COVER SHEET

			1	7	5	2	2	2			

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)

Atty. Catherine S. Bringas	(032) 232-0283, 234-2256 and 234-2285
Contact Persons	Telephone Number of the Contact Person

1 2	3 1	**SEC FORM 17-Q** **2nd Quarterly Report 2023**	0 6	1 5
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

N/A

Secondary license Type, If Applicable

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

1,410	1,023,424,385	32,313
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: **June 30, 2023**

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 9,714,648,822**

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 June 30, 2023 compared with the interim period ended June 30, 2022. This report should be read in conjunction with the unaudited 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:

- **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, joint ventures 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.

- **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.

- **Cash Flow Generated.** Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing and financing activities.

- **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.

- **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) June 30, 2023 versus YTD June 30, 2022

On June 1, 2023, 100%-owned Vivant Energy Corporation (VEC) signed a Share Sale and Purchase Agreement (SSPA) to acquire all of the shareholdings of its joint venture partner in 50%-owned Calamian Islands Power Corporation (CIPC), Delta P, Inc. (DPI), La Pampanga Energy Corporation (LPEC). On the same date, VEC and 100%-owned Vivant Renewable Energy Corporation (VREC) signed an SSPA to acquire from the partner the latter's 50% equity stake in Culna Renewable Energy Corporation (CREC). Moreover, VEC and 100%-owned Vivant Integrated Diesel (VIDC) signed an SSPA to acquire the minority shareholder's 35% equity stake in then 65%-owned Isla Norte Power Corporation (Isla Norte). As a result, DPI, CIPC, Isla Norte (VEC and VIDC gained further control)[1], LPEC and CREC are classified as 100%-owned subsidiaries[2].

In view of the above, the accounting for the investments in DPI, CIPC, LPEC and CREC is changed from Philippine Accounting Standards (PAS) 8, *Investment in Associate and Joint Ventures* to Philippine Financial Reporting Standards (PFRS) 10, *Consolidated Financial Statements.* As it is, the consolidated financial statements of the Company as of the period in review include the following:

1. Equity share in the net earnings (losses) of these four investees from January 2023 to May 2023 in the consolidated statement of comprehensive income; and
2. Full consolidation starting June 2023 in the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of cash flows.

[1] Under PFRS 10, *Consolidated Financial Statements*, transactions with non-controlling interests are accounted for as equity transactions. On acquisitions of non-controlling interests, the difference between the consideration transferred and the book value of interest acquired from non-controlling interest without loss of control is reflected as being a transaction between owners and recognized directly in equity.

[2] Under PFRS 3, *Business Combination*, a business combination is defined as a transaction or other event in which an acquirer (an investor entity) obtains control of one or more businesses. It requires the entity to determine whether assets acquired and any liabilities assumed constitute a 'business'. 'Business' is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. If the assets and liabilities are not considered to be a 'business', then the transaction should be accounted for as an asset acquisition.

The financial statements as of and for the period ended June 30, 2022 are restated to consider the retrospective adjustments due to the following:

1. In 2022, the Company elected to change its policy for accounting its investment in an associate engaged in the power distribution business with respect to the associate's power distribution utility assets, i.e., from the revaluation model to the cost model. PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, requires that the change in accounting policy is accounted for retrospectively, which impacts the investment in associate and joint ventures, retained earnings, equity in net earnings of associates and joint ventures, and share in revaluation increment of an associate, net of tax.

2. The Company, through wholly owned subsidiaries Vivant Energy Corporation (VEC) and Amberdust Holding Corporation (AHC), acquired two power generation subsidiaries in 2021 and completed the valuation required by the PFRS 3, *Business Combination*, by December 31, 2022. The revised purchase price allocation resulted in a fair value adjustment to Property, Plant and Equipment, and the recognition of intangible assets representing the acquirees' power supply agreements with customer electric cooperatives. As disclosed in the 2022 audited financial statements of the Company, the recognition of these adjustments started in 2021, which was the year of investment.

The table below shows the comparative figures of the key performance indicators for the periods ended June 30, 2023 and June 30, 2022, as restated.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**YTD June 2023**	**YTD June 2022 (As Restated)**	**YE 2022 Audited**
Equity in Net Earnings of Associates and Joint Ventures	1,333,187	637,421	
EBITDA	1,814,991	890,267	
Net increase (decrease) in cash and cash equivalents	(981,597)	(1,205,235)	
Net cash flows from (used in) operating activities	(254,355)	(58,732)	
Net cash flows from (used in) investing activities	(277,205)	(1,414,386)	
Net cash flows from (used in) financing activities	(450,037)	267,882	
Debt-to-Equity Ratio (x)	0.52	0.46	0.48
Current Ratio (x)	1.85	3.22	1.87

The Company's share in net earnings of associates and joint ventures as of end-June 30, 2023 amounted to Php 1.3 billion (bn), representing a 109% year-on-year (YoY) increase from Php 637.4 million (mn). This was a result of the following:

1. Visayan Electric Company (VECO), the Company's electricity distribution utility, posted a Php 681.2 mn income contribution during the semester in review from Php 223.3[3] mn as of end-June 30, 2022. This was mainly attributed to the 16% YoY increase in the volume of electricity sold. In the same period last year, electricity sales volume was significantly affected by the

[3] Reported as an income contribution of Php 190.7 mn in the SEC 17Q YTD June 2022 report, which accounted the share in the equity earnings from VECO using the revaluation model. In 2022, the Company elected to change its policy in applying the equity method with respect to VECO's power distribution utility assets, i.e., from the revaluation model to the cost model.

prolonged power outage in Cebu that resulted from the devastation caused by Typhoon Odette in December 2021.

2. 40%-owned Abovant Holdings, Inc. (AHI) posted Php 265.8 mn in income contribution, a 36% YoY increase. 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 attributed to higher profit on its sale to the Wholesale Electricity Spot Market (WESM) and bilateral contracts as volume of energy dispatched went up by 11% YoY and 15% YoY, respectively.

3. 40%-owned Minergy Power Corporation (MPC) shored in Php 178.1 mn as of the semester in review, which was 6% higher than the Php 168.7 mn as of end-June 2022. This was primarily due to the 10% YoY topline growth.

4. 20%-owned Therma Visayas, Inc. (TVI) recorded an income contribution of Php 156.3 mn as of end-June 2023, which was a significant jump from its income contribution of Php 26.1 mn in the same period last year. This strong showing was mainly attributed to higher profits from WESM (up by 136% YoY) as volume of energy sold significantly increased by 71% YoY. Increased profits from bilateral contracts (up by 16%) as volume sales rose by 29% YoY and reduced debt service also contributed to the improved net income contribution during the semester in review. However, this was tempered by the reduced profit from Retail Electricity Supply (RES) contracts (down by 44% YoY) due to increased cost of power. In the same period last year, TVI experienced plant downtime related to Typhoon Odette.

5. 40%-owned Cebu Private Power Corporation (CPPC) brought in Php 13.2 mn in income contribution as of end-June 2023 vis-a-vis Php 15.1 mn in net loss contribution as of end-June 2022. CPPC booked a non-recurring revenue pertaining to the collection of additional compensation for prior year sale of energy to the WESM. In 2022, power generation companies, including CPPC, were entitled to the additional compensation upon implementation of the secondary price cap by the Electricity Market Operator of the Philippines (IEMOP).

6. 100%-owned CIPC[4] posted an income contribution of Php 23.7 mn for the period covered January to May 2023, i.e., prior to VEC's acquisition of the 50% equity shareholding of its joint venture partner on June 1, 2023. This compares to the Php 18.9 mn in income contribution covering January to June 2022. As of end-June 2023, CIPC's total energy sales volume grew by 21% YoY.

7. 100%-owned DPI[5] contributed Php 15.8 mn to the bottomline covering January to May 2023. Starting June 1, 2023, DPI is considered as a subsidiary, as discussed above. For the period covered January to June 2022, DPI brought in an income contribution of Php 18.9 mn. Moreover, DPI's energy sales volume as of end-June 2023 was 26% higher YoY.

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[4] Equity stake in CIPC is increased from 50% to 100% after acquiring the shareholding of the joint venture partner through the execution of an SSPA on June 1, 2023. Consequently, the investment in CIPC is accounted for under PFRS 10*, Business Combination*, from PAS 28, *Investment in* Associate, as described above.

[5] Equity stake in DPI is increased from 50% to 100% after acquiring the shareholding of the joint venture partner through the execution of an SSPA on June 1, 2023. Consequently, the investment in DPI is accounted for under PFRS 10*, Business Combination*, from PAS 28, *Investment in* Associate, as described above.

