Fredlin Agang

From:	ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> on behalf of ICTD Submission
Sent:	Wednesday, November 13, 2024 11:15 AM
To:	fredlin.agang@vivant.com.ph
Subject:	Re: CGFD_Vivant Corporation_SEC Form 17-Q_13November2024

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/

For your information and guidance.

Thank you.

COVER SHEET

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S.E.C. Registration Number

P.S.E. Control Number

V	I	V	A	N	T		C	O	R	P	O	R	A	T	I	O	N											

(Company's Full Name)

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

Atty. Maila Lourdes G. De Castro	(032) 232-0283, 234-2256 and 234-2285
Contact Persons	Telephone Number of the Contact Person

1	2		3	1

Month Day
Fiscal Year

SEC FORM 17-Q
3rd Quarterly Report 2024

FORM TYPE

0	6		2	0

Month Day
Annual Meeting

N/A

Secondary license Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

1,403	1,023,440,965	15,733
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **September 30, 2024**

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 10,427,848,275**

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

Yes [✓] No [ ]

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

Philippine Stock Exchange **Common Stock**

12. Indicate by check mark whether the registrant:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached financial statements and schedules.

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

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

The following is a discussion and analysis of the Company's consolidated financial condition and results of operations for the interim period ended September 30, 2024 compared with the interim period ended September 30, 2023, as restated. 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:

1. **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings (or loss) of associates is the Company's share in the income or loss of associates, 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.

2. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it the interest, depreciation and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company's ability to generate cash from operations to cover financial charges and income taxes.

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

4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company's leverage position and is computed by dividing total liabilities with total stockholders' equity.

5. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

As disclosed in the SEC 17A report for calendar year 2023, the Company, through its three wholly-owned subsidiaries, acquired all of the shareholdings of the joint venture partner in Calamian Islands Power Corporation (CIPC), Delta P, Inc. (Delta P), La Pampanga Energy Corporation (LPEC), Culna Renewable Energy Corporation (CREC) and Isla Norte Power Corporation (Isla Norte). Consequently, the equity stake in these subsidiaries went up to 100% effective June 1, 2023.

As allowed by Philippine Financial Reporting Standards (PFRS) 10, *Consolidated Financial Statements*, the assets and liabilities assumed as of end-December 2023 and as of end-June 2023 were based on the provisional assessment of the fair value. The fair values are subject to change within one (1) year measurement period after the acquisition date, i.e., June 1, 2023. In June 2024, the Company has completed the valuation, which resulted to the following:

1. Final fair value of property plant and equipment of Php 1.4 billion (bn), an increase of Php 340.8 mn over the provisional value;
2. Fair value of intangible assets from customer contracts was determined to be at Php 53.5 million (mn);
3. As a result of the fair value adjustments, deferred income tax liabilities increased by Php 98.6 mn, goodwill decreased by Php 12.2 mn, and gain on bargain purchase increased by Php 46.1 mn.

The end-December 2023 and as of end-September 2023 comparative consolidated financial statements are restated to reflect the adjustments to the provisional amounts. Moreover, the Company's financial statements starting period ended June 30, 2024 account for the full consolidation of the CIPC, Delta P, LPEC and CREC in the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of cash flows. On the other hand, equity share in the net earnings (losses) of these four investee-companies were taken up in the consolidated statement of comprehensive income as of end-May 2023. Meanwhile, the acquisition of the additional 35% equity stake in Isla Norte did not affect the accounting for this investment under PFRS 10.

The table below shows the comparative figures of the key performance indicators for the periods ended September 30, 2024, and September 30, 2023, as restated.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**YTD September 2024**	**YTD September 2023 (Restated)**	**YE 2023 (Unaudited, Restated)**
Equity in Net Earnings of Associates and Joint Ventures	1,579,963	1,740,380	
EBITDA	2,887,822	2,670,391	
Net increase (decrease) in cash and cash equivalents	(114,226)	(1,368,699)	
Net cash flows from (used in) operating activities	(34,433)	(100,510)	
Net cash flows from (used in) investing activities	665,265	(691,391)	
Net cash flows from (used in) financing activities	(745,059)	(576,798)	
Debt-to-Equity Ratio (x)	0.50	0.51	0.53[1]
Current Ratio (x)	2.50	1.71[2]	1.76[1]

The Company's share in net earnings of associates and joint ventures as of September 30, 2024 amounted to Php 1.6 bn, representing a 9% year-on-year (YoY) decrease from Php 1.7 bn. This was a result of the following:

1. 40%-owned Abovant Holdings, Inc. (AHI) posted Php 304.0 mn in income contribution, a decrease of 13% from the same period last year. This decline was mainly due to the reduced profitability of its associate, Cebu Energy Development Corporation (CEDC), following the non-renewal of its ancillary services contract. In addition, CEDC saw a 10% YoY drop in profits from the Wholesale Electricity Spot Market (WESM) sales as the volume sold went down by 35% YoY. Costs for the major repair of Unit 3 of the plant facility in the first quarter of 2024 further contributed to the earnings contraction. However, these effects were partially offset by profits from the reserves market when it started participating in August 2024, as well as from bilateral contracts.

2. 40%-owned Minergy Power Corporation (MPC) reported a 47% YoY decrease in earnings contribution to Php 127.2 mn as of September 2024. During the period in review, MPC recorded a 25% YoY drop in gross profit, primarily due to the termination of its Power Supply Agreement (PSA) involving Unit 3[3] of its plant facility. Operating and administrative expenses also rose by 16% compared to the previous year. These were mitigated by earnings generated from sale of its available capacity to the WESM starting April 2024.

3. 40%-owned Cebu Private Power Corporation (CPPC) reported Php 6.9 mn in loss contribution as of end-September 2024 vis-a-vis Php 57.2 mn in income contribution as of end-September 2023. CPPC realized a 99% YoY reduction in the volume of energy sold to the WESM, which was partially offset by a one-time income from the collection of additional compensation for WESM sales in 2023, and a 74% YoY reduction in total generation and operating expenses.

[1] DER and current ratio were reported at 0.52x and 1.80x in the SEC 17A for FY 2023. The change is attributed to the final fair values resulting from the business acquisition, as described above.

[2] Reported at 1.75x in the SEC 17-Q3 2024 report. The change is attributed to the final fair value resulting from the business acquisition, as described above.

[3] The PSA of Unit 3 of MPC was among the contracts affected by the Decision issued by the Supreme Court in the case filed by Alyansa Para Sa Bagong Pilipinas against the ERC, DOE, MERALCO and other generation companies (GR No. 227670 (May 3, 2019). As a result of the said Decision and pursuant to an Order issued by the ERC, CEPALCO and MPC were directed to desist from implementing PSA. MPC filed a motion for reconsideration of the said Order which remains pending with the ERC.

4. 40%-owned Prism Energy, Inc. (Prism Energy), a Retail Electricity Supplier (RES) company, posted a net loss contribution of Php 8.3 mn as of end-September 2024 compared to a net income contribution of Php 0.9 mn as of end-September 2023. Prism Energy saw a 100% YoY decline in the volume of energy sold due to the non-renewal of customer contracts.

5. 100%-owned Delta P and CIPC are fully consolidated starting June 1, 2023. Thus, there are no equity earnings contribution recognized for the period in review. This compares to the equity earnings contribution of Php 15.8 mn and Php 23.7 mn from Delta P and CIPC, respectively, as of end-May 2023.

However, the decline in earnings contribution was tempered by the contributions of the following:

1. Visayan Electric Company (VECO), the Company's electricity distribution utility, posted an income contribution of Php 870.7 mn[4] as of end-September 2024, marking an 8% YoY increase. This was mainly driven by a strong electricity sales growth of 11% YoY. Moreover, operating expenses due to non-recurring manpower costs and taxes on real property acquisition contributed to the reduction of the earnings for the period end-September 2024.

2. 20%-owned Therma Visayas, Inc. (TVI) recorded an income contribution of Php 306.1 mn as of end-September 2024, reflecting a 23% increase from Php 248.2 mn in the same period in 2023. The earnings generated from ancillary services (up by 1,453%), through an Ancillary Services Procurement Agreement (ASPA) that took effect in September 2023, and its participation in the reserves market[5] beginning in February 2024 mainly accounted for the bottomline improvement.

3. 45%-owned Faith Lived Out Visions 2 Ventures Holdings, Inc. (FLOWS), through its 89.6%-owned subsidiary, Puerto Princesa Water Reclamation and Learning Center Inc (PPWRLC), booked a 5% YoY increase in income contribution to Php 6.9 mn. PPWRLC's reduced operating costs contributed to the profit expansion during the period in review.

[4] Beginning in the second quarter of 2024, VECO adopted a new method for recognizing pass-through costs in its financial statements. Under this approach, operating revenue for the period includes pass-through costs incurred during the same period. Any difference between the operating revenue recognized and the amount billed to customers, subject to an ERC-approved mechanism, is recorded as a trade and other receivable in VECO's statement of financial position. In contrast, as of the end of September 2023, VECO saw a timing difference between the period it incurred these costs and the recovery from customers.

