110,964,796	₱934,318,740
Less: Allowance for impairment loss			**36,281,052**	**36,281,052**			54,272,035	54,272,035
	₱474,848,346	**₱132,856,479**	**₱652,110,467**	**₱1,259,815,292**	₱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:

	September 30, 2022	December 31, 2021
Input VAT - current	**₱191,246,605**	₱ 124,988,810
Advances to suppliers and other parties	**131,115,039**	136,928,721
Creditable withholding taxes - current	**35,403,442**	1,713,591
Prepaid expenses	**18,613,877**	40,370,900
Others	**24,164,517**	26,570,814
	₱400,543,480	₱330,572,836

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 September 30, 2022 follow:

		Percentage of Ownership	
	Nature of Business	**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 Pampanga Energy Corp. (LPEC)	Power generation	**50.00**	100.00

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

	September 30, 2022	December 31, 2021
Investment in VECO:		
Acquisition Cost	**₱882,952,562**	₱882,952,562
Accumulated Equity Earnings-net	**90,663,460**	554,746,061
Revaluation Surplus	**1,846,259,324**	1,846,259,324
Carrying Value	**2,819,875,346**	3,283,957,947
Investment in LPCI:		
Acquisition Cost	**114,750,000**	114,750,000
Accumulated Equity Earnings-net	**(653,569)**	(608,933)
Carrying Value	**114,096,431**	114,141,067
Investment in GLEDC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**(35,255,689)**	(34,417,926)
Carrying Value	**(35,255,689)**	(34,417,926)
Investment in CPPC:		
Acquisition Cost	**305,119,049**	305,119,049
Accumulated Equity Earnings-net	**(147,492,909)**	(110,776,342)
Carrying Value	**157,626,140**	194,342,707
Investment in Prism Energy:		
Acquisition Cost	**8,432,400**	8,432,400
Accumulated Equity Earnings-net	**23,851,821**	21,400,949
Carrying Value	**32,284,221**	29,833,349
Investment in AHI:		
Acquisition Cost	**976,784,699**	976,784,699
Accumulated Equity Earnings-net	**458,836,504**	507,494,520
Carrying Value	**1,435,621,203**	1,484,279,219
Investment in MPC:		
Acquisition Cost	**2,756,240,000**	2,756,240,000
Accumulated Equity Earnings-net	**721,220,425**	618,355,675
Carrying Value	**3,477,460,425**	3,374,595,675
Investment in TVI:		
Acquisition Cost	**2,155,304,701**	2,155,304,701
Accumulated Equity Earnings-net	**658,168,295**	469,520,288
Carrying Value	**2,813,472,996**	2,624,824,989
Investment in CREC:		
Acquisition Cost	**17,468,952**	10,593,000
Additional investment	**-**	6,875,952
Accumulated Equity Earnings-net	**(841,626)**	(791,027)
Carrying Value	**16,627,326**	16,677,925

	September 30, 2022	December 31, 2021
Investment in LWEC:		
Acquisition Cost	**14,930,910**	12,730,910
Additional investment	**68,400,000**	2,200,000
Accumulated Equity Earnings-net	**(5,220,379)**	(3,774,659)
Carrying Value	**78,110,531**	11,156,251
Investment in FLOWS:		
Acquisition Cost	**65,000,000**	65,000,000
Accumulated Equity Earnings-net	**(2,153,703)**	(2,151,510)
Carrying Value	**62,846,297**	62,848,490
Investment in PPWRLC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**8,217,172**	(493,032)
Carrying Value	**8,217,172**	(493,032)
Investment in CIPC:		
Acquisition Cost	**102,097,169**	102,097,169
Accumulated Equity Earnings-net	**93,317,147**	61,878,074
Carrying Value	**195,414,316**	163,975,243
Investment in DPI:		
Acquisition Cost	**235,261,426**	235,261,426
Accumulated Equity Earnings-net	**46,395,142**	14,267,350
Carrying Value	**281,656,568**	249,528,776
Investment in LPEC:		
Acquisition Cost	**40,616,354**	40,616,354
Accumulated Equity Earnings-net	**(1,797,640)**	(936,466)
Carrying Value	**38,818,714**	39,679,888
Total Carrying Value of Investments	**₱11,496,871,997**	₱11,614,930,568

