

## Tracker Certificate on the Swissquote Bitcoin Active 2.0 Index

Open-end; issued in USD; listed on SIX Swiss Exchange AG

ISIN CH0542378622 | Swiss Security Number 54237862 | SIX Symbol XBTATQ

Investors should read the section "Significant Risks" below as well as the section "Risk Factors" of the relevant Programme.

This Product is a derivative instrument. It does not qualify as unit of a collective investment scheme pursuant to art. 7 et seq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and is therefore neither registered nor supervised by the Swiss Financial Market Supervisory Authority FINMA. Investors do not benefit from the specific investor protection provided under the CISA.

In addition, Investors are subject to the credit risk of the Issuer and Guarantor, if any.

This document is not a prospectus within the meaning of article 1156 of the Swiss Code of Obligations (CO) or article 40 et seq. of the FinSA.

The Products must not be offered, sold or otherwise made available to any retail investor within the meaning of the Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") in the EEA. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Products or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Products or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

An Index which contains Loan Instruments (as defined in the Index Rule Book) and/or leveraged Components causes the Components and thus the value of the Index and the price of the Product to respond disproportionately to fluctuations in the price of the Component(s)' underlying assets – both up and down. Thus, the Index and simultaneously also the Product may be exposed to high upwards and downward fluctuations. Further information can be found in the section "Significant Risks" below.

### I. Product Description

#### Product description

The Tracker Certificate (the "Certificate") replicates the price movements in the Underlying (adjusted by the Units, the Management Fee, the Calculation Agent Fee, any expenses and taxes, and, as the case may be, the FX Rate) and is therefore in terms of risk comparable to a direct investment in the Underlying. At the Redemption Date, the Investor will receive a Cash Settlement in the Settlement Currency, as further described under Redemption.

#### Index description

The Underlying is a dynamic, actively managed index (the "**Index**") which is discretionarily managed by the Index Sponsor and calculated by the Index Calculation Agent. The components of the Underlying (the "**Components**") may – subject to Index Calculation Agent's veto right – be rebalanced by the Index Sponsor on a regular basis. The Index Sponsor determines and is responsible for the composition of the Index and may add, replace or remove Components in accordance with a set of predefined rules set out in the Index Rule Book "Swissquote Bitcoin Active 2.0 Index", Version ID IF83C, dated 16.07.2020 (the "**Index Rule Book**").

**Objective:** The Index aims to replicate a 60% passive investment in Bitcoin. The remaining 40% will be dynamically allocated between Bitcoin and a Cash Instrument denominated in USD. The dynamic allocation is based on a propriety algorithm of the Index Sponsor and based on variety of indicators such as weighted momentum, intraday volatility and social media sentiments. The Index aims to limit exposure to Bitcoin during downtrend period (by increasing the allocation to the Cash Instrument) while increasing the exposure to Bitcoin during uptrend period (by decreasing the allocation to the Cash Instrument).

**Universe:** The Index universe consists of eligible components and may include Bitcoin and a Cash Instrument denominated in USD as determined by the Index Sponsor and subject to the restrictions defined in the Index Rule Book.

**Leverage:** The Index may include leveraged Components the details of which can be found in their individual product documentation. The Calculation Agent reserves the right to maintain a margin account for such leveraged Components. Additional information can be found in the section "Significant Risks" below and in the Index Rule Book.

**Settlement of Components:** Components may be settled within the Index other than in cash. However, unless otherwise stated therein, there will be no delivery of Components to the Investors other than in cash.

**Distributions:** Net distributions with respect to Components (after deduction of any expenses and taxes) will lead to an adjustment of the Index (as specified in the Index Rule Book).

**The Index represents a hypothetical portfolio. There is no obligation on the Index Calculation Agent, the Issuer or any other party to purchase and/or hold any Components of the Index and there is no actual portfolio of assets to which any person is entitled or in which**

any person has any ownership interest. The Index is merely comprised of Components, the performance of which will be used as a reference point for the purposes of calculating the value of the Index. The Issuer shall be free to choose how to invest or further proceed with any proceeds of the issuance of any of the Certificates.

References to any rebalancing of the Index or addition, adjustment, substitution, replacement or removal of Components should not be construed as imposing an obligation on the Issuer, the Index Calculation Agent or any person actually to acquire or dispose of any securities, investments, assets or other property but are references to the change in, and relate solely to the calculation of, the value of the Index, which is relevant for the determination of any amount payable in respect of the Certificate.

Upon request, the Index Rule Book and the latest composition of the Index are available free of charge from the Lead Manager (Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland or [termsheet@leonteq.com](mailto:termsheet@leonteq.com)).

This Product exposes Investors to elevated risks. Investors must ensure that they understand and are prepared to assume the risks resulting from this Product and the direct exposure to Crypto Currencies such as fraud, theft and cyber-attack risks. In case of fraud, theft and cyber-attack, the Issuer, inter alia, may, exercise its Issuer Termination Right and early redeem the Product. Moreover, a termination of a hedge position in the Underlying/Components (including, but not limited to, any loss realized by the Issuer resulting from fraud, theft and cyber-attacks relating to service providers and/or reference source(s) of the Issuer used in connection with Crypto Currencies) could lead to a decreased Index Value<sub>t</sub> and negatively impact the redemption amount of the Product. Consequently, the decreased Index Value<sub>t</sub> will negatively affect the financial interests of the Investor.