However, the above expansion in earnings contribution were tempered by the net loss contribution of 40%-owned Prism Energy, Inc. (Prism Energy), a RES company, that amounted to Php 0.12 mn as of end-June 2023. This was a reversal of the Php 1.1 mn in earnings contribution as of end-June 2022. Prism Energy saw a 60% YoY decline in the volume of energy sold.

EBITDA was at Php 1.8 bn as of end-June 2023, 104% higher than Php 890.3[6] mn as of end-June 2022. This was mainly an outcome of the 115% YoY increase in operating income, which stemmed from the 45% YoY rise in total revenue to Php 3.9 bn. The revenue expansion was attributed to:

1. The 24% YoY increase in the sale of power to Php 2.5 bn from Php 2.0 bn, which was primarily from the improved revenue contribution by the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

    Oil-fired Power Plants

    - 100%-owned Isla Norte shored in a revenue contribution of Php 386.9 mn (up by 23% YoY) driven by a 7% YoY increase in the volume of energy sold.

    - Wholly owned DPI and CIPC brought in fresh revenue contributions covering the month of June 2023[7] in the amount of Php 113.8 mn and Php 65.4 mn, respectively.

    On the other hand, 55.2%-owned 1590 Energy Corporation (1590 EC) saw a 10% YoY drop in its topline performance as of first half (H1) 2023. This was mainly driven by the 49% YoY decline in revenue from ancillary services as a result of the termination of its contract in March 2023. However, the impact was softened by the revenue from a bilateral contract that started in April 2023, and a non-recurring revenue pertaining to the collection of additional compensation on its sale of energy to the WESM in 2022.

    Retail Electricity Supply (RES)

    - 100%-owned Corenergy, Inc. (Corenergy) showed higher RES revenue (up 90% YoY) as of end-June 2023. This strong showing was due to the increased volume sold (up by 94% YoY) and customer base.

    Solar Rooftop

    - 100%-owned Corenergy Solar Solutions Corporation (CSSC), posted a 77% YoY expansion in its topline performance on account of an improved customer base and increased total contracted capacity (up by 48% YoY) during the semester in review.

    - 100%-owned Vivant Solar Corporation (VSC) contributed Php 2.5 mn in revenue as of end-June 2023 from Php 1.7 mn as of end-June 2022 as energy volume sales grew by 51% YoY.

    - The solar rooftop business of 100%-owned Corenergy contributed revenue of Php 2.9 mn. This was mainly attributed to the 107% YoY increase in volume sold.

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[6] Includes the impact of the change in accounting for the equity share in the net earnings of VECO from revaluation method to cost method as briefly described above.

[7] This was a result of the acquisition of the 50% equity stake from the joint venture partner, as described above.

2. 109% YoY expansion in equity earnings resulting from the increase in the income contributions of 5 associates as of end-June 2023, and the income contributions from two 50%-owned joint ventures covering January to May 2023 (5% higher YoY) prior to the acquisition of the 50% equity stake of the joint venture partner.

3. Interest income increased by 445% YoY, which was driven by higher interest rates for short-term money market placements.

Meanwhile, the expansion in EBITDA was tempered by the following:

1. 88% YoY decline in engineering service revenue. 60%-owned Watermatic Philippines Corporation (WMP) posted revenue from engineering service contracts with non-related parties of Php 1.4 mn (29% lower YoY) as of H1 2023. In addition, the topline performance of Corenergy's engineering services operation went down by 94% YoY. Corenergy did not have billable charges as services for new contracts with customers are still on-going.

2. Generation cost rose by 21% YoY to Php1.8bn due to the following:

    - 90%-owned Bukidnon Power Corporation (BPC) incurred higher generation cost (12% higher YoY) due to higher direct labor charges on account of increased headcount starting in the fourth quarter of 2022.

    - Direct costs incurred by 100%-owned CSSC went up by 25% YoY given additional customers with new solar energy supply contracts (sales volume up by 72% YoY).

    - 100%-owned VSC recorded a 50% YoY rise in its cost of services on the back of the 51% YoY growth in energy sales volume.

    - Increased customer base and volume sales of Corenergy's RES business (up by 94% YoY) led to higher cost of purchased power (up by 122% YoY). Corenergy also booked higher depreciation expenses related to its solar rooftop operations during the period in review.

    - Generation costs of CIPC and DPI for the month of June 2023, which were a result of the consolidation after VEC's shares acquisition in both companies.

    The cost expansion was tempered by the 9% YoY decline in the generation cost booked by 1590 EC. In the same period last year, 1590 EC incurred expenses for plant repairs and maintenance and depreciation expense resulting from the acquisition of the Bauang Diesel Power Plant (BDPP) in April 2022.

3. Engineering service fees grew by 142% YoY to Php 52.8mn as of end-June 2023. This was mainly attributed to higher direct costs incurred by WMP to service its on-going engineering service contracts during the semester in review. However, Corenergy's engineering service fees recorded a 33% YoY reduction, mostly due to lower materials and supplies costs related to on-going contracts with customers as of H1 2023.

4. Operating expenses rose by 5% YoY.

The Company ended the semester in review with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 981.6 mn. This was 19% lower than the net decrease in cash as of end-June 2022 in the amount of Php 1.2 bn. Financing activities, which significantly accounted for the net decrease in cash, showed a spending of Php 450.0 mn as of end-June 2023 vis-à-vis the net cash inflows of Php 267.9 mn as of end-June 2022. The net cash flows used in investing activities in the amount of Php 277.2 mn and operating activities in the amount of Php 254.4 mn further contributed to the reduction in cash level as of H1 2023.

Operating activities showed a net cash outflow of Php 254.4 mn as of end-June 2023, which was mainly due to the rise in prepayments (development costs for a solar plant facility in Bulacan, higher creditable withholding taxes (CWTs) and input VAT booked by the Company, VEC, Isla Norte, and Corenergy, and input VAT booked by 100%-owned Isla Mactan-Cordova Corporation (IMCC) from importation and domestic purchase of goods and services related to the development of a desalination facility). Higher debt service due to increase in short-term notes further contributed to the cash outflow during the semester in review. As of end-June 2022, the Company recorded a net cash outflow of Php 58.7 mn.

Investing activities closed the semester in review with a net cash outflow of Php 277.2 mn, which was mainly on account of VEC's investment in a solar plant facility in Bulacan last February 2023, and development costs incurred by IMCC for the construction of a seawater desalination facility. The net cash outflow for the acquisition by VEC, VIDC and VREC of a joint venture partner's shareholding in a subsidiary, three joint ventures and an associate also contributed to the reduced cash level. These were offset by dividends received from three associates. This compares to the spending of Php 1.4 bn as of end-June 2022, which was mainly due to 1590 EC's acquisition of the BDPP.

Financing activities as of end-June 2023 showed a net cash outflow of Php 450.0 mn, a reverse of the net cash inflow of Php 267.9 mn as of end-June 2022. During the semester in review, the Company, Isla Norte, 90%-owned BPC and North Bukidnon Power Corporation (NBPC) made principal amortization payments for their respective short-term and/or long-term loans. Also, payments of cash dividends by the Company, NBPC, DPI & CIPC, and finance lease payments by the Company and WMP contributed to the use of cash as of end-June 2023. These were tempered by the proceeds from the short-term loans drawn by VEC, and collections from an associate for its full payment of an interest-bearing loan from the Company.

Debt-to-Equity ratio went up to 0.52x as of end-June 2023, vis-à-vis as of end-2022 level of 0.48x. While total equity increased by 5%, which was mainly attributed to the earnings as of H1 2023, total liabilities went up by 14%. The rise in total liabilities was mainly due to the following:

1. Short-term loans drawn by VEC;
2. Consolidation of the liabilities of newly-acquired subsidiaries, San Ildefonso Alternative Energy Corp. (SIAEC), DPI and CIPC; and
3. Accrued pension booked by the Company, and two wholly-owned subsidiaries.

These additions were offset by the principal amortization payments made by the Company, BPC, NBPC and Isla Norte.

The Company's current ratio slightly went down to 1.85x as of the semester in review from the year-end 2022 level of 1.87x. Current liabilities increased by 5% brought by the short-term loans drawn by VEC and the take-up of the current liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC. This was offset by the principal amortization payments made by the Company, Isla Norte, BPC, and NBPC, amortization of finance lease booked by the Company and WMP, payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years. Meanwhile, current assets rose by 4%. The increase in trade receivables (mostly from the newly acquired subsidiaries, DPI and CIPC, attributed to their power generation operations), inventories (mostly from DPI and CIPC) and prepayments (attributed to the development cost for a solar plant facility and input VAT booked by IMCC from importation and domestic purchases of goods and services related to the development of a desalination facility), was tempered by the payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years.

