

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Endoscopy Innovations Invest PPC 2019. PRIIP manufacturer is Endoscopy Innovations Invest GmbH & Co. KG („Issuer“). ISIN DE000A2PN2F4. eii.investinhealth.eu. Call +49 0511 763 333 – 464 for more information. Competent Authority of the PRIIP manufacturer in relation the KID: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Germany. This document was produced on 18.08.2019.

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

The product „Endoscopy Innovations Invest PPC 2019“ (the „Profit Participating Certificates“ or „Notes“) is a profit and loss participating certificate issued as bearer certificates by the PRIIP manufacturer (Issuer). The Notes are subject to German Law. The Notes represent a participation in Surge-on Medical B.V., based in Delft, the Netherlands (the „Target“).

Objectives

The Issuer will use the proceeds from the issue of the Notes exclusively for the acquisition of the shareholding in the Target with the exception of a liquidity reserve of 2 %, which will remain permanently with the Issuer as a reserve for unexpected but necessary management services. Upon termination of the Notes any remaining amount will be distributed to the Noteholders.

The Issuer will place the net issue proceeds at the disposal of the Target in the form of equity capital. The Target is active in the medical technology sector. The Target was founded in 2015 with the aim of providing innovative surgical tools that optimize and expand the performance of a surgeon to enhance the quality of care for the patient. The Target develops steerable, detachable and cleanable surgical instruments. The Target intends to use the capital raised to cover the large-scale manufacturing of certain products, marketing activities, certifications costs, additional research and development and team expansion in engineering and sales.

The Issuer will acquire a shareholding in the Target at a price of EUR 33.361,00 per share; if all Notes are placed, this shareholding will amount to up to 12.74 % of shares in the Target. The Issuer obtains a formal shareholder position in the Target. As an investor, you do not acquire a direct participation in the Target through the Notes. Rather, you participate indirectly via the Issuer in the profit and loss of the Target (net of costs incurred by the Issuer). The purpose of this structure is to let you as an investor share the opportunities and risks of the Target via the Notes.

Profit participation – Under the Notes' terms and conditions, you as an investor participate in the Issuer's profits from the beginning of the 2019 financial year (the "Profit Participation"). Each financial year, the Issuer's annual net income for the year shall be distributed among the investors in proportion to the nominal value of the Notes issued. The Issuer is a so-called securitization special purpose vehicle, i.e. a company that was established solely for the purpose of obtaining an equity shareholding in the Target and issuing the Notes. As the Issuer's assets consist solely in the Target shareholding and the Issuer does not or will not conduct any other business than the acquisition of the Target shareholding, your income as an investor depends completely on the income generated by the Issuer from distributions of profit (dividend payments) by the Target or from a possible sale of the Target shareholding.

Distribution of profit participation – The profit participation is distributed annually in arrears as soon as the distributable net income for the previous year has been determined. Each year, 90 % of the calculated distribution amount will be distributed, while 10 % will initially be retained in view of a possible Carried Interest payment obligation at a later date (see „senior liabilities“ below).

Senior liabilities – The Issuer will only generate distributable annual net income if and to the extent the income generated by the Issuer exceeds the senior liabilities to be serviced by the Issuer in the respective financial year. The Issuer's senior liabilities are in particular: Tax liabilities and any other statutory liabilities; liabilities in connection with the transaction contracts which are necessary for their execution, for the maintenance of the issuance structure and/or for the protection of the interests of investors, such as costs for the paying agent, tax advisors and other advisors, including legal advice costs to the extent necessary – however it should be noted that the Issuer has corresponding reimbursement claims against the Target with regard to the initial and ongoing issuance and transaction costs; a further senior liability to be met by the Issuer is the payment of a possible Carried Interest to aescuvest international GmbH. In return for the brokerage of the acquisition of the Target shareholding by the Issuer, in the event of any exit that occurs during the duration of the Notes, aescuvest international GmbH receives a profit share by the Issuer („Carried Interest“); „Exit“ means the moment at which one or more natural or legal persons who are independent of the Target and the previous shareholders of the Target acquire a controlling interest (in terms of voting rights) in the Target or acquire its principal assets and/or a sale of all of the shares held by the Issuer in the Target to one or more purchasers occurs. The Carried Interest amounts to a total of 10 % of the Issuer's total pre-tax profit. The pre-tax profit is determined on the basis of the Issuer's results (i.e. distributable net income) in all of the Issuer's financial years preceding an exit (since its formation) including the result of the financial year in which an exit takes place. Before calculating the Carried Interest, a minimum return of 10 % per annum (p.a.) (based on the acquisition price of the shares sold and the period between acquisition of the shareholding and exit, „Hurdle Rate“) shall be deducted. This means that aescuvest international GmbH only receives a percentage share of the Issuer's total pre-tax profit that exceeds the Issuer's total minimum return (Hurdle Rate) during this period.