Further information on potential risks relating to the Product and the Crypto Currencies is contained in the section “Risk Factors relating to the Product” and “Additional Risk Factors” of this document.

The Issuer will provide a limited secondary market under normal market conditions.

#### Underlying

Underlying	Index Sponsor	Index Calculation Agent	Bloomberg Ticker	Units <sub>0</sub>	Initial FX Rate (FX Rate <sub>0</sub> )	Currency	Initial Fixing Level (Index Value <sub>0</sub> )
Swissquote Bitcoin Active 2.0 Index	Swissquote Bank SA	LEONTEQ Securities AG	n/a	1.00000	1.00000	USD	USD 1'000.00

#### Product Details

<b>Swiss Security Number</b>	54237862
<b>ISIN</b>	CH0542378622
<b>SIX Symbol</b>	XBTATQ
<b>Issue Price</b>	USD 1'000.00
<b>Issue Size</b>	25'000 Certificates (can be increased at any time)
<b>Settlement Currency</b>	USD

#### Dates

<b>Initial Fixing Date</b>	16.07.2020
<b>Issue Date</b>	24.07.2020
<b>Observation Dates</b>	Quarterly, from (and including) 30.09.2020; if a specific Observation Date is not a Scheduled Trading Day then the following Scheduled Trading Day will be deemed to be an Observation Date.
<b>First Exchange Trading Day</b>	24.07.2020
<b>Last Trading Day/Time</b>	Open-end / Exchange market close or in the case of an exercise of the Issuer's Termination Right or the Investor Redemption, two Scheduled Trading Days prior to the Final Fixing Date
<b>Final Fixing Date</b>	Open-end or in the case of an exercise of the Issuer's Termination Right, as specified in the Issuer's Termination Announcement or in case of an exercise of the Investor Redemption, the day for which the Paying Agent receives the duly signed Redemption Notice (subject to Market Disruption Event provisions)
<b>Redemption Date</b>	Open-end or in the case of an exercise of the Issuer's Termination Right or the Investor Redemption the 5 <sup>th</sup> Business Day following the Final Fixing Date (subject to Settlement Disruption Event provisions)

## Fees

<b>Distribution Fee</b>	No Distribution Fee
<b>Calculation Agent Fee (CAF)</b>	0.35% p.a. The Calculational Agent Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices. The Calculation Agent Fee will be paid quarterly on the Observation Dates.
<b>Management Fee (MF)</b>	1.00% p.a. The Management Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices. The Management Fee will be paid on a regular basis on the Observation Dates.
<b>Rebalancing Fee</b>	A Rebalancing Fee is levied by the Index Calculation Agent inside the Index for each Component adjustment within the Index. The Rebalancing Fee represents a percentage amount of 0.15% of the notional volume of each of the transactions in the Components. Component adjustments exceeding a certain number per calendar year may be subject to increased Rebalancing Fees. For the avoidance of doubt, the Rebalancing Fee does not apply to changes in Units <sub>t</sub> in the Underlying. Market charges, such as e.g. stamp duty or execution costs incurred by a hypothetical hedging entity as determined by the Index Calculation Agent in its sole discretion, will always be charged <b>in addition</b> to the Rebalancing Fee.
<b>Other Fees</b>	Additional fees may be charged within individual Components (e.g. structured products) as outlined in the product documentation of the relevant Component available from the Index Sponsor upon request. Such fees may also be paid to the Issuer and/or to third parties such as the Index Sponsor.

## Redemption

The Investor is entitled to receive from the Issuer, subject to an Extraordinary Termination, on the Redemption Date per Product a Cash Settlement in the Settlement Currency corresponding to the value of the Underlying on the Final Fixing Date adjusted by the Units<sub>t</sub>, the Management Fee, the Calculation Agent Fee and, as the case may be, the FX Rate. This amount equals Value<sub>t</sub> on the Final Fixing Date, where Value<sub>t</sub> is calculated according to the following formula and reasonably determined by the Calculation Agent:

$$\text{Value}_t = \text{FX Rate}_t \times \text{Units}_t \times \text{Index Value}_t - \text{AMF}_t - \text{ACAF}_t$$

<b>Index Value<sub>t</sub></b>	Means the official closing price of the Underlying on Scheduled Trading Day t as published by the Index Calculation Agent, and as reasonable determined by the Calculation Agent. The Calculation Agent may adjusted Index Value <sub>t</sub> by profits and losses resulting from the termination of a hedge position in the Crypto Currencies comprised in the Underlying (including, but not limited to, any loss realized by the Issuer resulting from fraud, theft and cyber-attacks relating to service provider(s) and/or reference source(s) of the Issuer used in connection with the Crypto Currencies and directly affecting the Crypto Currencies), as determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).
<b>FX Rate<sub>t</sub></b>	Means the prevailing exchange rate on the Scheduled Trading Day t as reasonably determined by the Calculation Agent. The exchange rate is expressed as units of the Settlement Currency per one unit of currency of the Underlying (if both currencies are identical then FX Rate <sub>t</sub> is equal to 1.0).
<b>Units<sub>t</sub></b>	Means the notional units of the Underlying per Product on Scheduled Trading Day t.