Material Changes in Line Items of Registrant's Income Statement
(YTD June 2023 vs. YTD June 2022)

As of end-June 2023, the Company's total revenues amounted to Php 3.9 bn, recording a 45% YoY increase from Php 2.7 bn.

1. Sale of power rose by 24% YoY to Php 2.5 bn from Php 2.0 bn, which was primarily from the improved revenue contribution by the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

    Oil-fired Power Plants

    - 100%-owned Isla Norte shored in a revenue contribution of Php 386.9 mn (up by 23% YoY) driven by a 7% YoY increase in the volume of energy sold.

    - Wholly owned DPI and CIPC brought in fresh revenue contributions covering the month of June 2023 in the amount of Php 113.8 mn and Php 65.4 mn, respectively.

    On the other hand, 55.2%-owned 1590 EC saw a 10% YoY drop in its topline performance as of H1 2023. This was mainly driven by the 49% YoY decline in revenue from ancillary services as a result of the termination of its contract in March 2023. However, the impact was softened by the revenue from a bilateral contract that started in April 2023, and a non-recurring revenue pertaining to the collection of additional compensation on its sale of energy to the WESM in 2022.

    Retail Electricity Supply (RES)

    - 100%-owned Corenergy showed higher RES revenue (up 90% YoY) as of end-June 2023. This strong showing was due to the increased volume sold (up by 94% YoY) and customer base.

    Solar Rooftop

    - 100%-owned CSSC, posted a 77% YoY expansion in its topline performance on account of an improved customer base during the semester in review.

    - 100%-owned VSC contributed Php 2.5 mn in revenue as of end-June 2023 from Php 1.7 mn as of end-June 2022 as energy volume sales grew by 51% YoY.

- The solar rooftop business of 100%-owned Corenergy contributed revenue of Php 2.9 mn. This was mainly attributed to the 107% YoY increase in volume sold.

2. Engineering service revenue declined by 88% YoY to Php 2.7 mn. 60%-owned WMP posted revenue from engineering service contracts with non-related parties of Php 1.4 mn (29% lower YoY) as of H1 2023. In addition, the topline performance of Corenergy's engineering services operation went down by 94% YoY. Corenergy did not have billable charges as services for new contracts with customers are still on-going.

3. The Company's share in net earnings of associates and joint ventures as of June 30, 2023 amounted to Php 1.3 bn, representing a 109% YoY increase from Php 637.4 mn. This was a result of the following:

   - VECO, the Company's electricity distribution utility, posted a Php 681.2 mn income contribution during the semester in review from Php 223.3 mn as of end-June 30, 2022. This was mainly attributed to the 16% YoY increase in the volume of electricity sold. In the same period last year, electricity sales volume was significantly affected by the prolonged power outage in Cebu that resulted from the devastation caused by Typhoon Odette in December 2021.

   - 40%-owned AHI posted Php 265.8 mn in income contribution, a 36% YoY increase. This was driven by the increase in profitability of its associate, CEDC. CEDC's robust performance during the period in review was attributed to higher profit on its sale to the WESM and bilateral contracts as volume of energy dispatched went up by 11% YoY and 15% YoY, respectively.

   - 40%-owned MPC shored in Php 178.1 mn as of the semester in review, which was 6% higher than the Php 168.7 mn as of end-June 2022. This was primarily due to the 10% YoY topline growth.

   - 20%-owned TVI recorded an income contribution of Php 156.3 mn as of end-June 2023, which was a significant jump from its income contribution of Php 26.1 mn in the same period last year. This strong showing was mainly attributed to higher profits from WESM (up by 136% YoY) as volume of energy sold significantly increased by 71% YoY. Increased profits from bilateral contracts (up by 16%) as volume sales rose by 29% YoY and reduced debt service also contributed to the improved net income contribution during the semester in review. However, this was tempered by the reduced profit from RES contracts (down by 44% YoY) due to increased cost of power. In the same period last year, TVI experienced plant downtime related to Typhoon Odette.

   - 40%-owned CPPC brought in Php 13.2 mn in income contribution as of end-June 2023 vis-a-vis Php 15.1 mn in net loss contribution as of end-June 2022. CPPC booked a non-recurring revenue pertaining to the collection of additional compensation for prior year sale of energy to the WESM. In 2022, power generation companies, including CPPC, were entitled to the additional compensation upon implementation of the secondary price cap by the IEMOP.

   - 100%-owned CIPC posted an income contribution of Php 23.7 mn for the period covered January to May 2023, i.e., prior to VEC's acquisition of the 50% equity shareholding of its joint venture partner on June 1, 2023. This compares to the Php 18.9 mn in income contribution covering January to June 2022. As of end-June 2023, CIPC's total energy sales volume grew by 21% YoY.

- 100%-owned DPI contributed Php 15.8 mn to the bottomline covering January to May 2023. Starting June 1, 2023, DPI is considered as a subsidiary, as discussed above. For the period covered January to June 2022, DPI brought in an income contribution of Php 18.9 mn. Moreover, DPI's energy sales volume as of end-June 2023 was 26% higher YoY.

However, the above expansion in earnings contribution were tempered by the net loss contribution of 40%-owned Prism Energy, a RES company, in the amount of Php 0.12 mn as of end-June 2023. This was a reversal of the Php 1.1 mn in earnings contribution as of end-June 2022. Prism Energy saw a 60% YoY decline in the volume of energy sold.

4. Interest income increased by 445%, which was driven by higher interest rates for short-term money market placements.

Total cost of services and operating expenses as of end-June 2023 went up by 19% YoY to Php 2.3 bn from Php 2.0bn.

1. Total cost of services rose by 22% YoY to Php 1.9 bn. This was mainly attributed to the following:

   a) Generation costs went up to Php 1.8 bn, 21% higher YoY, on account of:

      - 90%-owned BPC incurred higher generation cost (12% higher YoY) due to higher direct labor charges on account of increased headcount starting in the fourth quarter of 2022.

      - Direct costs incurred by 100%-owned CSSC went up by 25% YoY given additional customers with new solar energy supply contracts (sales volume up by 72% YoY).

      - 100%-owned VSC recorded a 50% YoY rise in its cost of services on the back of the 51% YoY growth in energy sales volume.

      - Increased customer base and volume sales of Corenergy's RES business (up by 94% YoY) led to higher cost of purchased power (up by 122% YoY). Corenergy also booked higher depreciation expenses related to its solar rooftop operations during the period in review.

      - Generation costs of CIPC and DPI for the month of June 2023, which were a result of the consolidation after VEC's shares acquisition in both companies.

      The cost expansion was tempered by the 9% YoY decline in the generation cost booked by 1590 EC. In the same period last year, 1590 EC incurred expenses for plant repairs and maintenance and depreciation expense resulting from the acquisition of the BDPP in April 2022.

   b) Engineering service fees grew by 142% YoY to Php 52.8mn as of end-June 2023. This was mainly attributed to higher direct costs incurred by WMP to service its on-going engineering service contracts during the semester in review. However, Corenergy's engineering service fees recorded a 33% YoY reduction, mostly due to lower materials and supplies costs related to on-going contracts with customers as of H1 2023.

2. Salaries and employee benefits went up by 10% YoY to Php 241.5 mn from Php 220.0 mn. Increased headcount and salary rates mainly accounted for the cost expansion.

3. Taxes and licenses were lower by 37% YoY to Php 47.0 mn from Php 74.1 mn. The documentary stamp tax (DST) incurred in H1 2022 (related to the purchase of the BDPP) was higher than the DST paid in H1 2023 (related to short-term loans of VEC).

4. Professional fees was 24% higher at Php 32.0 mn. This was mainly attributed to higher consultancy fees incurred for project development and organizational development during the semester in review.

5. Depreciation and amortization went up to Php 29.0 mn, 7% higher YoY. This was mainly attributed to newly acquired fixed assets during the semester in review.

6. Outside services significantly grew by 61% YoY to Php 14.1 mn. This can be attributed to the increased fee for the payroll outsourcing of a subsidiary and marketing services for another subsidiary.

7. Management and directors' fees declined by 14% YoY to Php 12.4mn. As of end-June 2022, the Company incurred management fees. There was no such fees incurred as of end-June 2023. However, the timing difference was offset by the increased number of board and committee meetings and higher directors' per diem.

