



VIVAT II AG – Vivat 6 and Vivat 8 (E2023)

The Vivat Multitalent companies are increasing the volume of their fixed-interest bond, and distribution is being further extended northwards. The high hidden and cash reserves ensure a stable position in the current market.



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The offerer

Vivat II AG, Liechtenstein, was established at the beginning of 2023. It is part of the Vivat Multitalent companies, which were founded in 2012.

The sole shareholder is the director Waldemar Hartung. He is also the person with overall responsibility and shareholder of all Vivat Multitalent companies. The second director is Gerd Jelenik, lawyer and managing director of CSC AG, whose registered office also serves as the office address for Vivat AG. The physical gold is also stored via CSC AG.

The Vivat Multitalent companies have issued investment products and bonds since 2012. The issues have so far proceeded without any problems and according to plan. Around € 16.3 million in interest was paid out in 2022 (cumulative € and CHF; previous year: € 10.7 million).

With 985 new contracts (a total of 6,316), total revenues increased by around € 56.3 million to € 300.2 million. The capital inflow amounted to € 42.6 million, the outflows (interest and capital) increased as planned to a cumulative € 30.3 million.

On the basis of the present balance sheets, the corporate group can be described as very solid with strong growth.

Owing to the liquidity now available and the very strong international sales,

the corporate group has established itself in the German project development market. According to the project list, the accounts of the Vivat Multitalent companies showed a cash balance of € 39 million at the end of 2022. The group has invested in 50 projects in the meantime. The corporate group is now in a position to be reckoned with as is reflected in the increasing ticket sizes of the respective individual investments.

Largamus Financial Services GmbH, Kempten is responsible for sales across Europe. The managing director here is Bodo Stadler. However, I am unable to make any statements about his personal competence. The Vivat Multitalent companies are the only providers I know of with active distribution in

Germany, Switzerland, Liechtenstein, Austria, France, Belgium, Italy, Latvia, Estonia, Lithuania, Finland and recently also Sweden. The corporate group is professionally set up.

The associated external partners are also top-class. I have personally known Waldemar Hartung since the end of 2016. To date, he has proven to be a person of integrity and conscientious in every specific issue within the scope of the analysis and beyond. Third parties, some of whom have known Hartung for decades, also attest to his impeccable reputation without exception. Hartung is the person in overall charge of this concept, so exclusively positive experience of this kind is therefore essential, even if it cannot be a guarantee for the future.

As usual, the offerer quickly responded to questions arising in connection with the analysis and supplied all the requisite supporting documents.

Weaknesses | Unchanged key-personnel-risk, owing to sole decision-maker.

Strengths | The offerer is active across Europe and extremely sales-driven. High level of hidden reserves from the target investments confirmed by expert opinion. The existing portfolio testifies to the quality of the offerer's work. High cash-reserves provide a financial cushion for the project implementation.



The investment segments

It is understood that the net capital from the issue will primarily be invested in the development of German residential and commercial real estate projects. The focus here is on a short-term investment strategy. As an additional source of income, the corporate group is currently acquiring land, on which two (possibly three) extensive solar parks will be constructed. The investment volume is around € 20 million. The focus here is on longer-term rental income. This buy-to-hold strategy can provide a useful supplement to the customary short-term project development strategy. Appreciable hidden reserves will therefore be built up over the years at the corporate group level.

By their own account, the Vivat Multitalent companies also hold 60.6 kg of physical gold, which is stored in Liechtenstein. The current value is over € 3.6 million with an upward trend.

The real estate projects consist of conventional new-build projects and refurbishment measures. The greatest profit potential lies in this first step of the value chain. The Vivat Multitalent companies follow two investment channels. Some projects are implemented completely independently. In other projects, the group takes a financial interest as a co-investor in large-scale projects of associated project developers from its network of partners. Individual projects of the last few years have been delayed or are in liquidation this year. The inflows will therefore be available in the next activity report.