Provided Scheduled Trading Day t is not an Observation Date:

$$\text{Units}_t = \text{Units}_{t-1}$$

If Scheduled Trading Day t is an Observation Date:

$$\text{Units}_t = \text{Units}_{t-1} - (\text{AMF}_t + \text{ACAF}_t) / (\text{Index Value}_{t-1} \times \text{FX Rate}_t)$$

Where Index Value<sub>t</sub> means Index Value<sub>t</sub> of the Underlying on Scheduled Trading Day t, adjusted by any costs incurred by the Issuer or a hedging party thereof for unwinding risk reducing hedging transactions relating to the Issuer's obligations under the Product, as reasonable determined by the Calculation Agent. Units<sub>t</sub> are rounded in accordance with the Rounding Convention.

Following the adjustment of Units<sub>t</sub> by AMF<sub>t</sub>, AMF<sub>t</sub> is reset to zero.

Following the adjustment of Units<sub>t</sub> by ACAF<sub>t</sub>, ACAF<sub>t</sub> is reset to zero.

<b>AMF<sub>t</sub></b>	Means the accrued management fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows:
------------------------	---

$$\text{AMF}_t = \text{AMF}_{t-1} + \text{Value}_{t-1} \times \text{MF} \times \text{DayCount}_t \quad \text{and} \quad \text{AMF}_0 = 0.00$$

<b>ACAF<sub>t</sub></b>	Means the accrued calculation agent fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows:
-------------------------	--

$$\text{ACAF}_t = \text{ACAF}_{t-1} + \text{Value}_{t-1} \times \text{CAF} \times \text{DayCount}_t \quad \text{and} \quad \text{ACAF}_0 = 0.00$$

<b>DayCount<sub>t</sub></b>	Means the actual number of calendar days between (and including) Scheduled Trading Day t-1 to (and excluding) the current Scheduled Trading Day t divided by 360.
<b>Initial Fixing Level</b> (Index Value <sub>0</sub> )	Means the official closing price of the Underlying on the Initial Fixing Date as determined by the Calculation Agent.
<b>Issuer's Termination Right</b>	The Issuer has the right to call all Certificates for early redemption (the " <b>Termination Right</b> ") at any time with a 10 Business Days (prior to the respective Final Fixing Date) notice by announcement (the " <b>Termination Announcement</b> ") on the Paying Agent's website, all in accordance with the General Terms and Conditions of the Programme. The Termination Announcement will specify the Final Fixing Date and the respective Redemption Date. Following the announcement, the Certificates will be redeemed on the Redemption Date for a value equal to the Value <sub>t</sub> on the Final Fixing Date as determined by the Calculation Agent.
<b>Extension Event</b>	In case the Calculation Agent cannot determine the Final Fixing Level on the Final Fixing Date, among others, due to illiquidity in the hedge position of the Underlying, the Issuer has the right to postpone the Final Fixing Date until the calendar day on which the Calculation Agent can determine the Final Fixing Level (such day being the " <b>Late Final Fixing Date</b> ") and such extension being the " <b>Extension Event</b> ".
<b>Investor Redemption</b>	Each Investor has an annual right, on 16 July for the first time on 16.07.2021 (such day being the Final Fixing Date; Following Business Day Convention will apply) to call the Certificates for redemption (taking into account any Minimum and/or Maximum Redemption Number, if such is applicable as stated under "General Information" herein), by delivering a duly completed and signed Redemption Notice to the Paying Agent in accordance with General Terms and Conditions of the Programme (notice to be received by the Paying Agent no later than 07.00 am CET on the 10 <sup>th</sup> Business Day preceding the respective Final Fixing Date). Following such announcement, the Certificates will be redeemed on the Redemption Date for a value equal to the Value <sub>t</sub> on the Final Fixing Date as determined by the Calculation Agent.
<b>Extraordinary Termination</b>	The Issuer has the right to call all Certificates with <b>immediate</b> effect, without prior notice (the " <b>Extraordinary Termination</b> "). Such Extraordinary Termination will prevail any Investor Redemption and/or Issuer's Termination, if applicable.  The Issuer may exercise its right for Extraordinary Termination: <ul style="list-style-type: none"> <li>a. based on Hedging Disruption and other provisions as set out in paragraph "<i>Termination and Cancellation due to Illegality, Illiquidity, Impossibility, Increased Cost of Hedging, a Hedging Disruption, Increased or Cost of Collateralization (COSI and TCM) or Changed Secured Financing Ability</i>" of the Programme; or</li> <li>b. if the agreement, or any part thereof concerning the Index, between the Index Sponsor and the Issuer and/or the Index Calculation Agent (or an affiliate thereof) is terminated; or</li> <li>c. if the Index in whole or the calculation of the index value are terminated, as the case may be.</li> </ul> In case of an Extraordinary Termination the Issuer will pay to the Investor a Cash Settlement in the Settlement Currency that shall be the fair market value of the Product, taking into account the event that led to the Extraordinary Termination, less any costs and withholdings levied onto the Issuer and/or any of its affiliates for unwinding its hedge positions, all as determined by the Calculation Agent in its sole discretion. Such amount shall be paid to the Investor 5 Business Days following completion and receipt in full of the proceeds for all disinvestments in all relevant hedge positions, as reasonably determined by the Calculation Agent in its sole discretion.