8. Travel expenses were higher by 79% YoY to Php 12.3mn. This can be mainly attributed to the increased frequency of business travels for meetings with partners and stakeholders, and site visit for project development. Further to this, fuel expenses for fleet cars went up since the number of units, frequency of fieldwork and employees working on premises increased during the semester in review.

9. Communication and utilities expenses declined by 23% to Php 5.2mn from Php 6.7mn. The Company incurred communication expenses covering various periods in 2021 wherein the billings were received within H1 2022. This was higher than the increased consumption of water and electricity as a result of the increased number of employees working on premises as of H1 2023.

10. Representation expenses was posted at Php 3.2 mn, 13% higher YoY. This was mainly due to the increased spending for official business functions during the semester in review.

11. Rent and association dues were lower by 23% to Php 2.4 mn from Php 3.1 mn. Lower assets rental of a subsidiary during the semester in review mainly accounted for the cost expansion.

12. Other operating expenses went up to Php 42.4 mn, posting a 30% increase YoY. This was mainly due to the higher donations to Vivant Foundation, Inc. (VFI), higher vehicles and office repairs, and higher office supplies consumption due to increase in headcount.

Vivant booked Php 93.0 mn in other charges as of end-June 2023, recording a decrease of 41% from Php 158.0 mn in other charges booked in the same period last year. The following account for the movement:

1. VEC booked a gain on bargain purchase of Php 64.7 mn as a result of the purchase price allocation under PFRS 3, *Business Combination,* related to its acquisition of the 50% equity stake in DPI from the joint venture partner.

2. Finance costs on lease liabilities dropped by 90% YoY to Php 0.8 mn. As of end-June 2022, 1590 EC derecognized the finance cost resulting from the purchase of the BDPP.

3. Other income of Php 11.5 mn as of H1 2023. This was mainly on account of the interest earned from an interest-bearing loan of an associate, which was collected during the semester in review.

The decrease in other charges were offset by the following:

1. Finance costs on loans saw a 44% YoY expansion to Php 156.3 mn. Debt servicing of five subsidiaries accounted for the cost expansion, namely:
    a. Isla Norte from its short-term and long-term loans drawn as of the second semester of 2022.
    b. VEC from its short-term loans drawn in February, March and June 2023.
    c. BPC and NBPC from the refinancing of its long-term loans in the second quarter of 2022, which had higher loan amounts and interest rates.
    d. Corenergy from its short-term loans drawn in February 2023.

2. Unrealized foreign exchange loss stands at Php 12.1 mn as of end-June 2023, a reversal of the unrealized foreign exchange gain of Php 35.3 mn as of end-June 2022. This pertains to the translation of the US Dollar and Euro cash balances of the Company and its subsidiaries.

As of end-June 2023, the Company booked a consolidated provision for income tax of Php 103.9 mn, which was 186% higher than the Php 36.3 mn in accrued consolidated income tax provision last year. This was mainly due to higher taxable income of 1590 EC and Corenergy, and the take-up of the accrued income taxes of DPI and CIPC.

Taking all of the above into account, the Company recorded a total net income of Php 1.4 bn for the period ending June 30, 2023, which is 156% higher than end-June 2022's net income of Php 540.9[8] mn. Net income attributable to parent, net of the share of the minority shareholders of six subsidiaries, amounted to Php 1.3 bn as of end-June 2023 from Php 475.3[9] mn as of end-June 2022.

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[8] Reported as Php 518.6 mn in the SEC 17Q YTD June 2022 report. The change is mainly due to the restatements of the financial statements as of and for the period ended June 30, 2022 to consider the retrospective adjustments briefly described above.

[9] Reported as Php 452.0 mn in the SEC 17Q YTD June 2022 report. The change is mainly due to the restatements of the financial statements as of and for the period ended June 30, 2022 to consider the retrospective adjustments briefly described above.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity (End-June 2023 vs. Year-end 2022)

The Company's total assets as of end-June 2023 amounted to Php 28.4 bn, which was higher than end-2022's level of Php 26.4[10] 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 3.9 bn as of end-June 2023. Spending for financing activities amounting to Php 450.0 mn as of H1 2023, which was a reversal of the net cash inflows of Php 267.9 mn as of H1 2022, mainly drove the decrease in cash. Investing activities posted a net cash outflow of Php 277.2 mn during the semester in review, albeit lower than the net cash outflow of Php 1.4 bn in the same period last year. Cash amounting to Php 254.4 mn was used in operating activities, 333% higher YoY.

2. Trade and other receivables went up by 27% to Php 1.7 bn as of end-June 2023. This was mainly attributed to the take-up of the receivables of the then joint ventures turned subsidiaries, DPI and CIPC. The improved operations of Corenergy, CSSC and VSC further contributed to the increase.

3. Advances to associates, joint ventures, and stockholders declined by 62% YoY to Php 111.8 mn. This was on account of the collection from an associate for the full settlement of its interest-bearing loan from the Company.

4. Inventories increased by 114% to Php 381.2 mn as of end-June 2023, mainly from the take-up of the inventories of DPI and CIPC resulting from the business combination. This was tempered by the fuel consumption of 1590 EC, Isla Norte, BPC and NBPC, and the use of personal protective equipment by WMP for project site safety.

5. Prepayments and other current assets were higher by 207% to Php 1.4 bn. This was mainly attributed to prepayments for the development of the solar plant facility in Bulacan. Improved operations of Isla Norte and Corenergy resulted to higher CWTs and deferred input VAT, and Corenergy saw an increase in its security deposits as new RES customers are energized. Moreover, IMCC had input VAT during the semester in review from its importation and domestic purchase of goods and services related to the development of its seawater desalination plant.

6. Property, plant and equipment increased by 33% to Php 7.8 bn, which was mainly attributed to the take-up of the assets of newly-acquired subsidiary, SIAEC and newly-consolidated subsidiaries, DPI, CIPC, LPEC and CREC. The asset undergoing construction for a seawater desalination plant (Construction-in-Progress) of wholly-owned IMCC, and various fixed assets acquired by the Company and VEC also contributed to the asset expansion during the semester in review.

7. Deferred income tax assets increased by 15% to Php 15.8 mn from Php 13.8 mn from the take up of the assets of DPI.

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[10] Reported as Php 25.9 mn in the SEC 17Q YTD June 2022 report. The change is mainly due to the restatements of the financial statements as of and for the period ended June 30, 2022 to consider the retrospective adjustments briefly described above.

8. Other non-current assets amounted to Php 2.0 bn, 8% higher than end-2022's Php1.9 bn. This was mainly attributed to the take-up of the noncurrent assets of DPI, CIPC, LPEC and CREC related to the business combination. The rise in noncurrent VAT booked by 1590 EC and Isla Norte, take-up of input VAT of newly-acquired subsidiary, SIAEC, and the take up of goodwill from acquiring additional 50% shareholding in CIPC also contributed to the expansion of this account.

Total consolidated liabilities amounted to Php 9.7 bn as of end-June 2023, 14% higher than the end-2022 level of Php 8.5 bn. This was mainly attributed to the 87% increase in short-term notes payable, which was on account of the loans drawn by VEC and Corenergy in various periods within the semester in review. This was offset by Isla Norte's full settlement of its short-term note within H1 2023.

Other factors that contributed to the expansion of liabilities include:

1. Trade and other payables increased by 11% from Php 1.5 bn to Php 1.7 bn mainly from the take-up of trade and non-trade payables of newly-acquired, SIAEC, and newly-consolidated subsidiaries, DPI, CIPC, CREC & LPEC. This is further increased by the outstanding payable related to the acquisition of the partner's shareholding in DPI, CIPC, Isla Norte, CREC and LPEC.

2. Income tax payable increased by 690% to Php 59.5 mn from Php 7.5 mn. This was attributed to the taxable earnings of 1590 EC, CIPC, Isla Norte, DPI, BPC and NBPC and rental income of 100%-owned Vivant Realty Ventures Corporation (VRVC).

3. The take-up of the term loans of newly-consolidated subsidiaries, DPI and CIPC make up for the 23% increase in long-term note payable-net of current portion to Php 4.3 bn.

4. Pension liability as of end-June 2023 was at Php 73.3 mn, a 14% increase from the end-2022 level of Php 64.2 mn. Accrual of pension expenses booked by the Company, VEC and 100%-owned Vivant Infracore Holdings Inc. (VIHI) mainly accounted for the expansion of this account.