[5] On March 25, 2024, the ERC issued an order directing PEMC and IEMOP to 'suspend the implementation of the Section 8 of the PDM Manual on the Billing and Settlement under the promulgated Interim Relief dated 24 August 2023,' and provides that 'the suspension will cover the March 2024 billing period and will remain in effect until otherwise lifted by the Commission. This order resulted to the non-booking of revenues by TVI covering the period February 26, 2024 to March 25, 2024 (March 2024 billing month).

On May 9, 2024, the ERC issued an order allowing the settlement of 30% of the amounts for payment for trading transactions made in the Reserve Market for the March 2024 billing month.

On July 26, 2024, the ERC issued a Notice of Resolution lifting the suspension of the implementation of Section 8 of the PDM Manual. Market Operator to resume commercial operations of the reserves market on August 5, 2024.

EBITDA as of end-September 2024 was at Php 2.9 bn, 8% higher than Php 2.7 bn as of end-September 2023. This was mainly the result of the 46% YoY expansion in revenues, which stemmed from:

1. Sale of power rose to Php 7.0 bn from Php 3.9 bn, which was primarily driven by the improved revenue contribution of the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

   Oil-fired Power Plants

   - 100%-owned 1590 Energy Corporation (1590 EC) recorded a 12% increase in energy sales. This was driven by the company's participation in the reserves market, which yielded Php 2.1 bn in revenues as of the period in review.

   - Wholly owned Delta P brought in a revenue contribution of Php 1.6 bn. The increased electricity demand in the island of Palawan resulted to a 49% YoY increase in the volume of energy sold as of end-September 2024. Prior to June 1, 2023, Delta P was not consolidated and was accounted by the Company through its equity share in net earnings.

   - Wholly owned CIPC yielded a revenue contribution of Php 517.2 mn during the period in review. Its volume of energy sold was 16% higher YoY owing to greater electricity demand in the islands. The Company started to consolidate CIPC in its books on June 1, 2023.

   - 100%-owned Isla Norte contributed a revenue of Php 697.8 mn (up by 17% YoY), which was driven by an 11% YoY increase in the volume of energy sold due to higher demand as of end-September 2024.

   - 100%-owned Meridian Power Inc. (MPI) shored in fresh revenue contribution of Php 824.8 mn coming from its energy sales to the WESM and participation in the reserves market starting February 2024.

   - 90%-owned Bukidnon Power Corporation (BPC) posted a revenue contribution of Php 79.0 mn as of end-September 2024. Its topline performance rose by 25% YoY, significantly due to a 712% YoY boost in the volume of energy sold.

   Meanwhile, the topline contribution of 90%-owned North Bukidnon Power Corporation (NBPC) declined by 20% YoY to Php 43.9 mn as of the period in review. Despite getting dispatched (up by 463% YoY) and selling to the WESM starting May 2024, energy billings to its customer were adjusted to account for the downtime of one engine due to repairs starting in May 2024.

   Retail Electricity Supply (RES)

   - 100%-owned Corenergy, Inc. (Corenergy) showed higher RES revenue (up by 31% YoY) as of end-September 2024. This was a result of a 23% YoY increase in energy sales backed by an improved customer base.

Solar Rooftop

- 100%-owned Corenergy Solar Solutions Corporation (CSSC) recorded a 5% YoY growth in its topline performance on account of an enhanced customer base during the period in review.

- The solar rooftop business of 100%-owned Corenergy recorded revenues of Php 9.8 mn as of the period in review, up by 86% YoY. This was mainly attributed to the 48% YoY rise in volume sold on the back of increased number of customers.

100%-owned Vivant Solar Corporation's (VSC) revenue contribution went down to Php 3.4 mn as of end-September 2024 from Php 3.8 mn as of end-September 2023. One of the solar panel inverters underwent repairs that resulted to a 12% YoY drop in volume of energy sold.

2. Interest income increased to Php 117.6 mn from Php 102.9 mn, driven by higher cash balance and interest rates for short-term money market placements.

3. Engineering service fees for the period saw an 11% YoY decline to Php 21.6 mn. This was attributed to lower direct costs incurred by Corenergy which was 65% lower YoY. However, this was tempered by the rise in direct cost contributions from 60%-owned Watermatic Philippines Corporation (WMP) (up by 72% YoY) for on-going third-party service contracts during the period in review.

Meanwhile, the rise in EBITDA was moderated by the following:

1. Management and service fees was 62% lower YoY at Php 107.2 mn as of end-September 2024. This was mainly due to the consolidation of two subsidiaries starting on June 1, 2023, which resulted to a change in accounting for the service billings to these entities. As of end-September 2024, the service billings were eliminated for financial reporting purposes while as of end-September 2023, only five months' worth of service billings were taken up as service fee revenue in the statement of comprehensive income. Further, the decline in the service fees to two customers also contributed to the revenue contraction.

2. Engineering service income declined to Php 13.4 mn as of end-September 2024 from Php 16.4 mn as of end-September 2023. The topline contribution of Corenergy's engineering solutions business was lower by 81% YoY, booking Php 2.5 mn in revenues during the period in review. The revenue contraction was partially offset by a 269% YoY increase in revenues generated by WMP from service engineering contracts with non-related parties.

3. 9% YoY contraction in equity earnings as income contributions from four associates went down as of end-September 2024. The non-recognition of the equity earnings from Delta P and CIPC resulting from the change in accounting for these investments from associates to subsidiaries starting June 2023 also contributed to the decline. This decline was mitigated by the increase in equity earnings of three associates.

4. Generation cost rose by 81% YoY to Php 5.6 bn brought by the following:

   Oil-fired Power Plants

   - Take-up of the generation costs of Delta P and CIPC in the amount of Php 1.5 bn and Php 509.2 mn, respectively. This was a result of the consolidation of these companies after the acquisition of the 50% equity stake of the joint venture partner in both investee-companies last June 2023.

   - 55.2%-owned 1590 EC's generation cost grew by 35% YoY to deliver the kilowatt hour commitment under its bilateral contract with a third party.

   - 100%-owned Isla Norte incurred a 22% YoY increase in its generation costs, driven by an 11% YoY rise in energy sales volume .

   - 100%-owned MPI recognized generation costs of Php 448.7 mn given its energy sales in the WESM starting February 2024.

   - 90%-owned BPC recorded a 42% YoY increase in generation cost on the back of a 712% YoY rise in the volume of energy sold.

   - 90%-owned NBPC incurred higher generation cost (up by 16% YoY), mainly on repairs and maintenance since one of its engines went offline for major repair since May 2024.

   Retail Electricity Supply

   - Increased volume sales of Corenergy's RES business (up by 23% YoY) led to higher cost of purchased power (up by 34% YoY).

   Solar Rooftop

   - 100%-owned CSSC posted a 29% YoY increase in direct costs on account of higher depreciation costs as of end-September 2024 as additional solar rooftop facilities came online.

   - 100%-owned VSC recorded a 14% YoY rise in property taxes incurred in the first quarter of 2024.

   - The solar rooftop operations of Corenergy booked higher depreciation expense as of end-September 2024. The increase was attributed to the new solar facilities that began operating in the fourth quarter of 2023 to serve additional customers.

5. Operating expenses grew by 43% YoY.

Before considering the effect of changes in the foreign exchange rates, the Company ended the period in review with a net decrease in cash in the amount of Php 114.2 mn, vis-à-vis Php 1.4 bn as of end-September 2023. As of end-September 2024, the Company used cash for financing activities in the amount of Php 745.1 mn and operating activities in the amount of Php 34.4 mn. The reduction in the cash level was mitigated by the net cash inflow generated from investing activities of Php 665.3 mn.

Operating activities showed a net cash outflow of Php 34.4 mn as of end-September 2024, 66% lower than the net cash outflow of Php 100.5 mn in the same period last year. While there was a 44% YoY rise in the operating results before working capital changes, the cash generated from these activities during the period in review was reduced by the following:

1. Increase in trade and other receivables as a result of revenue generated in the reserves market by two subsidiaries, energy sales to the WESM by MPI and improved topline performance from Corenergy's retail electricity business;
2. Purchase of inventories mostly by 100%-owned MPI on the back of its energy sales to the WESM starting February 2024 and by three other power operating subsidiaries;
3. Payment of trade and other payables, mainly by Vivant Energy Corporation (Vivant Energy) for a share purchase transaction in 2023 wherein the amount due was accrued as of year-end 2023; and
4. Interest payments to service the term loans of the Company and seven subsidiaries.

The period in review ended with a net cash inflow of Php 665.3 mn from investing activities, a reversal of the net cash outflows as of end-September 2023 of Php 691.4mn. The dividends received from four associates offset the investment spending during the period in review. The Company, through its subsidiaries, incurred the following: (1) development costs by Isla Mactan-Cordova Corporation (IMCC) for the construction of a seawater desalination facility; (2) acquisition cost related to real properties for office space; (3) acquisition cost related to real properties purchased by wholly owned subsidiaries for future projects; and (4) the acquisition cost for solar panels by Corenergy to service new contracts.