#### General Information

<b>Issuer</b>	Leonteq Securities AG, Zurich, Switzerland (Rating: Fitch BBB- with stable outlook, JCR BBB+ with stable outlook, Supervisory Authority: FINMA)
<b>Lead Manager</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Calculation Agent</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Paying Agent</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Index Sponsor</b>	Swissquote Bank SA, Chemin de la Cretaux 33 1196 Gland Switzerland. The Index Sponsor is supervised by: FINMA Swiss Financial Markets Supervisory Authority.
<b>Listing/Exchange</b>	SIX Swiss Exchange AG; traded on SIX Swiss Exchange – Structured Products Listing will be applied for.
<b>Secondary Market</b>	Daily price indications will be available from 09:15 - 17:15 CET on <a href="http://www.leonteq.com">www.leonteq.com</a> , Refinitiv [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.
<b>Quotation Type</b>	Secondary market prices are quoted in in the Settlement Currency, per Product.
<b>Settlement Type</b>	Settlement in cash ("Cash Settlement")
<b>Rounding Convention</b>	Numbers are rounded down to five (5.0) decimal places.
<b>Scheduled Trading Day t</b>	Means any calendar day on which the Index Calculation Agent is scheduled to publish a value for the Underlying. The Initial Fixing Date corresponds to Scheduled Trading Day 0 and for any subsequent Scheduled Trading Day variable t is incremented by one (1.0).
<b>Minimum Investment</b>	1 Certificate(s)
<b>Minimum Trading Lot</b>	1 Certificate(s)

<b>Minimum Redemption Number</b>	1 Certificate(s)
<b>Maximum Redemption Number</b>	1 Certificate(s)
<b>Selling Restrictions</b>	<p><b>This Product may be distributed or offered in or from Switzerland only to professional clients within the meaning of article 4 et seq. of the Financial Services Act (FinSA), as amended from time to time, and only marketing efforts commonly deployed for the market with such a selected investors' universe may be used.</b></p> <p>No action has been or will be taken to permit any offering of the Products or possession or distribution of any offering material in relation to the Products in any jurisdiction, where such action for that purpose is required. Consequently, any offer, sale or delivery of the Products, or distribution or publication of any offering material relating to the Products, may only be made in or from any jurisdiction in compliance with applicable laws and regulations not imposing any obligations on the Issuing Parties or the Lead Manager.</p> <p>Possible limitations resulting from legal restrictions with regard to cross-border communication and cross-border business concerning the products and related information remain reserved.</p> <p>Offering and selling restriction in particular apply with respect to the EEA, UK, Hong Kong and Singapore.</p> <p>The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S).</p> <p>Detailed information on Selling Restrictions is published in the Programme which is available on <a href="http://www.leonteq.com">www.leonteq.com</a>.</p>
<b>Clearing</b>	SIX SIS Ltd, Euroclear, Clearstream
<b>Depository</b>	SIX SIS Ltd
<b>Public Offering only in</b>	Switzerland only
<b>Form</b>	Uncertificated Security / Book-entry
<b>Governing Law/Jurisdiction</b>	Swiss / Zurich

**The definition “Issuing Party/Parties” as used herein, means the Issuer, as indicated in section “General Information”.**

#### Taxation Switzerland

Swiss Federal Stamp Duty	Secondary market transactions are not subject to Swiss stamp duty.
Swiss Income Taxation (for private investors with tax domicile in Switzerland)	<p>For Swiss income tax purposes, the Product is treated as analogous to a share/unit in a foreign investment fund. The taxable income earned by the Product is not reported to the Swiss Federal Tax Administration. The taxable income is determined at the discretion of the Swiss Federal Tax Administration. The discretionary tax assessment is based on a return in line with the market, taking into account the asset classes in which the certificate assets are invested.</p> <p>The tax treatment regarding the cantonal and communal income taxes can differ from the tax treatment regarding the Federal Direct Tax. But in general the income tax treatments are corresponding.</p>
Swiss Withholding Tax	The Product is not subject to the Swiss Withholding Tax.