Limited recourse and loss participation – The Issuer's obligations under the Notes are subject to conditions and limitations as follows: There will be no distribution under the Notes if and to the extent that such distribution would result in a net loss for the year for the Issuer or if such loss would increase. Furthermore, a distribution will only be made if the distribution attributable to a single Note exceeds EUR 20 and only if the Issuer retains a liquidity reserve of at least 2 % of the paid-in profit participation capital. If and to the extent that the Issuer is dependent on receiving payments for the repayment of the Notes and has not yet received such payments at this time, the repayment amount is due as soon as the Issuer has received a corresponding incoming payment. In addition, the investors' repayment claim under the Notes is subject to sufficient liquidity on the part of the Issuer and noteholders participate in losses of the Issuer, i.e. an annual loss of the Issuer shall be distributed among the investors in proportion to the nominal amounts of the Notes issued. If profits are made in the following financial years after the investors have participated in the loss, distributable net income must first be used to increase the investors' repayment claims up to the nominal value of the Notes before any other appropriation of profits is made.

No personal liability, no obligation to make additional contributions – There is no personal liability on your part as an investor beyond the acquisition price for the Notes. Investors are not obliged to make any additional payments (additional contributions) in excess of the nominal value of the Notes.

No membership rights - The Notes do not grant any membership rights in the Issuer or the Target, in particular no voting rights. In certain situations, however, the Issuer will request the noteholders to vote for the adoption of an investor resolution concerning certain issues relating to the management of the Target shareholding ("investor resolutions").

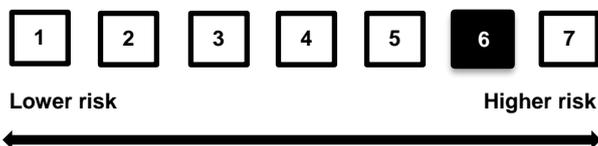
Intended retail investor

The product is targeted to speculative retail investors who, in exchange for possibly higher returns, are willing to accept the risk of losing some or all of their invested capital. Target investors should be able and willing to afford a total loss of their invested capital. Investors should have a long-term investment horizon and should not prioritise protection of their invested capital against market risks. This product is intended for clients with sufficient financial resources and the necessary knowledge and experience in complex financial matters.

Term

The Notes will be issued for an indefinite period (there is no predetermined maturity date). Investors are entitled to terminate the Notes with twelve months' notice to the end of a financial year (ordinary termination), but not before 31.12.2033. Any termination by the noteholders (ordinary or extraordinary in the case of grave cause) will be effective only if declared uniformly by noteholders who hold at least 25 % of the outstanding profit participation capital. The Issuer has an extraordinary right of termination, inter alia, if the whole Target shareholding acquired by the Issuer has been sold to one or more purchasers.

What are the risks and what could I get in return?



The risk indicator assumes you keep the product until 31.12.2033. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact our capacity to pay you.

The product represents a risky equity investment in a company with a limited operating and performance history. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. Please also note the remarks on the relevant termination conditions in the section 'How long should I hold it and can I take money out early?'.

Performance scenarios

The performance of the product depends to a large extent on the development of the Target and the question whether the Issuer can generate profits from the shareholding in the Target or from a sale of this shareholding. The development can vary greatly.