Financing activities as of end-September 2024 showed a net cash outflow of Php 745.1 mn. This was attributed to the principal amortization of the Company's fixed rate corporate note (FRCN), principal amortization of the long-term loans of Delta P, Isla Norte, BPC and NBPC, and payment of the short-term loans of Vivant Energy, 1590 EC and CIPC. Moreover, dividend payment by the Company, payment of advances by a subsidiary to a minority shareholder, and finance lease payments by the Company, WMP, Delta P, CIPC and MPI contributed to the use of cash as of end-September 2024. These were tempered by the proceeds from the following loans:

1. Vivant Energy's long-term loans;
2. Corenergy's long-term loan; and
3. CIPC's short-term loans.

On the other hand, the Company's net cash outflow for financing activities as of end-September 2023 was lower at Php 576.8 mn.

Debt-to-Equity ratio went down to 0.50x as of end-September 2024 from 0.53x as of end-2023. Total equity increased by 6%, which was mainly attributed to the earnings, net of the dividends declared and paid by the Company as of the period in review. Meanwhile, total liabilities slightly declined given the following:

1. Payment of long-term loans by the Company and four subsidiaries;
2. Payment of short-term loans by three subsidiaries;
3. Payment of working capital advances by a subsidiary to its minority shareholder; and
4. Periodic amortizations of finance lease liability by the Company, Delta P, MPI, CIPC and WMP.

The Company's current ratio went up to 2.50x as of the period in review from end-2023 level of 1.76x. Current assets increased by 9% brought by the increase in receivables (mostly from 1590EC, MPI and Corenergy) on the back of improved operations, purchase of inventories by MPI starting January 2024, and increase in prepayments from increase in input VAT, mostly for the ongoing development costs of two subsidiaries. While current liabilities decreased by 23% brought by the following:

1. Payment of trade and other payables that were accrued as of year-end 2023 (mainly payment to the joint venture partner for the acquisition of shares in subsidiaries, and payment of accrued purchased power and fuel liabilities by 1590 EC);
2. Payment of the current portion of the long-term loans of the Company and four subsidiaries;
3. Payment of short-term loans by three subsidiaries;
4. Payment of working capital advances by a subsidiary to its minority shareholder; and
5. Periodic amortizations of finance lease liability by the Company, Delta P, MPI and WMP.

Material Changes in Line Items of Registrant's Income Statement
(YTD September 2024 vs. YTD September 2023, as restated)

As of end-September 2024, the Company's total revenues amounted to Php 8.8 bn, recording a 46% YoY increase from Php 6.1 bn. The topline performance of the Company was attributable to the following:

1. Sale of power rose by 80% YoY to Php 7.0 bn, which was primarily from the improved revenue contribution of the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

    <u>*Oil-fired Power Plants*</u>

    - 100%-owned 1590 EC recorded a 12% increase in energy sales. This was driven by the company's participation in the reserves market, which yielded Php 2.1 bn in revenues as of the period in review.

    - Wholly owned Delta P brought in a revenue contribution of Php 1.6 bn. The increased electricity demand in the island of Palawan resulted to a 49% YoY increase in the volume of energy sold as of end-September 2024. Prior to June 1, 2023, Delta P was not consolidated and was accounted by the Company through its equity share in net earnings.

    - Wholly owned CIPC yielded a revenue contribution of Php 517.2 mn during the period in review. Its volume of energy sold was 16% higher YoY owing to greater electricity demand in the islands. The Company started to consolidate CIPC in its books on June 1, 2023.

- 100%-owned Isla Norte contributed a revenue of Php 697.8 mn (up by 17% YoY), which was driven by an 11% YoY increase in the volume of energy sold due to higher demand as of end-September 2024.

- 100%-owned MPI shored in fresh revenue contribution of Php 824.8 mn coming from its energy sales to the WESM and participation in the reserves market starting February 2024.

- 90%-owned BPC posted a revenue contribution of Php 79.0 mn as of end-September 2024. Its topline performance rose by 25% YoY, significantly due to a 712% YoY boost in the volume of energy sold.

Meanwhile, the topline contribution of 90%-owned NBPC declined by 20% YoY to Php 39.5 mn as of the period in review. Despite getting dispatched (up by 463% YoY) and selling to the WESM starting May 2024, energy billings to its customer were adjusted to account for the downtime of one engine due to repairs starting in May 2024.

Retail Electricity Supply (RES)

- 100%-owned Corenergy showed higher RES revenue (up by 31% YoY) as of end-September 2024. This was a result of a 23% YoY increase in energy sales backed by an improved customer base.

Solar Rooftop

- 100%-owned CSSC recorded a 5% YoY growth in its topline performance on account of an enhanced customer base during the period in review.

- The solar rooftop business of 100%-owned Corenergy recorded revenues of Php 9.8 mn as of the period in review, up by 86% YoY. This was mainly attributed to the 48% YoY rise in volume sold on the back of increased number of customers.

100%-owned VSC's revenue contribution went down to Php 3.4 mn as of end-September 2024 from Php 3.8 mn as of end-September 2023. One of the solar panel inverters underwent repairs that resulted to a 12% YoY drop in volume of energy sold.

2. Management and service fees was 62% lower YoY at Php 107.2 mn as of end-September 2024. This was mainly due to the consolidation of two subsidiaries starting on June 1, 2023, which resulted to a change in accounting for the service billings to these entities. As of end-September 2024, the service billings were eliminated for financial reporting purposes while as of end-September 2023, only five months' worth of service billings were taken up as service fee revenue in the statement of comprehensive income. Further, the decline in the service fees to two customers also contributed to the revenue contraction.

3. Engineering service income declined to Php 13.4 mn as of end-September 2024 from Php 16.4 mn as of end-September 2023. The topline contribution of Corenergy's engineering solutions business was lower by 81% YoY, booking Php 2.5 mn in revenues during the period in review. The revenue contraction was partially offset by a 269% YoY increase in revenues generated by WMP from service engineering contracts with non-related parties.

4. The Company's share in net earnings of associates and joint ventures as of September 30, 2024 amounted to Php 1.6 bn, representing a 9% YoY decrease from Php 1.7 bn. This was a result of the following:

   - 40%-owned AHI posted Php 304.0 mn in income contribution, a decrease of 13% from the same period last year. This decline was mainly due to the reduced profitability of its associate, CEDC, following the non-renewal of its ancillary services contract. In addition, CEDC saw a 10% YoY drop in profits from the WESM sales as the volume sold went down by 35% YoY. Costs for the major repair of Unit 3 of the plant facility in the first quarter of 2024 further contributed to the earnings contraction. However, these effects were partially offset by profits from the reserves market operations which began in August 2024, as well as from bilateral contracts.

   - 40%-owned MPC reported a 47% YoY decrease in earnings contribution to Php 127.2 mn as of September 2024. During the period in review, MPC recorded an 25% YoY drop in gross profit, primarily due to the termination of its PSA involving Unit 3 of its plant facility. Operating and administrative expenses also rose by 16% compared to the previous year. These were mitigated by earnings generated from sale of its available capacity to the WESM starting April 2024.

   - 40%-owned CPPC reported Php 6.9 mn in loss contribution as of end-September 2024 vis-a-vis Php 57.2 mn in income contribution as of end-September 2023. CPPC realized a 99% YoY reduction in the volume of energy sold to the WESM which was partially offset by a one-time income from the collection of additional compensation for WESM sales in 2023, and a 74% YoY reduction in total generation and operating expenses.

   - 40%-owned Prism Energy, a RES company, posted a net loss contribution of Php 8.3 mn as of end-September 2024 compared to a net income contribution of Php 0.9 mn as of end-September 2023. Prism Energy saw a 100% YoY decline in the volume of energy sold due to the non-renewal of customer contracts.

   - 100%-owned Delta P and CIPC are fully consolidated starting June 1, 2023. Thus, there are no equity earnings contribution recognized for the period in review. This compares to the equity earnings contribution of Php 15.8 mn and Php 23.7 mn from Delta P and CIPC, respectively, as of end-May 2023.

However, the decline in earnings contribution was tempered by the contributions of the following:

   - VECO posted an income contribution of Php 870.7 mn as of end-September 2024, marking an 8% YoY increase. This was mainly driven by a strong electricity sales growth of 11% YoY. Moreover, operating expenses due to non-recurring manpower costs and taxes on real property acquisition contributed to the reduction of the earnings for the period end-September 2024.

   - 20%-owned TVI recorded an income contribution of Php 306.1 mn as of end-September 2024, reflecting a 23% increase from Php 248.2 mn in the same period in 2023. The earnings generated from ancillary services (up by 1,453%), through an ASPA that took effect in September 2023, and its participation in the reserves market beginning in February 2024 mainly accounted for the bottomline improvement.

- 45%-owned FLOWS, through its 89.6%-owned subsidiary, PPWRLC, booked a 5% YoY increase in income contribution to Php 6.9 mn. PPWRLC's reduced operating costs contributed to the profit expansion during the period in review.

5. Interest income increased to Php 117.6 mn from Php 102.9 mn, driven by higher cash balance and interest rates for short-term money market placements.