On 1 January 2017 Switzerland has implemented the Automatic Exchange of Information in Tax Matters (“AEOI”) with the EU and Australia, Jersey, Guernsey, Isle of Man, Iceland, Norway, Japan, Canada and South Korea. Switzerland is also negotiating the introduction of the AEOI with other countries. In this context the EU Savings Tax for Swiss paying agents and the Final Withholding Tax with UK and Austria was repealed.

The tax information is a non-binding summary and only provides a general overview of the potential tax consequences linked to this Product at the time of issue. Tax laws and tax doctrine may change at any time, possibly with retroactive effect.

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Any payment under this Product may be subject to withholding tax (such as, inter alia, withholding related to FATCA (Foreign Account Tax Compliance Act) or 871(m) of the US Tax Code). Any payments due under this Product are net of such tax. If an amount in respect of Section 871(m) of the U.S. Tax Code were to be deducted or withheld from interest, principal or other payments on the Products, none of the Issuer, any Paying Agent or any other person would be required to pay additional amounts as a result of the deduction or withholding of such tax, i.e. the Investor would receive a significant lower amount than he would have received without such deduction or withholding.

#### Product Documentation

The Indicative Termsheet includes the information required for a preliminary simplified prospectus and the Termsheet which will be available no later than on the Issue Date, as well as the Final Termsheet include the information required for a definitive simplified prospectus pursuant to article 5 the Collective Investment Schemes Act (“CISA”), as such article was in effect immediately prior to the entry into effect of the Swiss Financial Services Act (“FinSA”), but not a prospectus pursuant to article 40 of the FinSA or article 1156 of the Swiss Code of Obligations. No basic information document according to article 60 of the FinSA or any equivalent document under the FinSA has been or will be prepared in relation to the Products. No prospectus has been reviewed or approved by a Swiss review body pursuant to article 52 FinSA, and the documentation prepared in relation to the Products may not comply with the disclosure requirements applicable to a prospectus approved by such a review body under the FinSA. The Termsheet contains a summary of information of the Product and is for information purposes only. The Termsheet contains a summary of information of the Product and is for information purposes only. **Only the Final Termsheet together with the Issuance and Offering Programme of the relevant Issuer valid as per the Initial Fixing Date containing all further relevant terms and conditions, as such is amended from time to time (the “Programme”), shall form the entire and legally binding documentation for this Product (“Product Documentation”),** and accordingly the Final Termsheet should always be read together with the Programme. Definitions used in the Final Termsheet, but not defined therein, shall have the meaning given to them in the Programme. **Even though translations into other languages might be available, it is only the Final Termsheet**

## and Issuance and Offering Programme in English which are legally binding.

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions of the Programme. In addition, any changes with regard to the terms and conditions of this Product will be published on the relevant Termsheet on [www.leonteq.com](http://www.leonteq.com) under the section "Products" or, for listed products, in any other form as permitted by the rules and regulations of the SIX Swiss Exchange Ltd. Notices to Investors relating to the Issuing Parties will be published under the section "About us" on [www.leonteq.com](http://www.leonteq.com) and/or on the web page of the respective Issuing Party.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager at Europaallee 39, CH-8004 Zurich (Switzerland), via telephone (+41-(0)58-800 1111\*), fax (+41-(0)58-800 1010) or via e-mail ([termsheet@leonteq.com](mailto:termsheet@leonteq.com)). Please note that all calls made to numbers marked with an asterisk (\*) are recorded. By calling such number, your consent to the recording is deemed given.

## II. Prospects for Profit and Loss

This product falls within the category "Participation Products". The profit the Investor could realize with this Product at redemption is unlimited (except for bearish products and products with the special feature "capped participation"). The redemption amount is directly linked to the performance of the Underlying(s), taking into account any participation rates or other features.

On the downside, especially if the product has forfeited any contingent capital protection (like e.g. a barrier, strike), the Investor is exposed to the negative development of the Underlying(s). **This might (even if a Stop Loss Event has occurred) lead to a partial or even a total loss of his investment.**

Please refer to the sections "Product Description" and "Redemption" for more detailed information on the characteristics of this Product.

## III. Significant Risks

### Risk Factors Relating to the Product

**The downside risk of this Product is the same as for the Underlying, i.e. the Investor could lose the total investment if the Underlying value falls to zero.** However, the Value of the Product might differ from the Underlying's performance due to fee adjustments (if applicable). Investors may lose a significant part or all of their investment in this Product.

### General

The Product provides exposure to a discretionary Index managed by the Index Sponsor. The Index Sponsor has a significant scope of discretion in terms of the Index' composition and will determine the initial composition of the Index and subsequent adjustments thereof, excluding adjustments and substitutions made by the Index Calculation Agent in accordance with the Index Rule Book or as defined herein and save where a rebalancing request of the Index Sponsor has been declined by the Index Calculation Agent. The performance of the Index and hence of the Product depends, inter alia, on the quality of the Index Sponsor's decisions as regards the composition of the Index (excluding adjustments and substitutions made by Index Calculation Agent in accordance with the Index Rule Book or as defined herein). Investors need to do their own due diligence with respect to the Index Sponsor.