Investment: EUR 10.000		1 year	8 years	15 years (Recommended holding period)
Stress scenario	What you might get back after costs	EUR 0 (total loss)	EUR 0 (total loss)	EUR 0 (total loss)
	Average return each year	- 100 %	- 100 %	- 100 %
Unfavourable scenario	What you might get back after costs	EUR 0 (total loss)	EUR 0 (total loss)	EUR 0 (total loss)
	Average return each year	- 100 %	- 100 %	- 100 %
Moderate scenario	What you might get back after costs	EUR 0 (total loss)	EUR 23.229,02	EUR 33.894,72
	Average return each year	- 100 %	11,11 %	8,48 %
Favourable scenario	What you might get back after costs	EUR 0 (total loss)	EUR 49.720,17	EUR 129.948,15
	Average return each year	- 100 %	22,20 %	18,65 %

This table shows the money you could get back over the next 15 years, under different scenarios, assuming that you invest EUR 10.000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of similar investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself and include the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Endoscopy Innovations Invest GmbH & Co. KG is unable to pay out?

You are exposed to the risk of default of the Issuer (manufacturer) Endoscopy Innovations Invest GmbH & Co. KG and to the risk of default of the Target Surge-on Medical B.V. In the event of a default of the Issuer and/or the Target you may suffer a financial loss up to the total amount invested by you. Such a loss is not covered by an investor compensation scheme or guarantee scheme.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. The figures assume you invest EUR 10.000. The figures are estimates and may change in the future.

Cost over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment: EUR 10.000 Scenarios	If you cash in at the end of the recommended holding period
Total costs (favourable scenario)	EUR 11.342,75
Impact on return (RIY) per year (favourable scenario)	0,66 %

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period,
- the meaning of the different cost categories.

This table shows the impact on return per year (favourable scenario)			
Ongoing costs	Portfolio transaction costs	0,08 %	The impact of the costs of us buying or selling shares in the Target.
Incidental costs	Carried interests	0,58 %	The impact of carried interests amounting to 10 % of the Issuer's remaining profits after deduction of a minimum return of 10 % per year (see above „What is this product?“ – „senior liabilities“).

Notes: 1.) During the entire recommended holding period, the Target is contractually obliged to reimburse the Issuer for certain issuance and transaction costs. This composition of costs is based on the assumption that the Target will always meet these obligations. These costs are therefore not included. 2.) The costs and their impact on the return are shown for the favourable scenario and not for the moderate scenario, as in the moderate scenario the Issuer does not have to pay carried interests for the recommended holding period. This would result in significantly lower costs and the impact of the carried interests would not become clear.

How long should I hold it and can I take money out early?

Required minimum holding period: 31.12.2033

Reasons for the required minimum holding period – The Target is a company in an early stage of its development. As a consequence, in the first few years the Target's results can be negative due to run-up losses. In addition, the Target intends not to distribute any possible surpluses generated to the Issuer, but to reinvest such surpluses in order to finance future growth and increase its enterprise value in the medium and long term. The shareholding in the Target acquired by the Issuer may not be easy to sell, so that an increase in the enterprise value of the Target may not result in a short-term inflow of funds to the Issuer. Furthermore, it may be economically advantageous for the Issuer to sell its shareholding in the Target together with other shareholders of the Target and/or as a whole in order to maximise the proceeds from the sale. Higher yields can therefore only be expected in the long term.

For these reasons, the investors' ordinary right of termination is excluded until 31.12.2033. Moreover, it can only be exercised with prior notice of twelve months to the end of a financial year. Any termination by the noteholders (ordinary or extraordinary in the case of grave cause) will be effective only if declared uniformly by noteholders who hold at least 25 % of the outstanding profit participation capital.

Possibilities of cashing-in before the end of the term – No secondary market for the Notes currently exists. While a sale of the Notes is generally permissible, it is not certain that the Notes can actually be sold due to the small size of the market and presumably low trading activity in the Notes. Therefore, noteholders may not be able to liquidate their investment in the Notes for a substantial period of time, if at all, and/or a sale may only be possible by accepting losses.

How can I complain?

If you wish to make a complaint about the product or the conduct of the Issuer or a person advising on, or selling, the product, you can do so via our website eii.investinhealth.eu, in writing (Endoscopy Innovations Invest GmbH & Co. KG, Brüsseler Straße 7, 30539 Hannover) or by e-mail to eii@investinhealth.de.

Other relevant information

Additional information documents, in particular the securities prospectus regarding your investment, which contains, among other things, risk warnings, the Terms and Conditions of the Profit Participation Certificates as well as corporate documents and a description of both the Issuer and the Target, the legally required „Information for Consumers“ and the legally required revocation instructions can also be found on our website under the link eii.investinhealth.eu.