5. Finance lease liabilities increased by 6% to Php 28.5 mn brought by the take up of liabilities of the newly-consolidated subsidiaries, DPI & CIPC.

6. Deferred income tax liabilities rose by 53% to Php 409.3 mn, which was on account of the take-up of the deferred income tax liabilities of newly-acquired subsidiary, SIAEC, and newly-consolidated subsidiary, CIPC.

The expansion in liabilities was offset by the following:

1. Advances from related parties shrank by 6% to Php 10.2 mn. This was attributed to the payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years.

2. Current portion of long-term notes payable decreased to Php 95.6 mn from Php 1.1 bn. The principal amortization payments made by the Company, Isla Norte, BPC & NBPC were higher than the current portion of the long-term notes of DPI and CIPC.

Equity reserves increased by 20% to Php 30.3 mn, which was attributed to the acquisition of the 35% non-controlling interest in Isla Norte. Equity reserves pertain to the difference between the consideration transferred and the book value of interest acquired from non-controlling interest without loss of control.

As a result of net income generated, net of the dividends declared by the Company, total stockholders' equity increased by 5%, from Php 17.9 bn as of year-end 2022 to Php 18.7 bn as of end-June 2023. Meanwhile, equity attributable to parent was at Php 17.4 bn as of end-June 2023, up by 5% vis-à-vis end-2022's Php 16.5[11] bn.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-June 2023 vs. End-June 2022)

Cash and cash equivalents fell by 13% YoY, from Php 4.5 bn as of end-June 2022 to Php 3.9 bn as of end-June 2023.

The Company ended the semester in review with a net decrease in cash, before considering the effect of changes in the foreign exchange rates, in the amount of Php 981.6 mn. This was 19% lower than the net decrease in cash as of end-June 2022 in the amount of Php 1.2 bn. Financing activities, which significantly accounted for the net decrease in cash, showed a spending of Php 450.0 mn as of end-June 2023 vis-à-vis the net cash inflows of Php 267.9 mn as of end-June 2022. The net cash flows used in investing activities in the amount of Php 277.2 mn and operating activities in the amount of Php 254.4 mn further contributed to the reduction in cash level as of H1 2023.

Operating activities showed a net cash outflow of Php 254.4 mn as of end-June 2023, which was mainly due to the rise in prepayments (development costs for a solar plant facility in Bulacan, higher CWTs and input VAT booked by the Company, VEC, Isla Norte, and Corenergy, and input VAT booked by 100%-owned IMCC from importation and domestic purchase of goods and services related to the development of a desalination facility). Higher debt service due to increase in short-term notes further contributed to the cash outflow during the semester in review. As of end-June 2022, the Company recorded a net cash outflow of Php 58.7 mn.

Investing activities closed the semester in review with a net cash outflow of Php 277.2 mn, which was mainly on account of VEC's investment in a solar plant facility in Bulacan last February 2023, and development costs incurred by IMCC for the construction of a seawater desalination facility. The net cash outflow for the acquisition by VEC, VIDC and VREC of a joint venture partner's shareholding in a subsidiary, three joint ventures and an associate also contributed to the reduced cash level. These were offset by dividends received from three associates. This compares to the spending of Php 1.4 bn as of end-June 2022, which was mainly due to 1590 EC's acquisition of the BDPP.

Financing activities as of end-June 2023 showed a net cash outflow of Php 450.0 mn, a reverse of the net cash inflow of Php 267.9 mn as of end-June 2022. During the semester in review, the Company, Isla Norte, 90%-owned BPC and NBPC made principal amortization payments for their respective short-term and/or long-term loans. Also, payments of cash dividends by the Company, NBPC, DPI & CIPC, and finance lease payments by the Company and WMP contributed to the use of cash as of end-June 2023. These were tempered by the proceeds from the short-term loans drawn by VEC and collections from an associate for its full payment of an interest-bearing loan from the Company.

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[11] Reported as Php 17.0 bn the SEC 17Q YTD June 2022 report. The change is mainly due to the restatements of the financial statements as of and for the period ended June 30, 2022 to consider the retrospective adjustments briefly described above.

Financial Ratios

Debt-to-Equity ratio went up to 0.52x as of end-June 2023, vis-à-vis as of end-2022 level of 0.48x. While total equity increased by 5%, which was mainly attributed to the earnings as of H1 2023, total liabilities went up by 14%. The rise in total liabilities was mainly due to the following:

1. Short-term loans drawn by VEC;
2. Consolidation of the liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC; and
3. Accrued pension booked by the Company, and two wholly-owned subsidiaries.

These additions were offset by the principal amortization payments made by the Company, BPC, NBPC and Isla Norte.

The Company's current ratio slightly went down to 1.85x as of the semester in review from the year-end 2022 level of 1.87x. Current liabilities increased by 5% brought by the short-term loans drawn by VEC and the take-up of the current liabilities of newly-acquired subsidiaries, SIAEC, DPI and CIPC. This was offset by the principal amortization payments made by the Company, Isla Norte, BPC, and NBPC, amortization of finance lease booked by the Company and WMP, payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years. Meanwhile, current assets rose by 4%. The increase in trade receivables (mostly from the newly acquired subsidiaries, DPI and CIPC, attributed to their power generation operations), inventories (mostly from DPI and CIPC) and prepayments (attributed to the development cost for a solar plant facility and input VAT booked by IMCC from importation and domestic purchases of goods and services related to the development of a desalination facility), was tempered by the payment made by a subsidiary to a minority shareholder for an interest-bearing loan, and payment made by another subsidiary to its minority shareholder for advances made in prior years.

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.

  - VMHI is a joint venture that will serve as the project proponent for the development and implementation of a greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facilities in Barangay Kapitan Ramon in Silay City, Negros Occidental. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The company has finalized the detailed engineering plans of the facility. Vivant, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved upon the completion of the Cebu-Negros-Panay 230kV backbone project of NGCP. VEC holds an effective equity stake of 67% in VMHI.

  - 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. The Company, through VEC and 100%-owned VREC, has an effective ownership of 100% in CREC.

  - 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 VIGC, and Global Business Power Corporation signed a Pre-Development Agreement to jointly participate in this project. The Company, through 100%-owned Vivant Integrated Generation Corporation (VIGC), has an effective ownership of 42.5% in GLEDC.

  - LPEC is the an on-grid 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 awarded to Vivant Energy and GPI after a successful conduct of CSP by PELCO II in 2020. The Company, through VEC, has an effective ownership of 100% in LPEC.

  - SIAEC is the project company that will operate a solar power plant facility in San Ildefonso, Bulacan. The facility is undergoing construction with a target capacity of 22 MWp and ancillary facilities. SIAEC is targeting to start commercial operations within 2023. VEC has an effective ownership of 100% in SIAEC.

- The Company, through its subsidiaries' business development Group, continuously looks for opportunities in the power, 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.

WATER INFRASTRUCTURE

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

- In August 2020, the SEC approved the incorporation of a 100%-owned subsidiary, through VHHI, that will undertake the proposed seawater desalination project in Cordova, Cebu, and sell bulk water to its intended off-taker, the Metropolitan Cebu Water District ("MCWD"). In June 2021, VHHI was awarded by MCWD with a 25-year Joint Venture Agreement after a successful conduct of a solicited bidding for the Cordova Bulk Water Supply Project. VHHI will build a utility-scale desalination plant that will augment the bulk water supply of MCWD by twenty thousand cubic meters per day of treated and potable water. Development activities for the plant commenced in 2022.

- Vivant, through wholly-owned subsidiary, VIHI, continues to build the organization with focus on water infrastructure. Water plays a crucial role in sustainable development and it is essential, if not the most essential to all forms of life. The growth horizon of the Company focuses on developing more bulk water supply (utilizing seawater desalination technology) and expanding its waste water treatment and water solutions businesses. As it acquires more years of solid performance in the industry, it will also look into the water distribution space and transport infrastructure business.