### Index Success

Neither the Calculation Agent nor the Index Calculation Agent take any responsibility for the composition of, adjustment (excluding adjustments not due to a Non-Compliance Event and substitutions made by Index Calculation Agent in accordance with the Index Rule Book or as defined herein) to and the success of the Index.

### Diversification of the Index

If there are no minimum diversification criteria for the Index, as defined in the Index Rule Book, the Underlying may comprise of one single Component.

### Foreign Exchange Risk

The Investor in the Product may be exposed to foreign exchange rate risk depending on the composition of the Index.

### Interest Rate Risk

The Investor in the Product may be exposed to interest rate risk depending on the composition of the Index and the Settlement Currency.

### Value Risk

For reasons not necessarily attributable to any of the risk factors set forth herein (for example, supply/demand imbalances or other market forces), the prices of the Components of the Index to which the Product is linked, may decline substantially.

### Early Termination Risk

The Issuer may call the Product in accordance with the provisions as set forth above, e.g. if a Stop Loss Event occurred (please refer to section "Redemption"). Such early termination may adversely affect the Investors' financial interests.

### Illiquidity Risk

One or, if applicable, more of the Components of the Index might be or become illiquid over the life time of the Product. Illiquidity of a Component of the Index might lead to larger bid/offer spreads of the Product and/or might delay the acquisition, unwind or disposal of hedging transaction(s) or asset(s) or realization, recovery or remittance of the proceeds of such hedging transaction(s) or asset(s) which might implicate a postponed redemption and/or a modified redemption amount, as reasonably determined by the Calculation Agent.

**Any of the factors below may negatively impact the value, tradability, liquidity and security of the Underlying and/or the Product or may result in the early termination of the Product:**

#### **Volatility of Underlying**

The value of the Underlying may change significantly on an intraday basis. Changes and advances in technology, fraud, theft and cyber-attacks and regulatory changes, among others, may increase volatility significantly – elevating the potential of investment losses in the Product. In addition, the market for the Underlying is still at an early stage and the number of market participants is limited and may stay limited over the lifetime of the Product. A small number of market participants may result in potentially significant (and adverse) price swings and illiquidity (see Underlying Illiquidity Risk).

#### **Underlying Illiquidity Risk**

The Underlying might be or become illiquid over the lifetime of the Product. Illiquidity of the Underlying may negatively impact the Issuer's ability to provide a secondary market for the Product, may result in a temporary or even indefinite increase of the bid/offer spread for the Product or result in the (early) termination of the Product.

#### **Risk relating to Technology**

Technology relating to the Underlying is still at an early stage and best practices are still to be determined and implemented. The technology is likely to undergo significant changes in the future. Technological advances in cryptography, code breaking or quantum computing etc. may pose a risk to the security of the Underlying and may facilitate price manipulation or forced consensus attacks by miners and others. In addition, alternative technologies could be established, making the Underlying less relevant or obsolete. The functioning of the Underlying may rely on (potentially open-source) software. Developers of such software are not employed or controlled by the Issuer, a hedging party thereof or any other party related to this Product. Developers may introduce weaknesses and programming errors into the software or may stop developing the software (potentially at a critical stage where a security update is required), keeping the Underlying exposed to weaknesses, programming errors and threats of fraud, theft and cyber-attacks (see also "Fraud, Theft and Cyber-Attack Risk"). The inability to implement required changes to technology relating to the Underlying may negatively impact the Issuer's ability to provide a secondary market for the Product and may result in an increased bid/offer spread (potentially indefinitely) for the Product.

#### **Adjustment Event Risk**

As a result of one or more Adjustment Events, trading venues on which the Underlying is traded may suspend (temporarily or indefinitely) the ability to trade the Underlying or in the case of a Hard Fork a particular version of the "underlying". Consequently, the Investors in the Product may (i) not get exposure (indefinitely) to all "underlying" versions following a Hard Fork and forego the value of one or more versions, or (ii) may get exposure to a version on a delayed basis (in which case that version might have a significant change in its value), or (iii) may not benefit or be negatively affected by an Adjustment Event relating to the Underlying. Following an Adjustment Event, the Issuer may make (but has no obligation to make) an amendment to the Product and/or Underlying including, but not limited to, an issuance of an additional product in its reasonable discretion (billiges Ermessen). In addition, Adjustment Events may result in instability of the Underlying or an "underlying" version and Adjustment Events or the threat of a potential Adjustment Event may prevent the establishment of the Underlying. (Potential) Adjustment Events may negatively impact the Issuer's ability to provide a secondary market for the Product, may result in an increased bid/offer spread (potentially indefinitely) for the Product or result in the (early) termination of the Product.

#### **Fraud, Theft and Cyber-Attack Risk**

The particular characteristics of the Underlying (e.g. only exist virtually on a computer network, transactions in the Underlying are not reversible and are done largely anonymously) make it an attractive target for fraud, theft and cyber-attacks.