Total cost of services and operating expenses as of end-September 2024 went up by 74% to Php 6.6 bn from Php 3.8 bn.

1. Total cost of services rose by 80% YoY to Php 5.6 bn. This was mainly attributed to the following:

   a) Generation cost rose by 81% YoY to Php 5.6 bn due to the following:

      Oil-fired Power Plants

      - Take-up of the generation costs of Delta P and CIPC in the amount of Php 1.5 bn and Php 509.2 mn, respectively. This was a result of the consolidation of these companies after the acquisition of the 50% equity stake of the joint venture partner in both investee-companies last June 2023.

      - 55.2%-owned 1590 EC generation cost grew by 35% YoY to deliver the kilowatt hour commitment under its bilateral contract with a third party.

      - 100%-owned Isla Norte incurred a 22% YoY increase in its generation costs, driven by an 11% YoY rise in energy sales volume.

      - 100%-owned MPI recognized generation costs of Php 448.7 mn given its energy sales in the WESM starting February 2024.

      - 90%-owned BPC recorded a 42% YoY increase in generation cost on the back of a 712% YoY rise in the volume of energy sold.

      - 90%-owned NBPC incurred higher generation cost (up by 16% YoY), mainly on repairs and maintenance since one of its engines went offline for major repair since May 2024.

      Retail Electricity Supply

      - Increased volume sales of Corenergy's RES business (up by 23% YoY) led to higher cost of purchased power (up by 34% YoY).

Solar Rooftop

- 100%-owned CSSC posted a 29% YoY increase in direct costs on account of higher depreciation costs as of end-September 2024 as additional solar rooftop facilities came online.

- 100%-owned VSC recorded a 14% YoY rise in property taxes incurred in the first quarter of 2024.
- The solar rooftop operations of Corenergy booked higher depreciation expense as of end-September 2024. The increase was attributed to the new solar facilities that began operating in the fourth quarter of 2023 to serve additional customers.

b) Engineering service fees incurred for the period saw an 11% YoY decline to Php 21.6 mn. This was attributed to lower direct costs incurred by Corenergy which was 65% lower YoY. However, this was tempered by the rise in direct cost contributions from 60%-owned WMP (up by 72% YoY) for on-going third-party service contracts during the period in review.

2. Salaries and employee benefits went up by 36% YoY to Php 461.1 mn from Php 338.5 mn. Increase in headcount mainly accounted for the cost expansion.

3. Taxes and licenses were higher by 69% YoY at Php 96.4 mn. This was primarily due to the early recognition of the current year's real property taxes by a 55.2%-owned power subsidiary. In contrast, real property taxes for 2023 were booked in the fourth quarter of 2023. Additionally, the Company, through Vivant Energy, incurred higher local business taxes due to the inclusion of taxes incurred by Delta P and CIPC as a result of the business combination.

4. Professional fees increased by 54% YoY to Php 88.4 mn. This was mainly attributable to project development costs and the take-up of costs incurred by Delta P and CIPC as a result of the business combination.

5. Outside services significantly grew by 167% to Php 82.8 mn from Php 31.0 mn. This can be attributed to increased costs for third party providers of various services (e.g., manpower sourcing, administrative tasks) incurred by the Company and two wholly owned subsidiaries, marketing services incurred by a subsidiary, and security services and outsourced personnel incurred by two power operating subsidiaries.

6. Depreciation and amortization went up by 16% to Php 54.1 mn. This was mainly attributable to fixed assets that were purchased in the fourth quarter of 2023.

7. Travel expenses were higher by 72% YoY to Php 43.9 mn from Php 25.6 mn. Th cost expansion was driven by more frequent business trips for meetings with partners and stakeholders, as well as site visits for project development. Additionally, fuel expenses for fleet vehicles went up with a higher number of vehicles, frequency of fieldwork, and fuel costs during the period in review.

8. Management and directors' fees decreased by 57% YoY to Php 17.2 mn from Php 39.8 mn due to lesser number of meetings during the period in review.

9. Communication and utilities expenses rose by 27% YoY to Php 11.1 mn from Php 8.7 mn. This was attributed to the increased communication costs and utilities consumption by the Company, and

two holding subsidiaries on account of increased headcount. The take-up of the communication and utilities expenses of two operating subsidiaries resulting from the business combination contributed to the cost expansion during the period in review.

10. Rent and association dues were higher by 225% YoY to Php 10.6 mn, which was driven by a subsidiary's foreshore lease, common use service area (CUSA) fees for newly acquired condominium units and escalated CUSA fees incurred by the Company for its offices as of end-September 2024.

11. Representation expenses were posted at Php 5.7 mn, 8% lower YoY as a result of reduced spending for the period in review.

12. Other operating expenses went up to Php 113.5 mn, posting a 57% YoY increase. This was mainly attributed to the following: (1) higher insurance premium of 1590 EC; (2) higher cost of subscriptions to work management and communication tools; and (3) increased consumption of office supplies due to increased headcount. The take up of expenses of two subsidiaries furthered the cost expansion.

Vivant booked Php 251.4 mn in other charges as of end-September 2024, recording a reversal of the Php 10.7 mn in other income booked in the same period last year. The following account for the movement:

1. Finance costs on loans were 24% higher YoY to Php 317.6 mn. Debt servicing of three subsidiaries accounted for the cost expansion, namely:
    a. Vivant Energy's long-term loans drawn in December 2023, and outstanding short-term loans as of January 2024;
    b. Take-up of the finance costs of the term loans of Delta P starting June 2023;
    c. Long-term loan drawn by Corenergy; and
    d. Short-term loan drawn by CIPC.

2. Restated one-time gains recognized as of end-June 2023 that relate to the acquisition of four subsidiaries:

    - Gain on fair value remeasurement of investment in associates amounting to Php 143.7 mn;
    - Gain on bargain purchase amounting to Php 110.8 mn.

3. Finance costs on finance leases went up to Php 1.9 mn, primarily due to the amortization of a long-term lease entered into by a subsidiary starting in the third quarter of 2024.

These were offset by the following:

1. Other income rose to Php 63.4 mn as of end-September 2024 from Php 18.7 mn as of end-September 2023. This was caused by the ancillary income recognized by Vivant Energy for a third-party lease arrangement involving certain facilities.

2. Unrealized foreign exchange gain as of end-September 2024 amounted to Php 1.6 mn, a reversal of the unrealized foreign exchange loss of Php 5.0 mn as of end-September 2023. This pertains to the translation of the US Dollar and Euro cash balances of the Company and its subsidiaries.

As of end-September 2024, the Company booked a consolidated provision for income tax of Php 226.4 mn, reflecting a 72% increase from the previous year's Php 131.4[6] mn. This increase was driven by higher taxable income of four subsidiaries, which was partially offset by lower taxable income of four subsidiaries.

Taking all of the above into account, the Company recorded a total net income of Php 1.8 bn for the period ending September 30, 2024, which was 17% lower than end-September 2023's net income of Php 2.1 bn[7]. Net income attributable to parent amounted to Php 1.7 bn as of end-September 2024 from Php 2.0[8] bn as of end-September 2023.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-September 2024 vs. Year-end 2023, as restated)

The Company's total assets as of end-September 2024 amounted to Php 31.4 bn, which was marginally higher than end-2023's level of Php 30.2 bn. The following are the material movements in the consolidated assets of the Company during the period in review.

1. Trade and other receivables increased by 20% to Php 2.0 bn. This was mainly driven by two subsidiaries participating in the reserves market, along with energy sales to the WESM by MPI, and topline performance from Corenergy's retail electricity business.

2. Inventories increased by 84% to Php 669.8 mn as of end-September 2024. This was mainly attributed to fuel purchases by MPI on the back of its energy sales to the WESM starting February 2024, and fuel purchases by three other power operating subsidiaries.

3. Prepayments rose by 15% to Php 897.9 mn. This hike was mainly on account of increased input value-added tax (VAT) attributed to the development of ongoing projects.

4. Right-of-use assets (ROU) increased by 182% to Php 69.1 mn. This was attributed to a subsidiary's lease agreement that was executed in August 2024, offset by the depreciation for the period.

Total consolidated liabilities amounted to Php 10.4 bn as of end-September 2024, slightly lower than the end-2023 level of Php 10.4 bn. This was mainly attributed to the following:

1. Short-term notes payable declined by 45% to Php 1.1 bn. This was mainly attributed to principal payments made by Vivant Energy, 1590 EC and CIPC.

2. Payment of working capital advances by a subsidiary to its minority shareholder.

These were offset by the following:

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[6] Reported at Php 138.5mn in the SEC 17-Q3 2024 report. The change is attributed to the final fair value resulting from the business acquisition, as described above.
[7] Reported at Php 2.0 bn in the SEC 17-Q3 2024 report. The change is attributed to the final fair value resulting from the business acquisition, as described above.
[8] Reported at Php 1.9 bn in the SEC 17-Q3 2024 report. The change is attributed to the final fair value resulting from the business acquisition, as described above.