5. Property, Plant and Equipment

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

	September 30, 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	**₱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**
Additions	**4,500,000**	**2,024,574,897**	**–**	**12,200,035**	**10,752,202**	**4,017,751**	**14,233**	**471,119,224**	**2,527,178,342**
Reclassification	**–**	**1,344,769,120**	**–**	**–**	**–**	**57,771,336**	**–**	**(1,402,540,456)**	**–**
Disposal	**–**	**–**	**–**	**(1,484,299)**	**–**	**–**	**–**	**–**	**(1,484,299)**
At September 31	**49,135,755**	**4,176,525,125**	**186,530,988**	**96,817,454**	**106,411,827**	**187,109,998**	**86,913,649**	**1,513,523,190**	**6,402,967,986**
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	**–**	**194,812,995**	**7,191,724**	**11,869,669**	**8,468,687**	**8,185,836**	**11,261,511**	**–**	**241,790,422**
Disposal	**–**	**–**	**–**	**(784,095)**	**–**	**–**	**–**	**–**	**(784,095)**
At September 31	**–**	**535,551,589**	**37,157,098**	**57,289,089**	**80,486,513**	**34,750,662**	**54,260,481**	**–**	**799,495,432**
Net Book Value	**₱49,135,755**	**₱3,640,973,536**	**₱149,373,890**	**₱39,528,365**	**₱25,925,314**	**₱152,359,336**	**₱32,653,168**	**₱1,513,523,190**	**₱5,603,472,554**

	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

	September 30, 2022	December 31, 2021
Land		
Cost	**₱838,460,268**	₱838,460,268
Condominium Units		
Cost	**25,181,733**	25,181,733
Total Investment Properties	**₱863,642,001**	₱863,642,001

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 1.7 mn and Php 1.0 mn as of end-September 2022 and end-September 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 September 30, 2022.

Direct costs pertain to real property taxes amounting to Php 0.5 mn and Php 1.4 mn as of end-September 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:

	September 30, 2022	December 31, 2021
Advances to suppliers and other parties	**₱636,974,713**	₱636,974,713
Financial assets at FVOCI	**372,000,000**	102,000,000
Goodwill	**299,014,763**	299,014,763
Input VAT - noncurrent	**244,661,934**	192,788,560
Creditable withholding taxes - noncurrent	**226,868,194**	222,496,037
Software cost – net	**927,205**	1,046,953
Others - net of allowance for impairment loss of Php 48.05 mn	**22,214,060**	12,690,655
	₱1,802,660,869	₱1,467,011,681

8. Capital Stock

The details of the capital stock account are as follows:

	September 30, 2022	December 31, 2021
Authorized Capital Stock – ₱1.00 par value		
Authorized - 2,000,000	**₱2,000,000,000**	₱2,000,000,000
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:

	September 30, 2022	December 31, 2021
Net income attributable to the shareholders of the Parent company	**₱943,281,621**	₱1,777,031,392
Weighted average number of outstanding common shares	**1,023,456,698**	1,023,456,698
Basic EPS	**₱0.922**	₱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 paid 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 September 30, 2022 or 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:

	September 30, 2022
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 8,744,162
	Euro 1,329,619
Trade Payables	USD –
	Euro –
Gross Exposure	USD 8,744,162
	Euro 1,329,619

The average exchange rates for the quarter ended September 30, 2022 are as follows:

US Dollar-Philippine Peso	US$1 = Php 56.36
Euro-Philippine Peso	Eu€1 = Php 56.85

The exchange rates applicable as of September 30, 2022 are the following:

US Dollar-Philippine Peso	US$1 = Php 58.91
Euro-Philippine Peso	Eu€1 = Php 57.84

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of September 30, 2022 would have decreased equity and profit by Php 59.2 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of September 30, 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.