Investors in the Product are exposed to fraud, theft and cyber-attacks: (i) any high profile losses as a result of such events may raise skepticism over the long-term future of the Underlying and may prevent the establishment of the Underlying and may increase the volatility and illiquidity of the Underlying; (ii) any loss resulting from fraud, theft and cyber-attacks relating to Service Provider(s) and/or Reference Source(s) of the Issuer will be indirectly borne by the Investors as the respectively decreased Final Fixing Level will be negatively impacting the redemption. Investors in the Product are exposed to such risks and the redemption of the Product could be negatively affected (as defined in the section "Redemption"). However, the issuer and its Service Provider(s) and/or Reference Source(s) have established appropriate measures to limit the exposure of Investors.

#### **Connected Party Risk**

Depending on the Underlying and the design of the Underlying (centralized, decentralized), certain connected parties (management, developers, miners etc. as applicable) may pursue a strategy which may negatively impact the value, tradability, liquidity and security of the Underlying.

#### **Regulatory Risk**

The Underlying and products relating to the Underlying have been in existence for relatively short time only and various regulatory bodies in Switzerland and globally have or are in the process of taking a view on required regulatory actions relating to the Underlying and related products (e.g. regulation concerning money laundering, taxation, consumer protection, publication requirements or capital flows etc.). Any forthcoming regulatory actions may result in the illegality of the Underlying (and products relating to the Underlying) or the implementation of controls relating to the trading (and therefore liquidity) of the Underlying.

Forthcoming regulatory actions may also restrict the availability of markets and/or market participants permitted to be engaged in transactions related to the Underlying. In addition, control mechanisms may increase transaction fees in the Underlying significantly (and therefore impact the bid/offer spread of the Product). Investors should ensure that investing in this Product complies with their local regulation.

#### **No Supervision**

As of Initial Fixing Date, the Underlying does not have a function as and/or the full characteristics of a legal tender and is currently not supervised by any authority or institution such as a central bank. Consequently, there is no authority or institution which may intervene in the Underlying market to stabilize the value of the Underlying or prevent, mitigate or counter-attack irrational price developments of the Underlying.

#### **Risk relating to Public Data**

Investors should be aware that any purchase and sale of the Underlying is stored in a ledger (blockchain) and may be visible to the public. Such ledger is neither a property of nor under control of the Issuer, a hedging party thereof or any other party related to this Product. Information available on the ledger may be exploited or mis-used in, as of today, unforeseen ways.

#### **Risk relating to Reference Sources and/or Service Providers**

Reference Sources and/or Service Providers used by the Issuer (or a hedging party thereof) for trading and holding/storing the Underlying, (i) may cease to exist, (ii) may be exposed to fraud, theft and cyber-attacks (see separate risk factor "Fraud, Theft and Cyber-Attack Risk"), or (iii) regulatory requirements and the Issuer's internal compliance requirements may prevent the Issuer (or a hedging party thereof) to use a particular Reference Source or Service Provider for trading the Underlying. The Issuer (or a hedging party thereof) has an unconditional right to remove, add or change one or more Reference Sources at any time without previous notice related to Reference Sources by announcement on the Paying Agent's website ([www.leonteq.com](http://www.leonteq.com)), all in accordance with the General Terms and Conditions of the Programme, and, for listed products, in the form as permitted by

the rules and regulations of the SIX Exchange Regulation AG. This potentially results in a wider bid/offer spread for the Product (e.g. due to a change of trading commission payable to the Reference Source and/or Service Provider). The Issuer (or a hedging party thereof) may not be able to replace a Reference Source or Service Provider resulting in an early termination of the Product.

### **Trust in the Underlying**

The Underlying only exist virtually and has no physical equivalent. Establishing a value for the Underlying is or may become difficult as the value depends on the expectation and trust that the Underlying has a future use. Among others, persistent high volatility, changes and advances in technology, fraud, theft and cyber-attacks and regulatory changes may prevent the establishment of the Underlying for future use and potentially rendering the Underlying worthless.

### **No Direct Access to Underlying/No Transfer**

Investors in the Product do not have direct access to the Underlying or all information relating to the Underlying (among others such as information about storage, Service Provider(s) used for trading the Underlying or the so called "private keys" required for accessing and transferring the Underlying) and cannot transfer the Underlying related to the Product to a private storage facility.

### **Limited Trading Hours**

Investors should note that the Underlying typically trade 24 hours on all weekdays (incl. Saturday, Sunday and public holidays). The trading hours of the Product however are restricted to 09:15 - 17:15 CET on every Exchange Business Day (subject to market disruption events). Investors therefore cannot invest in or divest the Product and react to price movements or volatility of the Underlying outside the Product's trading hours. In addition, the secondary market is limited (see "Secondary Market" in section "General Information"),

### **Termination Risk**

The Issuer may terminate the Product in accordance with the provisions as set forth above (please refer to section "Redemption"). Such (early) termination may adversely affect the Investors' financial interests.