1. Current and non-current portion of finance lease liabilities went up by 195% to Php 87.9 mn. This was mainly due to the lease agreement of MPI for land offset by the amortization expense recognized by the Company, Delta P, MPI, CIPC and WMP.

2. Current and non-current portion of long-term notes payable increased by 14% to Php 5.8 bn as of the period in review. This was mainly attributed to the additional loans drawn by Vivant Energy and Corenergy. This was offset by the loan amortization payments for the loans of the Company, Delta P, Isla Norte, BPC and NBPC during the period in review.

3. Income tax payable rose by 435% to Php 185.7 mn from Php 34.7 mn. This was mainly attributed to the accruals for the third quarter income taxes of 1590EC, MPI, Delta P and NBPC. This was offset by the payment of income taxes for yearend 2023 and the first two quarters of 2024.

4. Pension liability posted a 12% increase to Php 207.4 mn as of the end-September 2024. Accrual of pension expenses booked by the Company and six wholly-owned subsidiaries mainly accounted for the expansion of this account.

As a result of net income generated, net of dividends declared, total stockholders' equity increased by 6% to Php 21.0 bn as of end-September 2024. Meanwhile, equity attributable to parent was at Php 19.5 bn as of end-September 2024, up by 6% vis-à-vis end-2023's Php 18.4[9] bn.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-September 2024 vs. End-September 2023)

Cash and cash equivalents was at Php 4.3 bn as of end-September 2024 and Php 3.5 bn as of end-September 2023.

Before considering the effect of changes in the foreign exchange rates, the Company ended the period in review with a net decrease in cash in the amount of Php 114.2 mn, vis-à-vis Php 1.4 bn as of end-September 2023. As of end-September 2024, the Company used cash for financing activities in the amount of Php 745.1 mn and operating activities in the amount of Php 34.4 mn. The reduction in the cash level was mitigated by the net cash inflow generated from investing activities of Php 665.3 mn.

Operating activities showed a net cash outflow of Php 34.4 mn as of end-September 2024, 66% lower than the net cash outflow of Php 100.5 mn in the same period last year. While there was a 44% YoY rise in the operating results before working capital changes, the cash generated from these activities during the period in review was reduced by the following:

1. Increase in trade and other receivables as a result of revenue generated in the reserves market by two subsidiaries, energy sales to the WESM by MPI and improved topline performance from Corenergy's retail electricity business;
2. Purchase of inventories mostly by 100%-owned MPI on the back of its energy sales to the WESM starting February 2024 and by three other power operating subsidiaries;

[9] Reported at Php 17.4 bn in the SEC 17-Q2 2024 report. The change is attributed to the final fair value resulting from the business acquisition, as described above.

3. Payment of trade and other payables, mainly by Vivant Energy for a share purchase transaction in 2023 wherein the amount due was accrued as of year-end 2023; and
4. Interest payments to service the term loans of the Company and seven subsidiaries.

The period in review ended with a net cash inflow of Php 665.3 mn from investing activities, a reversal of the net cash outflows as of end-September 2023 of Php 691.4mn. The dividends received from four associates offset the investment spending during the period in review. The Company, through its subsidiaries, incurred the following: (1) development costs by IMCC for the construction of a seawater desalination facility; (2) acquisition cost related to real properties for office space; (3) acquisition cost related to real properties purchased by wholly owned subsidiaries for future projects; and (4) the acquisition cost for solar panels by Corenergy to service new contracts.

Financing activities as of end-September 2024 showed a net cash outflow of Php 745.1 mn. This was attributed to the principal amortization of the Company's FRCN, principal amortization of the long-term loans of Delta P, Isla Norte, BPC and NBPC, and payment of the short-term loans of Vivant Energy, 1590 EC and CIPC. Moreover, dividend payment by the Company, payment of advances by a subsidiary to a minority shareholder, and finance lease payments by the Company, WMP, Delta P, CIPC and MPI contributed to the use of cash as of end-September 2024. These were tempered by the proceeds from the following loans:

1. Vivant Energy's long-term loans;
2. Corenergy's long-term loan; and
3. CIPC's short-term loans.

On the other hand, the Company's net cash outflow for financing activities as of end-September 2023 was lower at Php 576.8 mn.

Financial Ratios

Debt-to-Equity ratio went down to 0.50x as of end-September 2024 from 0.53x as of end-2023. Total equity increased by 6%, which was mainly attributed to the earnings, net of the dividends declared and paid by the Company as of the period in review. Meanwhile, total liabilities slightly declined given the following:

1. Payment of long-term loans by the Company and four subsidiaries;
2. Payment of short-term loans by three subsidiaries;
3. Payment of working capital advances by a subsidiary to its minority shareholder; and
4. Periodic amortizations of finance lease liability by the Company, Delta P, MPI, CIPC and WMP.

The Company's current ratio went up to 2.50x as of the period in review from end-2023 level of 1.76x. Current assets increased by 9% brought by the increase in receivables (mostly from 1590EC, MPI and Corenergy on the back of improved operations, purchase of inventories by MPI starting January 2024, and increase in prepayments from increase in input VAT, mostly for the ongoing development costs of two subsidiaries). While current liabilities decreased by 23% brought by the following:

1. Payment of trade and other payables that were accrued as of year-end 2023 (mainly payment to the joint venture partner for the acquisition of shares in subsidiaries, and payment of accrued purchased power and fuel liabilities by 1590 EC);
2. Payment of the current portion of the long-term loans of the Company and four subsidiaries;
3. Payment of short-term loans by three subsidiaries;
4. Payment of working capital advances by a subsidiary to its minority shareholder; and
5. Periodic amortizations of finance lease liability by the Company, Delta P, MPI and WMP.

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, Vivant Energy.

- 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. Vivant Energy 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 Energy Regulatory Commission (ERC) on July 17, 2017, which is pending resolution. The Company, through Vivant Energy 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 Vivant Energy, 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 by 2025. Vivant Energy has an effective ownership of 100% in SIAEC.

- Lihangin Wind Energy Corporation (LWEC) is the project company that will construct and operate a 206 MW wind power project in San Isidro, Northern Samar. It is targeting to start commercial operations in 2025. LWEC is a joint venture with Aboitiz Renewables, Inc. (ARI) and Vena Energy.

- 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 is building a utility-scale seawater 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 and is expected to be completed in 2024.

- 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

November 13, 2024

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of September 30, 2024 (with Comparative Consolidated Figures as of
December 31, 2023, as Restated) and for the Nine Months Ended September 30, 2024

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(With Comparative Figures as of December 31, 2023)
(Amounts in Philippine Pesos)

	Notes	**September 30, 2024 (Unaudited)**	December 31, 2023 (Unaudited Restated)
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱4,269,940,309**	₱4,382,540,776
Trade and other receivables	2	**1,983,265,736**	1,647,660,999
Advances to associates, joint ventures and stockholders	2	**161,430,742**	162,204,796
Inventories – at cost		**669,834,064**	364,692,217
Prepayments and other current assets	3	**897,920,718**	778,251,105
Total Current Assets		**7,982,391,569**	7,335,349,893
Noncurrent Assets			
Investments in associates and joint ventures	4	**10,707,593,667**	10,595,855,907
Property, plant and equipment	5	**8,878,037,269**	8,580,084,481
Right-of-use assets		**69,118,213**	24,539,068
Investment properties	6	**1,045,469,800**	1,045,469,800
Deferred income tax assets		**30,437,535**	30,485,788
Other noncurrent assets	7	**2,715,909,452**	2,606,014,377
Total Noncurrent Assets		**23,446,565,936**	22,882,449,421
TOTAL ASSETS		**₱31,428,957,505**	₱30,217,799,314

	Notes	September 30, 2024 (Unaudited)	December 31, 2023 (Unaudited Restated)
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		**₱1,870,668,362**	₱1,963,546,959
Short-term notes payable		**1,076,000,000**	1,942,183,949
Current portion of long-term notes payable		**41,864,975**	210,300,979
Current portion of lease liabilities		**17,475,824**	17,928,869
Advances from related parties		**50**	2,350,050
Income tax payable		**185,657,578**	34,696,280
Total Current Liabilities		**3,191,666,789**	4,171,007,086
Noncurrent Liabilities			
Long-term notes payable - net of current portion		**5,722,914,962**	4,838,054,596
Lease liabilities – net of current portion		**70,434,034**	11,912,090
Pension liability		**207,364,096**	185,506,597
Deferred income tax liabilities		**366,011,217**	382,515,066
Other noncurrent liabilities – net of current portion		**869,457,177**	844,587,453
Total Noncurrent Liabilities		**7,236,181,486**	6,262,575,802
Total Liabilities		**10,427,848,275**	10,433,582,888
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		**(125,169,500)**	(125,169,500)
Remeasurement gain on employee benefits		**(79,876,405)**	(79,876,405)
Unrealized valuation gain on financial assets at fair value through other comprehensive income (FVOCI)		**51,053,039**	51,053,039
Equity reserves		**(30,252,298)**	(30,252,298)
Retained earnings:			
Appropriated for business expansion		**7,354,810,254**	7,354,810,254
Unappropriated		**11,319,075,027**	10,224,480,806
Equity Attributable to Equity Holders of the Parent		**19,521,436,267**	18,426,842,046
Equity Attributable to Non-controlling Interests		**1,479,672,963**	1,357,374,380
Total Equity		**21,001,109,230**	19,784,216,426
TOTAL LIABILITIES AND EQUITY		**₱31,428,957,505**	₱30,217,799,314