Total proceeds of € 300.8 million (previous year: € 240.9 million) are forecast for the 50 (previous year: 48) projects, some of which are planned (8), shown in the "Activity Report 2022". The debt ratio is just under 40%. Some of the investments have been running since 2014 without a negative result so far. € 39 million in returns had been generated up to the time of analysis. The investment strategy is therefore largely progressing according to plan. Although the current delays in individual projects impair the individual result, this is not perceptible at investor level, since the average result is still higher than the liabilities (initial and current fixed costs, interest plus repayment of capital) and is sufficient to service the liabilities.

The final accounting for the project is not submitted until the dissolution of the respective project company, which



begins after completion of the respective property and can take up to 4 years. Outstanding payments in the double-digit million range should therefore be received in 2023.

The property market in Germany is currently going through a turbulent period: Thanks to higher bank interest rates and construction costs, the construction industry is suffering a massive crisis – at the time of analysis, construction orders across Germany had plummeted by around 80% compared with the beginning of the year. Real estate financing decreased in the first quarter by 48% compared with the previous year.

However, this slump is to be seen alongside a constantly increasing demand. In particular, the demand for residential properties which have been modernised with regard to energy efficiency is continuously rising, since more and more private consumers can hardly afford the energy prices in Germany. Property developers can add the higher project costs to the property price – if they find solvent customers. A great many property developers who have worked with high leverage in recent years are on the brink of bankruptcy: Ongoing projects need to be re-collateralised, thanks in part to falling property values and rising interest rates.

The conclusion to be drawn from the numerous, sometimes contradictory facts is as follows: A project developer who has acquired a high percentage of funds actually invested, works with low debt financing and has healthy financial reserves will emerge from this crisis as

a winner. The high liquidity which the Vivat Multitalent companies have at their disposal allows for a partial prolongation of projects if necessary. It is also possible to acquire interesting projects at a particularly favourable price if another project developer runs into difficulties and has to wind up quickly.

The Vivat Multitalent companies serve several target groups: private customers can buy smaller individual properties, while large-scale projects appeal primarily to institutional investors. Based on the financing volume, private property buyers are probably holding off at the present time. Institutional investors are also holding off. However, I see great potential here, as the demand for residential space is extremely high throughout Germany.

Since the investors have no rights of co-determination whatsoever, they must have complete trust in the expertise of the responsible people at Vivat II AG during the term. Waldemar Hartung, who has sole responsibility for Vivat II AG, has demonstrated over the last 10 years that he can find suitable projects. A learning curve is also clearly visible in the increasing quality of the company's own projects. The partnerships which have evolved over many years are increasingly bearing fruit in the form of bigger tickets for attractive large-scale investments. In addition, the partner network has broadened significantly over the last few years, which benefits project quality.

As always, concept quality can be seen in the implementation (and in times of crisis). If the current figures are taken as a basis, the investment concept has proven to be successful to date. The



Photos and animations show different target investments of the group's individual investment companies .

Left „DasJohann/Erfurt“, Multitalent AG (Vaduz), unique capital GmbH, Multitalent GmbH, Vivat Multitalent AG and Multitalent III AG (Vaduz)

footing with other outside capital in the event of enforcement. A particular feature of this offer is that the certificates can be deposited in a securities account.

The issuer itself does not raise any further outside capital, so that the investor ranks first, alongside other investors. Since the Vivat Multitalent companies have been active on the market since 2012, the corporate risk is qualified to a significant extent. The initial systemic over-indebtedness of the offerer is also of a purely formal nature when set against the value of the existing real estate portfolio.

The total costs remain high at 18%; the sales commission payments are a significant cost factor at 13%. However, the sales costs are spread over 5 years. The initial costs are therefore 7.6%, which is a relatively good figure. The subsequent annual costs are always recouped thanks to current revenues. A higher level of net investment capital is initially available compared to when the sales costs are paid in advance in one amount, which is usually the case. The interest on the bond is 6% and 8% p.a. (quarterly pro rata payments). Partial withdrawal is not possible during the term.

It is highly probable that the calculation of the rate of return will be successful if the capital is invested in short-term real estate projects. Experience has shown

extensive planned additional revenues from the individual projects provide for substantial reserves, which sufficiently secure the present issues. The existing properties could absorb a devaluation of more than 20% before the overall concept would become unbalanced. From today's perspective, however, I do not consider such a devaluation to be likely.