### **Tax Impact**

There may be a tax impact on investing in the Product. The Issuing Parties and the Lead Manager do not provide any tax opinion. Any Investor should consult with its own tax advisor prior to investing in the Product. In addition, Investors should be aware that taxation with respect to the Underlying and therefore this Product may (adversely) change over the lifetime of the Product. In accordance with the General Terms and Conditions the Issuer and the Paying Agent have the right, but not the duty, to withhold or deduct any such taxes, duties, fees and/or charges.

### **Foreign Exchange Risk**

The Investor in the Product is exposed to foreign exchange rate risk if the currency of the Underlying and Settlement Currency are not identical.

## **Additional Risk Factors**

Prospective Investors should ensure that they fully understand the nature of this Product and the extent of their exposure to risks and they should consider the suitability of this Product as an investment in the light of their own circumstances and financial condition. Products involve a high degree of risk, including the potential risk of becoming worthless. Potential Investors should be prepared and in a position to sustain a total loss of the capital invested to purchase this Product. Prospective Investors shall consider the following important risk factors and see the section "Risk Factors" of the Programme for details on all other risk factors to be considered.

This is a structured product involving derivative components. Investors should make sure that their advisors have verified that this Product is suitable for the portfolio of the investor taking into account the investor's financial situation, investment experience and investment objectives.

The terms and conditions of the Product may be subject to adjustments during the lifetime of the Product as set out in the Programme.

Investors whose usual currency is not the currency in which the product is redeemed should be aware of their possible currency risk. The value of the Product may not correlate with the value of the Underlying(s).

### **Market Risks**

The general market performance of securities is dependent, in particular, on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the Underlying(s) or the Product. There is also the risk of market disruptions (such as trading or market/exchange interruptions or discontinuation or limitation of trading) or other unforeseeable occurrences concerning the respective Underlyings and/or their exchanges or markets taking place during the term or upon maturity of the Products. Such occurrences can have an effect on the time of redemption and/or on the value of the Products.

### **Credit Risk of Issuing Parties**

Investors bear the credit risk of the Issuing Parties of the Product. The Products constitute unsubordinated and unsecured obligations of the relevant Issuing Party and rank *pari passu* with each and all other current and future unsubordinated and unsecured obligations of the relevant Issuing Party. The insolvency of an Issuing Party may lead to a partly or total loss of the invested capital.

### **Secondary Market**

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, intends, under normal market conditions, to provide bid and offer prices for the Products on a regular basis in accordance with the SIX Directive on Debt Securities with Specific Structures. However, the Issuer and/or the Lead Manager, as applicable, reserve the right to cease the posting of bid and offer prices upon the occurrence and for the duration of any exceptional market circumstances. In special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer and/or the Lead Manager.

### Prudential Supervision

Leonteq Securities AG, Zurich has a securities dealers licence issued by the FINMA and is under the supervision by the FINMA.

### Conflict of Interests

The Issuing Parties and/or the Lead Manager and/or any third party appointed by them, as the case may be, may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market as well as be active on both sides of the market at the same time in any securities, currencies, financial instruments or other assets underlying the products to which this document relates. The Issuer's and Lead Manager's and/or the appointed third party's trading and/or hedging activities related to this transaction may have an impact on the price of the Underlying.

### Remunerations to Third Parties

Depending on the circumstances the Issuer and/or Lead Manager may sell this Product to financial institutions or intermediaries at a discount to the Issue Price or reimburse a certain amount to such financial institutions or intermediaries (reference is made to section "Fees" herein, where such fees, if applicable, will be disclosed). For open-end products such fees will be split linearly over ten years.

In addition, for certain services rendered by distribution partners and to increase quality and services relating to the Products, the Issuer and/or Lead Manager may from time to time pay trailer fees to such third parties.

Further information is available on request.

### No Offer

The indicative Termsheet is primarily provided for information purposes and does not constitute a recommendation, an offer or a solicitation of an offer to buy financial products.

### No Representation

The Issuer, the Lead Manager and any third party appointed by them make no representation or warranty relating to any information herein which is derived from independent sources.

For distribution in Switzerland

#### Leonteq Securities AG

Europaallee 39,  
8004 Zurich, Switzerland  
Phone: +41 58 800 1111, [termsheet@leonteq.com](mailto:termsheet@leonteq.com)  
[www.leonteq.com](http://www.leonteq.com)

For distribution within the European Economic Area (EEA)

#### Leonteq Securities (Europe) GmbH

Goetheplatz 2,  
60311 Frankfurt, Germany  
Phone: +49 69 970 979 900  
[www.leonteq.de](http://www.leonteq.de)

#### BRANCHES

#### Leonteq Securities (Europe) GmbH

Paris Branch  
40 Rue la Pérouse  
75116 Paris, France  
Phone: +33 (0)1 40 62 79 38  
[www.leonteq.fr](http://www.leonteq.fr)

#### Leonteq Securities (Europe) GmbH

London Branch  
108 Cannon Street  
London EC4N 6EU, United Kingdom  
Phone: +44 (0)207 467 5350  
[www.leonteq.co.uk](http://www.leonteq.co.uk)