● 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

August 14, 2023

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of June 30, 2023 (with Comparative Audited Consolidated Figures as of December 31, 2022) and for the Six Months Ended June 30, 2023

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(With Comparative Figures as of December 31, 2022)
(Amounts in Philippine Pesos)

	Notes	**June 30, 2023 (Unaudited)**	December 31, 2022 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱3,899,635,710**	₱4,893,357,226
Trade and other receivables	2	**1,724,620,727**	1,362,706,195
Advances to associates, joint ventures and stockholders	2	**111,833,766**	294,016,208
Inventories – at cost		**381,170,550**	177,720,556
Prepayments and other current assets	3	**1,370,355,817**	446,283,559
Total Current Assets		**7,487,616,570**	7,174,083,744
Noncurrent Assets			
Investments in associates and joint ventures	4	**10,156,703,344**	10,578,321,124
Property, plant and equipment	5	**7,833,554,947**	5,877,554,921
Right-of-use assets		**22,041,720**	22,112,091
Investment properties	6	**924,036,600**	924,036,600
Deferred income tax assets		**15,844,795**	13,759,370
Other noncurrent assets	7	**2,000,149,400**	1,850,135,618
Total Noncurrent Assets		**20,952,330,806**	19,265,919,724
TOTAL ASSETS		**₱28,439,947,376**	₱26,440,003,468

	Notes	**June 30, 2023 (Unaudited)**	December 31, 2022 (Audited)
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		**₱1,685,897,978**	₱ 1,522,307,377
Short-term notes payable		**2,190,102,985**	1,170,300,000
Current portion of long-term notes payable		**95,551,537**	1,115,158,717
Current portion of lease liabilities		**5,585,156**	13,340,222
Advances from related parties		**10,191,023**	10,886,165
Income tax payable		**59,469,134**	7,528,408
Total Current Liabilities		**4,046,797,813**	3,839,520,889
Noncurrent Liabilities			
Long-term notes payable - net of current portion		**4,324,102,265**	3,508,465,451
Lease liabilities – net of current portion		**22,918,581**	13,469,730
Pension liability		**73,262,830**	64,195,472
Deferred income tax liabilities		**409,273,402**	267,362,207
Other noncurrent liabilities – net of current portion		**838,293,931**	838,293,931
Total Noncurrent Liabilities		**5,667,851,009**	4,691,786,791
Total Liabilities		**9,714,648,822**	8,531,307,680
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 remeasurement losses on employee benefits of associates and a joint venture		**(94,016,067)**	(94,016,067)
Remeasurement gain on employee benefits		**7,123,993**	7,123,993
Unrealized valuation gain on financial assets at fair value through other comprehensive income (FVOCI)		**26,517,514**	26,517,514
Equity reserves		**(30,252,298)**	(25,128,554)
Retained earnings:			
Appropriated for business expansion		**6,820,897,482**	6,820,897,482
Unappropriated		**9,608,584,623**	8,727,306,176
Equity Attributable to Equity Holders of the Parent		**17,370,651,397**	16,494,496,694
Equity Attributable to Non-controlling Interests		**1,354,647,157**	1,414,199,094
Total Equity		**18,725,298,554**	17,908,695,788
TOTAL LIABILITIES AND EQUITY		**₱28,439,947,376**	₱26,440,003,468

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO JUNE 30, 2023
(With Comparative Figures for the same period in 2022)
(Amounts in Philippine Pesos)

	2023	2022 (Restated)
REVENUE		
Revenue from contracts with customers		
Sale of power	**₱2,476,024,631**	₱1,990,360,910
Management and service fees	**44,933,330**	43,390,907
Engineering service income	**2,690,836**	21,757,310
	2,523,648,797	2,055,509,127
Equity in net earnings of associates and joint ventures	**1,333,187,192**	637,421,356
Interest income	**61,597,145**	11,305,150
	3,918,433,134	2,704,235,633
COST OF SERVICES		
Generation costs	**1,840,955,835**	1,525,079,105
Engineering service fees	**52,805,609**	21,827,367
	1,893,761,444	1,546,906,472
OPERATING EXPENSES		
Salaries and employee benefits	**241,504,448**	219,982,761
Taxes and licenses	**46,977,014**	74,074,517
Professional fees	**32,037,699**	25,769,780
Depreciation and amortization	**28,978,307**	26,979,851
Outside services	**14,065,558**	8,763,523
Management and director's fees	**12,395,000**	14,458,490
Travel	**12,256,076**	6,840,828
Communication and utilities	**5,167,182**	6,673,619
Representation	**3,220,515**	2,852,305
Rent and association dues	**2,360,304**	3,070,833
Other operating expenses	**42,366,883**	32,675,212
	441,328,986	422,141,719
INCOME FROM OPERATIONS	**1,583,342,704**	735,187,442
OTHER INCOME (CHARGES)		
Finance costs on loans	**(156,319,819)**	(108,263,721)
Gain on bargain purchase	**64,685,698**	–
Foreign exchange gain (loss) – net	**(12,124,789)**	35,282,966
Finance costs on lease liabilities	**(799,798)**	(8,269,134)
Other income - net	**11,526,671**	(76,730,605)
	(93,032,037)	(157,980,494)
INCOME BEFORE INCOME TAX	**1,490,310,667**	577,206,948
PROVISION FOR INCOME TAX	**103,860,503**	36,349,026
NET INCOME	**1,386,450,164**	540,857,922
OTHER COMPREHENSIVE INCOME	**(879)**	–
TOTAL COMPREHENSIVE INCOME	**₱1,386,449,285**	₱540,857,922
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱1,281,500,511**	₱475,309,291
Non-controlling interests	**104,949,653**	65,548,631
	₱1,386,450,164	₱540,857,922
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱1,281,499,632**	₱475,309,291
Non-controlling interests	**104,949,653**	65,548,631
	₱1,386,449,285	₱540,857,922
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	**₱1.25**	₱0.46

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED JUNE 30, 2023
(With Comparative Figures for the same period in 2022)
(Amounts in Philippine Pesos)

	2023	2022 (Restated)
REVENUE		
Revenue from contracts with customers		
Sale of power	**₱1,518,726,691**	₱994,962,569
Management and service fees	**20,128,330**	43,390,907
Engineering service income	**1,883,141**	19,525,831
	1,540,738,162	1,057,879,307
Equity in net earnings of associates and joint ventures	**708,213,963**	546,879,339
Interest income	**34,939,507**	5,866,081
	2,283,891,632	1,610,624,727
COST OF SERVICES		
Generation costs	**1,193,292,813**	821,416,334
Engineering service fees	**28,866,352**	5,317,110
	1,222,159,165	826,733,444
OPERATING EXPENSES		
Salaries and employee benefits	**154,706,829**	132,888,635
Depreciation and amortization	**15,339,499**	13,453,482
Professional fees	**10,479,300**	17,053,770
Taxes and licenses	**8,924,065**	53,800,887
Outside services	**8,557,270**	4,583,502
Travel	**8,307,054**	4,364,370
Management and director’s fees	**5,551,667**	12,065,157
Representation	**2,494,891**	1,665,233
Communication and utilities	**2,427,781**	4,097,444
Rent and association dues	**522,660**	1,742,569
Other operating expenses	**13,400,920**	20,517,081
	230,711,936	266,232,130
INCOME FROM OPERATIONS	**831,020,531**	517,659,153
OTHER INCOME (CHARGES)		
Finance costs on loans	**(94,519,332)**	(53,638,566)
Gain on bargain purchase	**64,685,698**	–
Foreign exchange gain (loss) – net	**9,446,565**	26,126,132
Finance costs on lease liabilities	**(590,808)**	(728,840)
Other income - net	**6,516,474**	(78,366,951)
	(14,461,403)	(106,608,225)
INCOME BEFORE INCOME TAX	**816,559,128**	411,050,928
PROVISION FOR INCOME TAX	**62,495,521**	(5,963,205)
NET INCOME	**754,063,607**	417,014,133
OTHER COMPREHENSIVE INCOME	**(879)**	–
TOTAL COMPREHENSIVE INCOME	**₱754,062,728**	₱417,014,133
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱702,837,032**	₱428,474,804
Non-controlling interests	**51,226,575**	(11,460,671)
	₱754,063,607	₱417,014,133
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱702,836,505**	₱428,474,804
Non-controlling interests	**51,226,223**	(11,460,671)
	₱754,062,728	₱417,014,133
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	**₱0.69**	₱0.42

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2023
(With Comparative Figures for the same period in 2022)
(Amounts in Philippine Pesos)