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 2024
(With Comparative Figures for the same period in 2023)
(Amounts in Philippine Pesos)

	2024	2023 (Restated)
REVENUE		
Revenue from contracts with customers		
Sale of power	**₱7,021,543,310**	3,908,532,947
Management and service fees	**107,175,001**	282,204,267
Engineering service income	**13,376,554**	16,404,542
	7,142,094,865	4,207,141,756
Equity in net earnings of associates and joint ventures	**1,579,963,337**	1,740,380,004
Interest income	**117,580,523**	102,917,089
	8,839,638,725	6,050,438,849
COST OF SERVICES		
Generation costs	**5,567,494,307**	3,076,544,670
Engineering service fees	**21,606,475**	24,178,617
	5,589,100,782	3,100,723,287
OPERATING EXPENSES		
Salaries and employee benefits	**461,082,447**	338,543,717
Taxes and licenses	**96,416,639**	56,947,358
Professional fees	**88,391,054**	57,490,603
Outside services	**82,820,691**	30,975,859
Depreciation and amortization	**54,148,014**	46,682,958
Travel	**43,863,772**	25,560,316
Management and directors fees	**17,219,444**	39,792,216
Communication and utilities	**11,088,496**	8,726,037
Rent and association dues	**10,558,819**	3,244,624
Representation	**5,658,555**	6,175,821
Other operating expenses	**113,473,357**	72,134,667
	984,721,288	686,274,176
INCOME FROM OPERATIONS	**2,265,816,655**	2,263,441,386
OTHER INCOME (CHARGES)		
Finance costs on loans	**(317,627,495)**	(256,382,753)
Finance costs on lease liabilities	**(1,892,757)**	(948,335)
Foreign exchange gain (loss) – net	**1,625,972**	(5,037,778)
Gain on fair value remeasurement on investment in joint ventures	**—**	143,650,891
Gain on bargain purchase	**—**	110,787,173
Other income - net	**66,468,353**	18,671,136
	(251,425,927)	10,740,334
INCOME BEFORE INCOME TAX	**2,014,390,728**	2,274,181,720
PROVISION FOR INCOME TAX	**226,409,085**	131,420,716
NET INCOME	**1,787,981,643**	2,142,761,004
OTHER COMPREHENSIVE LOSS	**—**	53,879
TOTAL COMPREHENSIVE INCOME	**₱1,787,981,643**	₱2,142,814,883
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱1,665,683,060**	₱2,046,035,200
Non-controlling interests	**122,298,583**	96,725,804
	₱1,787,981,643	₱2,142,761,004
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱1,665,683,060**	₱2,046,067,528
Non-controlling interests	**122,298,583**	96,747,355
	₱1,787,981,643	₱2,142,814,883
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	**₱1.63**	₱2.00

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024
(With Comparative Figures for the same period in 2023)
(Amounts in Philippine Pesos)

	2024	2023 (Restated)
REVENUE		
Revenue from contracts with customers		
Sale of power	**₱2,627,171,264**	₱1,432,508,316
Management and service fees	**83,725,002**	237,270,937
Engineering service income	**3,784,951**	13,713,706
	2,714,681,217	1,683,492,959
Equity in net earnings of associates and joint ventures	**530,534,259**	407,192,812
Interest income	**37,205,796**	41,319,944
	3,282,421,272	2,132,005,715
COST OF SERVICES		
Generation costs	**1,743,050,161**	1,231,496,028
Engineering service fees	**5,996,682**	8,706,820
	1,749,046,843	1,240,202,848
OPERATING EXPENSES		
Salaries and employee benefits	**132,102,738**	97,039,269
Professional fees	**45,488,643**	25,452,905
Outside services	**34,573,153**	16,910,301
Travel	**25,608,477**	13,304,240
Taxes and licenses	**22,685,764**	9,970,344
Depreciation and amortization	**18,702,615**	17,704,651
Management and directors fees	**8,775,000**	27,397,216
Rent and association dues	**5,259,510**	884,320
Communication and utilities	**3,492,147**	3,558,855
Representation	**2,739,616**	2,955,306
Other operating expenses	**37,460,853**	29,767,784
	336,888,516	244,945,191
INCOME FROM OPERATIONS	**1,196,485,913**	646,857,676
OTHER INCOME (CHARGES)		
Finance costs on loans	**(134,284,324)**	(100,062,934)
Foreign exchange gain (loss) – net	**(4,085,299)**	7,087,011
Finance costs on lease liabilities	**(315,844)**	(148,537)
Other income - net	**23,939,881**	44,478,277
	(114,745,586)	(48,646,183)
INCOME BEFORE INCOME TAX	**1,081,740,327**	598,211,493
PROVISION FOR INCOME TAX	**165,644,673**	27,560,212
NET INCOME	**916,095,654**	570,651,281
OTHER COMPREHENSIVE LOSS		54,758
TOTAL COMPREHENSIVE INCOME	**₱916,095,654**	₱570,706,039
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱788,296,825**	₱578,875,130
Non-controlling interests	**127,798,829**	(8,223,849)
	₱916,095,654	₱570,651,281
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	**₱788,296,825**	₱578,907,985
Non-controlling interests	**127,798,829**	(8,201,946)
	₱916,095,654	₱570,706,039
Basic and diluted earnings per share, for net income for the year attributable to equity holders of the Parent (see Note 9)	**₱0.77**	₱0.57

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(With Comparative Figures for the same period in 2023)
(Amounts in Philippine Pesos)

	Capital Stock	Additional Paid-in Capital	Remeasurement Losses on Employee Benefits	Share in Remeasurement Losses on Employee Benefits of Associates and a Joint Venture	Unrealized Valuation Gain on Financial Assets at FVOCI	Equity Reserves	Retained Earnings		Total	Equity Attributable to Non-Controlling Interests	Total Equity
							Appropriated	Unappropriated			
Balances at January 1, 2024	**₱1,023,456,698**	**₱8,339,452**	**(₱79,876,405)**	**(₱125,169,500)**	**₱51,053,039**	**(₱30,252,298)**	**₱7,354,810,254**	**₱10,224,480,806**	**₱18,426,842,046**	**₱1,357,374,380**	**₱19,784,216,426**
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,665,683,060**	**1,665,683,060**	**122,298,583**	**1,787,981,643**
Dividends declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(571,088,839)**	**(571,088,839)**	**–**	**(571,088,839)**
Balances at September 30, 2024	**₱1,023,456,698**	**₱8,339,452**	**(₱79,876,405)**	**(₱125,169,500)**	**₱51,053,039**	**(₱30,252,298)**	**₱7,354,810,254**	**₱11,319,075,027**	**₱19,521,436,267**	**₱1,479,672,963**	**₱21,001,109,230**
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)	–	–	–	–	–	–	–	2,046,035,200	2,046,035,200	96,725,804	2,142,761,004
Dividends declared	–	–	–	–	–	–	–	(398,841,075)	(398,841,075)	(1,060,000)	(399,901,075)
Acquisition of new subsidiaries	–	–	–	–	–	(5,123,744)	–	(1,380,110)	(6,503,854)	(164,501,590)	(171,005,444)
Cumulative translation adjustment of a subsidiary	–	–	–	–	–	–	–	53,879	53,879	–	53,879
Balances at September 30, 2023 (Restated)	₱1,023,456,698	₱8,339,452	₱7,123,993	(₱94,016,067)	₱26,517,514	(₱30,252,298)	₱6,820,897,482	₱10,373,174,070	₱18,135,240,844	₱1,345,363,308	₱19,480,604,152

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(With Comparative Figures for the same period in 2023)
(Amounts in Philippine Pesos)

	Notes	**2024**	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱2,014,390,728**	₱2,274,181,720
Adjustments for:			
Equity in net earnings of associates and joint ventures		**(1,579,963,337)**	(1,740,380,004)
Depreciation and amortization		**558,638,450**	388,278,686
Finance costs on loans		**317,627,495**	256,382,753
Interest income		**(117,580,523)**	(102,917,089)
Pension expense		**17,577,394**	13,925,888
Unrealized foreign exchange losses (gains)		**(1,625,972)**	5,037,778
Finance costs on lease liabilities		**1,892,757**	948,335
Gain on sale of disposal of property and equipment		**(3,101,411)**	(650,298)
Gain on fair value remeasurement of investment in associates		**—**	(143,650,891)
Gain on bargain purchase		**—**	(110,787,173)
Operating income before working capital changes		**1,207,855,581**	840,369,706
Decrease (increase) in:			
Trade and other receivables	2	**(353,194,062)**	175,764,104
Inventories		**(305,141,847)**	(28,830,004)
Prepayments and other current assets	3	**(119,669,613)**	(832,898,446)
Increase (decrease) in trade and other payables		**(46,970,538)**	77,844,741
Net cash from operations		**382,879,521**	232,250,101
Interest paid		**(324,713,410)**	(250,358,878)
Income taxes paid		**(92,598,841)**	(82,401,072)
Net cash flows used in operating activities		**(34,432,730)**	(100,509,849)