The investor funds will be allocated to the respective project company as a fixed-interest loan in each case. As a result, the capital flows are easy to plan, and the possible failure of an individual project cannot infect the overall bond under any circumstances.

Weaknesses | Target investments are not evaluated for investors on a yearly basis by external auditors.

Strengths | The offerer has extensive in-house expertise in the target real-estate segment at its disposal. Target segment enables attractive returns, given appropriate access and expertise for selection and implementation. Established partner structures enable wide access to attractive co-investments. The existing portfolio offers high hidden reserves.

The concept

The investor invests his money in Vivat II AG, Liechtenstein via a fixed-interest partial debenture. The latter invests the capital in real estate projects or companies as well as in investments in solar parks via profit-participating loans. Since the loan is valued as outside capital, it would be treated on an equal



that the high rate of return at the beginning of the value chain (usually well over 20% p.a. with the appropriate project quality) allows the high interest rate and the initial costs to be generated. Suitable high-quality projects have already been secured. The current market environment shows a pronounced demand for the corresponding projects, despite the apparent massive turbulence. With a fixed term of the bond of around 5 years, complete project development should be possible without any problems. This issue starts with a volume of € 35 million. This higher volume (the previous issue had a volume of € 25 million) is due to the larger sales reach with 12 target countries in the meantime. The highly motivated sales force generate high sales revenues and should be able to realise this volume without any problems.

Weaknesses | Unchanged key-personnel-risk, owing to sole decision-maker.

Strengths | Experienced offerer with a very strong sales force. Trustworthy decision-maker with integrity. Previous issues are proceeding without any problems. Not a single negative result from the target investments to date. High interest yield which is in line with the opportunity/risk-profile. The bond's planned term permits one complete pro-



ject cycle, at the least. Diversification over a large number of individual projects reduces the overall investment risk. Low debt ratio. According to external auditors, existing portfolio holds high hidden reserves.

The target group

Commonly real estate investments basically appeal to conservative investors. Project developers earn their money at the beginning of the value chain. The high profits from the projects, if they are well chosen, provide a good basis for calculation. The project developer can easily service fixed liabilities such as interest. The overall investment risk has been further reduced thanks to risk diversification via numerous individual investments with different terms in different regions of Germany. This investment concept has been tried and tested in the meantime and is holding its own against the current (selective) difficulties. The overall investment risk is good thanks to the high return volume and the additional revenue potential of the current investments. The pronounced key personnel risk has to be seen in relative terms in the project implementation phase.

Facts and figures

Investment focus	Real-estate projects in Germany, as well as commercial areas, e.g. for solar parks
Investment structure	securitised fixed-interest partial debentures to Vivat II AG, Liechtenstein
Tax structure	Income from capital assets
Minimum investment amount	€/CHF 5.000 (Vivat 6) or €/CHF 100.000 (Vivat 8)
Term	fixed term until 01/01/2029
Placement period	12 months from approval, until 03/05/2024
Offer volume	€/CHF 10 million (Vivat 6) and €/CHF 25 million (Vivat 8)
Minimum capital	no
Interest	6% and 8% p.a. quarterly payment in instalments
Soft costs	18% for sales and administration
Investment ratio	82%
Liquid reserve	flexible
Placement guarantee	no
Paying agent	Baader Bank AG, Unterschleißheim near Munich
Sales coordination	Largamus Financial Services GmbH, Kempten
Identification numbers	Vivat 6 DE000A3LGK24 (€), DE000A3LG08; Vivat 8 DE000A3LGK16 (€), DE000A3LGK32
Unique selling points	Partial debentures which will be invested in German real-estate. Offer placement in Germany, Austria, Switzerland, Belgium, Liechtenstein, France, Italy, Estonia, Latvia, Lithuania, Finland and Sweden.

Summa summarum

I think the "Vivat 6 and Vivat 8 (E2023)" offers of Vivat II AG, Liechtenstein, are very good. The investment concept has been running smoothly for several years. The corporate group is on a stable footing thanks to high hidden and cash reserves. This makes it possible to navigate, even in the current turbulent times. In my opinion, the offers merit a rating of "very good" (A-). ■