	Attributable to Equity Holders of the Parent											
								Retained Earnings				
	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	Appropriated	Unappropriated	Total	Equity Attributable to Non-Controlling Interests	Total Equity
Balances at January 1, 2023	**₱1,023,456,698**	**₱8,339,452**	**₱–**	**₱7,123,993**	**(₱94,016,067)**	**₱26,517,514**	**(₱25,128,554)**	**₱6,820,897,482**	**₱8,727,306,176**	**₱16,494,496,694**	**₱1,414,199,094**	**₱17,908,695,788**
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,281,500,511**	**1,281,500,511**	**104,949,653**	**1,386,450,164**
Dividends declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(398,841,075)**	**(398,841,075)**	**–**	**(398,841,075)**
Acquisition of new subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(5,123,744)**	**–**	**(1,380,110)**	**(6,503,854)**	**(164,501,590)**	**(171,005,444)**
Adjustment on foreign translation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(879)**	**(879)**	**–**	**(879)**
Balances at June 30, 2023	**₱1,023,456,698**	**₱8,339,452**	**₱–**	**₱7,123,993**	**(₱94,016,067)**	**₱26,517,514**	**(₱30,252,298)**	**₱6,820,897,482**	**₱9,608,584,623**	**₱17,370,651,397**	**₱1,354,647,157**	**₱18,725,298,554**
Balances at January 1, 2022 (Restated)	₱1,023,456,698	₱8,339,452	₱–	(₱56,940)	(₱94,016,067)	₱4,643,039	(₱25,128,554)	₱6,198,363,882	₱8,198,858,365	₱15,314,459,875	₱1,063,833,603	₱16,378,293,478
Total comprehensive income (loss)	–	–	–	–	–	–	–	–	475,309,291	475,309,291	65,548,631	540,857,922
Dividends declared	–	–	–	–	–	–	–	–	(444,282,549)	(444,282,549)	–	(444,282,549)
Acquisition of new subsidiaries	–	–	–	–	–	–	–	–	–	–	235,437,487	235,437,487
Balances at June 30, 2022	₱1,023,456,698	₱8,339,452	₱–	(₱56,940)	(₱94,016,067)	₱4,643,039	(₱25,128,554)	₱6,198,363,882	₱8,229,885,107	₱15,345,486,617	₱1,364,819,721	₱16,710,306,338

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2023
(With Comparative Figures for the same period in 2022)
(Amounts in Philippine Pesos)

	Notes	**2023**	2022(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱1,490,310,667**	₱577,206,948
Adjustments for:			
Equity in net earnings of associates and joint ventures		**(1,333,187,192)**	(637,421,356)
Depreciation and amortization		**220,121,690**	231,810,369
Finance costs on loans		**156,319,819**	108,263,721
Interest income		**(61,597,145)**	(11,305,150)
Unrealized foreign exchange losses (gains)		**12,124,789**	(35,282,966)
Pension expense		**9,067,358**	15,711,867
Finance costs on lease liabilities		**799,798**	8,269,134
Loss on the derecognition of ROU		**-**	83,258,449
Gain on disposal of fixed assets		**(650,298)**	-
Gain on bargain purchase		**(64,685,698)**	-
Operating income before working capital changes		**428,623,788**	340,511,016
Decrease (increase) in:			
Trade and other receivables	2	**396,931,856**	(498,038,819)
Inventories		**10,324,191**	(40,331,874)
Prepayments and other current assets	3	**(826,602,623)**	(48,558,054)
Increase (decrease) in trade and other payables		**(47,981,966)**	357,979,115
Net cash generated from (used in) operations		**(38,704,754)**	111,561,384
Interest paid		**(156,726,574)**	(103,491,427)
Income taxes paid		**(58,923,410)**	(66,801,632)
Net cash flows used in operating activities		**(254,354,738)**	(58,731,675)

	Notes	**2023**	2022(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant, and equipment	5	**(846,318,227)**	(2,135,477,543)
Dividends received from associates and joint ventures		**1,164,199,039**	1,070,335,658
Increase in other noncurrent assets		**(390,263,753)**	(22,524,206)
Interest received		**62,193,891**	11,287,188
Increase in intangible asset		**(282,368)**	393,389
Acquisition of subsidiaries		**(268,304,542)**	–
Proceeds from disposal of fixed assets		**1,570,748**	–
Redemption of equity interest in an associate		**475**	–
Additions to financial asset at FVOCI		**–**	(270,000,000)
Additional investments and advances to associates and joint ventures	4	**–**	(68,400,000)
Net cash flows used in investing activities		**(277,204,737)**	(1,414,385,514)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans		**(1,122,069,446)**	(237,156,474)
Lease liabilities		**(16,214,198)**	(69,976,694)
Cash dividends		**(522,601,550)**	(432,417,323)
Proceeds from loans		**1,064,102,985**	210,409,600
Net proceeds on advances from related parties		**146,744,957**	561,585,205
Additional investments and deposits for future stock subscription of non-controlling interest of a subsidiary		**–**	235,437,489
Net cash flows from (used in) financing activities		**(450,037,252)**	267,881,803
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(981,596,727)**	(1,205,235,386)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(12,124,789)**	35,282,966
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD			
Cash and cash equivalents		**4,893,357,226**	5,650,024,939
Restricted cash		**2,003,119**	2,003,311
		4,895,360,345	5,652,028,250
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and cash equivalents		**3,899,635,710**	4,480,072,519
Restricted cash		**8,712,927**	2,003,119
		₱3,908,348,637	₱4,482,075,638

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2023

1. Cash and Cash Equivalents

This account consists of:

	June 30, 2023	December 31, 2022
Cash on hand and in banks	**₱972,758,565**	₱1,901,784,675
Short-term investments	**2,926,877,145**	2,991,572,551
	₱3,899,635,710	₱4,893,357,226

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

This account consists of:

	June 30, 2023	December 31, 2022
Trade receivables	**₱1,626,588,982**	₱1,270,727,568
Advances to officers and employees	**21,561,661**	6,364,939
Accrued interest	**9,686,495**	10,279,936
Accounts receivable	**5,116,429**	11,161,303
Dividend receivable	**-**	7,760,000
Others	**103,661,183**	98,406,472
	1,766,614,750	1,404,700,218
Less allowance for impairment loss	**41,994,023**	41,994,023
	₱1,724,620,727	₱1,362,706,195

Advances to associates, joint ventures and stockholders	**₱111,833,766**	₱294,016,208

2.1 Aging of Trade and Other Receivables

	June 30, 2023				December 31, 2022			
	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	**₱999,407,579**	**₱194,568,452**	**₱572,638,719**	**₱1,766,614,750**	₱944,608,676	₱18,724,303	₱441,367,239	₱1,404,700,218
Less: Allowance for impairment loss			**41,994,023**	**41,994,023**			41,994,023	41,994,023
	₱999,407,579	**₱194,568,452**	**₱530,644,696**	**₱1,724,620,727**	₱944,608,676	₱18,724,303	₱399,373,216	₱1,362,706,195

3. Prepayments and Other Current Assets

The composition of this account is shown below:

	June 30, 2023	December 31, 2022
Advances to suppliers and other parties	**₱597,479,403**	₱107,751,455
Input VAT - current	**501,890,154**	167,475,443
Prepaid expenses	**101,319,450**	74,809,857
Security deposit	**81,888,123**	26,649,668
Creditable withholding taxes - current	**62,922,280**	63,489,165
Others	**24,856,407**	6,107,971
	₱1,370,355,817	₱446,283,559

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 June 30, 2023 and June 30, 2022 follow:

		Percentage of Ownership	
	Nature of Business	**2023**	2022
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
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
Delta P, Inc. (DPI)	Power generation	**-**	50.00
La Pampanga Energy Corp. (LPEC)	Power generation	**-**	50.00

On June 1, 2023, 100%-owned VEC signed a Share Sale and Purchase Agreement (SSPA) to acquire all of the shareholdings of its joint venture partner in 50%-owned CIPC, DPI, LPEC. On the same date, VEC and 100%-owned Vivant Renewable Energy Corporation (VREC) signed an SSPA to acquire from the partner the latter's 50% equity stake in CREC. As a result, DPI, CIPC, LPEC and CREC are classified as 100%-owned subsidiaries.