	Notes	2024	2023(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from associates and joint ventures		**1,468,225,578**	1,407,784,532
Additions to property, plant, and equipment	5	**(818,167,317)**	(1,336,252,064)
Interest received		**135,169,846**	77,459,133
Increase in other noncurrent assets		**(119,963,212)**	(322,163,731)
Net cash outflow from acquisition of shares of a subsidiary, associates & joint ventures		**—**	(268,304,542)
Increase in investments and advances to associates and joint ventures		**—**	(251,169,256)
Proceeds from disposal of property and equipment		**—**	1,570,748
Increase in intangible assets		**—**	(316,118)
Redemption of an equity interest in an associate		**—**	475
Net cash flows from (used in) investing activities		**665,264,895**	(691,390,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Loans		**(1,135,103,564)**	(1,173,511,111)
Cash dividends		**(570,219,781)**	(534,574,692)
Lease liabilities		**(2,140,279)**	(21,143,291)
Proceeds from loans		**963,980,967**	1,064,102,985
Net proceeds (payments) on advances to / from related parties		**(1,575,947)**	88,327,858
Net cash flows used in financing activities		**(745,058,604)**	(576,798,251)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(114,226,439)**	(1,368,698,923)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**1,625,972**	(5,037,778)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD			
Cash and cash equivalents		**4,382,540,776**	4,893,357,226
Restricted cash		**2,003,880**	2,003,319
		4,384,544,656	4,895,360,545
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and cash equivalents		**4,269,940,309**	3,519,620,525
Restricted cash		**26,198,692**	26,198,692
		₱4,296,139,001	₱3,545,819,217

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
September 30, 2024

1. Cash and Cash Equivalents

This account consists of:

	September 30, 2024	December 31, 2023
Cash on hand and in banks	**₱500,549,596**	₱898,772,610
Short-term investments	**3,769,390,713**	3,483,768,166
	₱ 4,269,940,309	₱4,382,540,776

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

This account consists of:

	September 30, 2024	December 31, 2023
Trade receivables	**₱ 1,888,803,348**	₱1,575,969,109
Accounts receivable	**299,355**	182,598
Advances to officers and employees	**22,210,476**	5,694,516
Accrued interest	**17,564,578**	20,945,817
Others	**91,282,683**	81,273,031
	2,020,160,440	1,684,065,071
Less allowance for impairment loss	**36,894,704**	36,404,072
	₱1,983,265,736	₱1,647,660,999

Advances to associates, joint ventures and stockholders	**₱161,430,742**	₱162,204,796

2.1 Aging of Trade and Other Receivables

	September 30, 2024				December 31, 2023			
	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	**₱1,207,017,701**	**₱150,495,664**	**₱ 662,647,075**	**₱2,020,160,440**	₱1,083,971,022	₱92,003,989	₱508,090,060	₱1,684,065,071
Less: Allowance for impairment loss			**36,894,704**	**36,894,704**			36,404,072	36,404,072
	₱1,207,017,701	**₱150,495,664**	**₱625,752,371**	**₱1,983,265,736**	₱1,083,971,022	₱92,003,989	₱471,685,988	₱1,647,660,999

3. Prepayments and Other Current Assets

The composition of this account is shown below:

	September 30, 2024	December 31, 2023
Input VAT - current	**₱ 542,073,002**	₱431,774,396
Prepaid expenses	**167,907,344**	205,891,052
Advances to suppliers and other parties	**60,083,700**	43,910,119
Creditable withholding taxes - current	**50,638,208**	47,380,505
Security deposit	**37,986,285**	42,421,520
Others	**39,232,179**	6,873,513
	₱897,920,718	₱778,251,105

Input VAT represents the VAT imposed by the Group's suppliers of goods and services as required by Philippine taxation laws and regulations. The non-current portion of these input VAT are presented as part of "Other noncurrent assets" (see Note 7).

Prepaid expenses include payments for the comprehensive coverage for property loss and damage, and the Group's health insurance.

Creditable withholding taxes pertain to taxes withheld by the customers on income payments to the companies in the Group from sales of services that can be applied against the companies' income tax liabilities. The non-current portion of these creditable withholding taxes are presented as part of "Other noncurrent assets" (see Note 7).

Advances to suppliers and other parties include down payment for service contractors and advance payments to suppliers for purchases of goods and services for the succeeding period.

"Others" include cash restricted in an escrow account amounting to Php 26.2 million (mn) as of September 30, 2024, and for implementing environmental and community projects pursuant to the agreement entered with the Department of Environment and Natural Resources and PGLU amounting to Php 2.0 mn as of December 31, 2023.

4. Investments in Associates and Joint Ventures

The Company's associates and joint ventures, which are all incorporated in the Philippines, and the corresponding equity ownership as of September 30, 2024 and September 30, 2023 follow:

		Percentage of Ownership	
	Nature of Business	**2024**	2023
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
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

The components of the carrying values of investments in associates and joint ventures as of end-September 2024 and end-2023 are as follows:

	September 30, 2024	December 31, 2023
Investment in VECO:		
Acquisition Cost	**₱840,393,111**	₱840,393,111
Accumulated Equity Earnings-net	**754,169,185**	879,402,070
Carrying Value	**1,594,562,296**	1,719,795,181
Investment in LPCI:		
Acquisition Cost	**114,750,000**	114,750,000
Accumulated Equity Earnings-net	**(729,724)**	(713,322)
Carrying Value	**114,020,276**	114,036,678
Investment in GLEDC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**(46,804,052)**	(44,954,575)
Carrying Value	**(46,804,052)**	(44,954,575)
Investment in CPPC:		
Acquisition Cost	**305,119,049**	305,119,049
Accumulated Equity Earnings-net	**(190,049,910)**	(182,809,331)
Carrying Value	**115,069,139**	122,309,718
Investment in Prism Energy:		
Acquisition Cost	**8,432,400**	8,432,400
Accumulated Equity Earnings-net	**18,005,775**	26,277,158
Carrying Value	**26,438,175**	34,709,558
Investment in AHI:		
Acquisition Cost	**976,784,699**	976,784,699
Accumulated Equity Earnings-net	**534,325,950**	582,302,367
Carrying Value	**1,511,110,649**	1,559,087,066

	September 30, 2024	December 31, 2023
Investment in MPC:		
Acquisition Cost	**2,756,240,000**	2,756,240,000
Accumulated Equity Earnings-net	**841,982,590**	834,739,356
Carrying Value	**3,598,222,590**	3,590,979,356
Investment in TVI:		
Acquisition Cost	**2,155,304,701**	2,155,304,701
Accumulated Equity Earnings-net	**1,251,693,038**	945,607,638
Carrying Value	**3,406,997,739**	3,100,912,339
Investment in LWEC:		
Acquisition Cost	**₱334,499,690**	83,330,910
Additional investment	**-**	251,169,255
Redemption of shares	**-**	(475)
Accumulated Equity Earnings-net	**(30,619,016)**	(12,711,949)
Carrying Value	**303,880,674**	321,787,741
Investment in FLOWS:		
Acquisition Cost	**65,000,000**	65,000,000
Accumulated Equity Earnings-net	**(21,547,798)**	(16,615,009)
Carrying Value	**43,452,202**	48,384,991
Investment in PPWRLC:		
Acquisition Cost	**-**	-
Accumulated Equity Earnings-net	**40,643,979**	28,807,855
Carrying Value	**40,643,979**	28,807,855
Total Carrying Value of Investments	**₱10,707,593,667**	₱10,595,855,907

5. Property, Plant and Equipment

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

	September 30, 2024								
	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	₱688,780,421	₱5,622,755,917	₱316,259,543	₱131,331,388	₱118,866,698	₱336,902,500	₱109,658,213	₱2,638,666,130	₱9,963,220,810
Additions	75,415,235	106,027,141	337,604,078	38,007,323	8,254,752	19,785,544	9,644,379	223,428,865	818,167,317
Disposals	–	–	–	(11,460,457)	–	–	–	–	(11,460,457)
At September 30	764,195,656	5,728,783,058	653,863,621	157,878,254	127,121,450	356,688,044	119,302,592	2,862,094,995	10,769,927,670
Accumulated Depreciation and Amortization									
At January 1	–	1,032,263,106	58,339,305	69,758,166	96,140,825	56,641,529	69,993,398	–	1,383,136,329
Depreciation	–	414,976,630	57,231,083	17,689,686	8,253,776	18,373,585	3,396,101	–	519,920,861
Disposals	–	–	–	(11,166,789)	–	–	–	–	(11,166,789)
At September 30	–	1,447,239,736	115,570,388	76,281,063	104,394,601	75,015,114	73,389,499	–	1,891,890,401
Net Book Value	₱ 764,195,656	₱ 4,281,543,322	₱ 538,293,233	₱ 81,597,191	₱ 22,726,849	₱ 281,672,930	₱ 45,913,093	₱ 2,862,094,995	₱ 8,878,037,269