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

	June 30, 2023	December 31, 2022
Investment in VECO:		
Acquisition Cost	**₱840,393,111**	₱840,393,111
Accumulated Equity Earnings-net	**586,827,679**	669,317,641
Carrying Value	**1,427,220,790**	1,509,710,752
Investment in LPCI:		
Acquisition Cost	**114,750,000**	114,750,000
Accumulated Equity Earnings-net	**(703,360)**	(693,921)
Carrying Value	**114,046,640**	114,056,079
Investment in GLEDC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**(43,739,027)**	(41,416,442)
Carrying Value	**(43,739,027)**	(41,416,442)
Investment in CPPC:		
Acquisition Cost	**305,119,049**	305,119,049
Accumulated Equity Earnings-net	**(129,141,982)**	(142,343,811)
Carrying Value	**175,977,067**	162,775,238
Investment in Prism Energy:		
Acquisition Cost	**8,432,400**	8,432,400
Accumulated Equity Earnings-net	**26,162,585**	26,278,011
Carrying Value	**34,594,985**	34,710,411
Investment in AHI:		
Acquisition Cost	**976,784,699**	976,784,699
Accumulated Equity Earnings-net	**522,063,423**	573,074,739
Carrying Value	**1,498,848,122**	1,549,859,438
Investment in MPC:		
Acquisition Cost	**2,756,240,000**	2,756,240,000
Accumulated Equity Earnings-net	**969,879,637**	791,763,365
Carrying Value	**3,726,119,637**	3,548,003,365
Investment in TVI:		
Acquisition Cost	**2,155,304,701**	2,155,304,701
Accumulated Equity Earnings-net	**922,439,089**	849,863,336
Carrying Value	**3,077,743,790**	3,005,168,037
Investment in CREC:		
Acquisition Cost	**17,468,952**	17,468,952
Accumulated Equity Earnings-net	**(862,537)**	(841,626)
Derecognition	**(16,606,415)**	-
Carrying Value	**-**	16,627,326
Investment in LWEC:		
Acquisition Cost	**₱83,330,910**	83,330,910
Redemption of shares	**(475)**	-
Accumulated Equity Earnings-net	**(8,134,199)**	(8,004,996)
Carrying Value	**75,196,236**	75,325,914
Investment in FLOWS:		
Acquisition Cost	**65,000,000**	65,000,000
Accumulated Equity Earnings-net	**(13,148,803)**	(10,190,092)
Carrying Value	**51,851,197**	54,809,908

	June 30, 2023	December 31, 2022
Investment in PPWRLC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**18,843,907**	13,939,003
Carrying Value	**18,843,907**	13,939,003
Investment in CIPC:		
Acquisition Cost	**102,097,169**	102,097,169
Accumulated Equity Earnings-net	**58,126,116**	109,382,016
Derecognition	**(160,223,285)**	-
Carrying Value	**-**	211,479,185
Investment in DPI:		
Acquisition Cost	**235,261,426**	235,261,426
Accumulated Equity Earnings-net	**16,563,788**	50,729,574
Derecognition	**(251,825,214)**	-
Carrying Value	**-**	285,991,000
Investment in LPEC:		
Acquisition Cost	**40,616,354**	40,616,354
Accumulated Equity Earnings-net	**(3,665,809)**	(3,334,444)
Derecognition	**(36,950,545)**	-
Carrying Value	**-**	37,281,910
Total Carrying Value of Investments	**₱10,156,703,344**	₱10,578,321,124

5. Property, Plant and Equipment

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

	June 30, 2023								
	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	₱494,239,355	₱3,924,340,981	₱177,839,711	₱98,667,326	₱108,398,180	₱184,912,042	₱94,500,050	₱1,678,110,000	₱6,761,007,645
Additions	–	–	–	24,400,550	3,029,718	3,521,058	56,163	815,310,738	846,318,227
Acquisition of subsidiaries	312,081,500	921,489,456	10,573,899	1,881,633	722,503	4,113,554	58,667	9,725,492	1,260,646,704
Disposal	–	–	–	(4,138,596)	(39,554)	–	–	–	(4,178,150)
At June 30	806,320,855	4,845,830,437	188,413,610	120,810,913	112,110,847	192,546,654	94,614,880	2,503,146,230	8,863,794,426
Accumulated Depreciation and Amortization									
At January 1	–	610,754,536	39,182,672	55,571,602	84,287,340	36,435,663	57,220,911	–	883,452,724
Depreciation	–	120,034,706	4,993,813	7,588,999	5,306,792	6,569,545	6,471,049	–	150,964,904
Disposal	–	–	–	(4,138,596)	(39,553)	–			(4,178,149)
At June 30	–	730,789,242	44,176,485	59,022,005	89,554,579	43,005,208	63,691,960	–	1,030,239,479
Net Book Value	₱806,320,855	₱4,115,041,195	₱144,237,125	₱61,788,908	₱22,556,268	₱149,541,446	₱30,922,920	₱2,503,146,230	₱7,833,554,947

	December 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	₱54,373,755	₱862,964,932	₱177,839,711	₱86,101,718	₱95,928,795	₱125,320,911	₱94,485,818	₱2,444,944,422	₱3,941,960,062
Additions	439,865,600	1,718,906,610	–	17,089,554	13,042,459	4,470,209	14,232	639,238,082	2,832,626,746
Reclassification	–	1,342,469,439	–	–	–	55,120,922	8,482,143	(1,406,072,504)	–
Disposal	–	–	–	(4,523,946)	(573,074)	–	(8,482,143)	–	(13,579,163)
At December 31	494,239,355	3,924,340,981	177,839,711	98,667,326	108,398,180	184,912,042	94,500,050	1,678,110,000	6,761,007,645
Accumulated Depreciation and Amortization									
At January 1	–	344,018,341	29,593,705	46,203,515	72,049,933	26,564,826	43,861,135	–	562,291,455
Depreciation	–	266,736,195	9,588,967	12,570,939	12,810,462	9,870,837	13,359,776	–	324,937,176
Disposal	–	–	–	(3,202,852)	(573,055)	–	–	–	(3,775,907)
At December 31	–	610,754,536	39,182,672	55,571,602	84,287,340	36,435,663	57,220,911	–	883,452,724
Net Book Value	₱494,239,355	₱3,313,586,445	₱138,657,039	₱43,095,724	₱24,110,840	₱148,476,379	₱37,279,139	₱1,678,110,000	₱5,877,554,921

6. Investment Properties

	June 30, 2023	December 31, 2022
Land		
Cost	**₱898,590,867**	₱898,590,867
Condominium Units		
Cost	**₱25,445,733**	25,445,733
Total Investment Properties	**₱924,036,600**	₱924,036,600

Some of the Company's investment properties are leased out to outside parties to earn rental income, for a lease period of three years. Total rental income amounting to Php 1.0 mn and Php 1.2 mn as of end-June 2023 and end-June 2022, respectively, were recorded as part of "Other income" in the consolidated statements of comprehensive income.

In 2022, an appraisal was performed on the Company's investment properties which resulted to an increase in the fair value amounting to Php 60.4 mn.

Direct costs pertain to real property taxes amounting to Php 1.4 mn and Php 0.4 mn as of end- June 2023 and 2022, 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:

	June 30, 2023	December 31, 2022
Advances to suppliers and other parties	**₱764,889,524**	₱698,308,703
Financial assets at FVOCI	**397,734,676**	397,734,676
Creditable withholding taxes - noncurrent	**274,205,790**	241,934,712
Input VAT - noncurrent	**211,653,294**	162,048,494
Customer contracts	**189,111,199**	199,760,084
Goodwill	**142,030,596**	129,843,626
Software cost – net	**862,051**	843,053
Others - net of allowance for impairment loss of Php 46.01 mn	**19,662,270**	19,662,270
	2,000,149,400	₱1,850,135,618

8. Capital Stock

The details of the capital stock account are as follows:

	June 30, 2023	December 31, 2022
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:

	June 30, 2023	December 31, 2022
Net income attributable to the shareholders of the Parent company	**₱1,281,500,511**	₱1,595,263,961
Weighted average number of outstanding common shares	**1,023,456,698**	1,023,456,698
Basic EPS	**₱1.252**	₱1.559

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 first tranche of the notes amounting to Php 1.0 bn matured and was fully paid on January 27, 2023. On the same date, Vivant Corporation made a principal payment of Php 50.0 mn on the second tranche.

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

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

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

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 June 30, 2023 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:

	June 30, 2023
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 3,996,036
	Euro 233,574
Trade Payables	USD –
	Euro –
Gross Exposure	USD 3,996,036
	Euro 233,574

The average exchange rates for the quarter ended June 30, 2023 are as follows:

US Dollar-Philippine Peso	US$1 = Php 55..67
Euro-Philippine Peso	Eu€1 = Php 60.60

The exchange rates applicable as of June 30, 2023 are the following:

US Dollar-Philippine Peso	US$1 = Php 55.36
Euro-Philippine Peso	Eu€1 = Php 60.16

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of June 30, 2023 would have decreased equity and profit by Php 23.5 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of June 30, 2023 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.

Fredlin Agang

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> on behalf of ICTD Submission
Sent: Monday, August 14, 2023 3:47 PM
To: fredlin.agang@vivant.com.ph
Subject: Re: Vivant Corporation_SEC 17Q_Q2 2023

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation
Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

-- NOTICE TO COMPANIES --

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors
(Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven
(11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – https://apps010.sec.gov.ph/