					December 31, 2023, as Restated				
	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
Business Combinations	37,908,966	1,197,230,844	104,503,000	3,714,944	1,059,000	5,785,000	15,002,000	1,449,839	1,366,653,593
Additions	156,632,100	455,376,039	32,636,904	33,087,711	9,449,071	54,750,087	156,163	1,097,649,643	1,839,737,718
Reclassification	–	45,808,053	1,279,928	–	–	91,455,371	–	(138,543,352)	–
Disposal	–	–	–	(4,138,593)	(39,553)	–	–	–	(4,178,146)
At December 31	688,780,421	5,622,755,917	316,259,543	131,331,388	118,866,698	336,902,500	109,658,213	2,638,666,130	9,963,220,810
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	–	421,508,570	19,156,633	18,325,157	11,893,038	20,205,866	12,772,487	–	503,861,751
Disposal	–	–	–	(4,138,593)	(39,553)	–	–	–	(4,178,146)
At December 31	–	1,032,263,106	58,339,305	69,758,166	96,140,825	56,641,529	69,993,398	–	1,383,136,329
Net Book Value	₱688,780,421	₱4,361,465,310	₱163,991,137	₱59,739,911	₱22,389,375	₱278,589,524	₱24,721,482	₱2,638,666,130	₱8,580,084,481

6. Investment Properties

	September 30, 2024	December 31, 2023
Land		
Cost	**₱1,018,548,067**	₱1,018,548,067
Condominium Units		
Cost	**26,921,733**	26,921,733
Total Investment Properties	**₱1,045,469,800**	₱1,045,469,800

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 2.0 mn and Php 1.57 mn as of end-September 2024 and end-September 2023, respectively, were recorded as part of "Other income" in the consolidated statements of comprehensive income.

In 2023, an appraisal was performed on the Company's investment properties which resulted to an increase in the fair value amounting to Php 121.4 mn.

Direct costs pertain to real property taxes amounting to Php 1.8 mn and Php 1.4 mn as of end-September 2024 and 2023, respectively, are included under "Taxes and licenses" account in the consolidated statements of comprehensive income.

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

7. Other Noncurrent Assets

The details of this account are shown below:

	September 30, 2024	December 31, 2023, as restated
Advances to suppliers and other parties	**₱1,238,334,113**	₱1,226,593,466
Financial assets at FVOCI	**426,600,000**	426,600,000
Creditable withholding taxes - noncurrent	**375,157,890**	401,840,334
Input VAT - noncurrent	**308,421,573**	189,414,330
Customer contracts	**212,038,718**	215,374,032
Goodwill	**129,843,626**	129,843,626
Software cost – net	**6,180,868**	639,585
Pension asset	**436,715**	376,533
Others - net of allowance for impairment loss of Php 46.01 mn	**18,895,949**	15,332,471
	₱2,715,909,452	₱2,606,014,377

Acquisition of Delta P and CIPC in 2023
On June, 1, 2023, VEC entered into an SSPA with a joint venture partner to acquire its common and preferred shares in Delta P and CIPC for a consideration of Php 272.9 mn and Php 172.0 mn,

respectively. This resulted to an increase in the Group's ownership interest in the entities from 50% to 100%. The Group has assessed that the set of assets and activities that it has acquired constitutes a business and has accounted for the acquisition as a business combination.

By the date the 2023 financial statement were approved for issue by the BOD, the valuation required by PFRS 3 had not yet been completed. Hence the assets recognized and liabilities assumed were based on provisional assessment of their fair value, and the valuation for property, plant and equipment, intangible assets, and good will was subject to change within one (1) year of measurement period after the acquisition date.

In June 2024, the Company has completed the valuation, and the final fair value of property, plant and equipment was determined to be Php 1.4 billion (bn), an increase of Php 340.8 mn over the provisional value. In addition, the fair value of intangible assets from customer contracts was determined to be Php 53.5 mn. As a result of the fair value adjustments, deferred income tax liabilities increased by Php 98.6 mn, goodwill decreased by Php 12.2mn, and gain on bargain purchase increased by Php 46.1 mn. The 2023 comparative financial information was restated to reflect the adjustment to the provisional amounts.

The gain on bargain purchase is presented as part of "Other income (charges)" in the 2023 consolidated statement of comprehensive income. The gain on this acquisition arose from changes to the fair value of the net identifiable assets during the period.

The following is the final purchase price allocation for the business combinations:

	Delta P	**CIPC**	**Total**
Cash and cash equivalents	152,095,091	28,328,008	180,423,099
Trade and other receivables	519,634,451	250,461,149	770,095,600
Inventories	119,891,689	70,951,857	190,843,546
Prepayments and other current assets	57,884,060	12,288,114	70,172,174
Property, plant and equipment	963,539,000	402,291,647	1,365,830,647
Intangible assets – customer contracts	12,738,996	40,711,454	53,450,450
Other noncurrent assets	92,754,540	8,825,143	101,579,683
Total assets	1,918,537,827	813,857,372	2,732,395,199
Less: Trade and other payables	395,894,704	244,999,554	640,894,259
Long-term notes payables	851,597,731	29,939,155	881,536,886
Deferred tax liabilities	44,907,558	53,657,715	98,565,273
Total net assets	**626,137,834**	**485,260,948**	**1,111,398,781**
Fair value of the investment in associate before acquisition	313,068,917	242,630,473	555,699,390
Purchase consideration transferred	272,879,854	172,032,365	444,912,219
Total	**585,948,771**	**414,662,838**	**1,000,611,609**
Gain on bargain purchase	**40,189,063**	**70,598,110**	**110,787,173**

8. Capital Stock

The details of the capital stock account are as follows:

	September 30, 2024	December 31, 2023
Authorized Capital Stock – ₱1.00 par value		
Authorized - 2,000,000	**₱2,000,000,000**	₱2,000,000,000
Issued – 1,023,456,698 shares	**1,023,456,698**	1,023,456,698

9. Earnings Per Share (EPS)

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

	September 30, 2024	December 31, 2023
Net income attributable to the shareholders of the Parent company	**₱ 1,665,683,060**	₱2,430,360,912
Weighted average number of outstanding common shares	**1,023,456,698**	1,023,456,698
Basic EPS	**₱ 1.63**	₱2.38

10. OTHER DISCLOSURES

The accompanying financial statements have been prepared in accordance with 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.

The Company entered into a Notes Facility Agreement (Agreement) to issue Php 3.0 bn in Fixed Rate Corporate Notes (FRCN or the Notes) on January 29, 2014 to fund its equity investments in power generation projects. The FRCN was fully subscribed by a consortium of local banks and was issued in two tranches and has a maturity of seven (7) years from the drawdown date. The Notes are unsecured.

The Notes were payable at 1% based on the principal amount of the notes in the first six (6) years and 94% at maturity on February 3, 2021. The Notes were settled on said date.

On December 4, 2020, the Company signed an Agreement to issue Php 3.0 bn worth of FRCN with tenors of two (2) years and five (5) years. The proceeds from the issuance of the Notes will be used to finance capital expenditures for existing assets and investments in power generation and/or water infrastructure projects and partly to refinance the existing 7-year FRCN which matured in February 2021.

The Company issued an FRCN last January 27, 2021 amounting to Php 3.0 bn to fund its equity investments in power generation and water infrastructure projects. The FRCN was fully subscribed by a consortium of local banks and was issued in two tranches and has a maturity of seven (7) years from the drawdown date. The Notes are unsecured.

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. On January 27, 2023, the first tranche on the loan matured and was settled. As of September 30, 2024, Php 50.0 mn of the total principal amount was settled upon maturity.

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

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

The Company has no contingent liabilities or contingent assets since the last annual balance sheet date.

Financial Instruments and Financial Risk Management

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

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

Credit Risk

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

Generally, the maximum credit risk exposure of financial assets is their carrying amount as shown in the balance sheets. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount. The Group's receivables are actively monitored to avoid significant concentrations of credit risk. Please refer to the Note 2.1 of the Notes to the interim Financial Statements as of September 30, 2024 or the aging analysis of the Group's receivables.

Liquidity Risk

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

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

Foreign Currency Risk

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

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

	September 30, 2024
Loan Receivables	USD –
Trade Receivables	USD –
Cash	USD 1,303,998
	Euro 597,194
Trade Payables	USD –
	Euro –
Gross Exposure	USD 1,303,998
	Euro 597,194

The average exchange rates for the quarter ended September 30, 2024 are as follows:

US Dollar-Philippine Peso	US$1 = Php 57.20
Euro-Philippine Peso	Eu€1 = Php 62.25

The exchange rates applicable as of September 30, 2024 are the following:

US Dollar-Philippine Peso	US$1 = Php 56.03
Euro-Philippine Peso	Eu€1 = Php 62.38

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of September 30, 2024 would have decreased equity and profit by Php 11 mn. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of September 30, 2024 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.