

Termsheet

PUBLIC OFFERING:CH
Participation-Products
SSPA Product Type: 1300

Tracker Certificate on the momentumDB.pro US Tech Index

Open-end; issued in USD; listed on SIX Swiss Exchange AG
ISIN CH0587306108 | Swiss Security Number 58730610 | SIX Symbol QAJLTQ

Investors should read the section “Significant Risks” below as well as the section “Risk Factors” of the relevant Issuance and Offering Programme, as amended from time to time. By investing in this product (the “Product”) the Investor may put his capital at risk and, in addition, transaction costs may incur. Investors may lose some or all of their investment. Investors are exposed to the credit risk of the Issuer.

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

Even though translation into other languages might be available, only the Final Terms and the relevant Issuance and Offering Programme in English language which are legally binding.

For Switzerland:

This Product is a derivative instrument. It does not qualify as unit of a collective investment scheme pursuant to art. 7 et seqq. 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.

This document is a termsheet prepared in view of the issuance of the Products and not a prospectus within the meaning of article 40 et seqq. of the Swiss Federal Act on Financial Services (“FinSA”), a private placement documentation, a key information document according to article 60 of the FinSA or any equivalent document under the FinSA or a simplified prospectus in the meaning of the CISA. The information contained in this document is not complete and is subject to completion and amendment. This document has not been approved by a review body pursuant to articles 51 et seqq. FinSA. This document does not, and is not intended to, constitute or contain an offer or invitation to sell, and it is not soliciting offers to buy, the Product in any jurisdiction where such offer or sale is not permitted.

This Termsheet is a non-binding summary of the economic terms of the product and does not purport to be exhaustive. It is an advertisement document in the sense of Swiss law in relation to the product and is provided for information and discussion purposes only. It does not constitute or imply any offer, solicitation or commitment on the part of the Issuer. This Termsheet is neither a prospectus nor a key information document within the meaning of the Swiss Federal Act on Financial Services (FinSA). The binding terms and conditions of the product will be set out in the Final Terms or Pricing Supplement, as applicable (the “Issue terms”) which amends and supplements the terms and conditions in the Base Prospectus. Investors must read all of these documents and copies are available from the Lead Manager.

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.

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, the Performance 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 “momentumDB.pro US Tech Index”, Version ID 1J85P, dated 03.02.2021 (the “**Index Rule Book**”).

Objective: The investment objective of the momentumDB.pro US Tech Index is to outperform the Nasdaq Index on a year-on-year basis by systematically including components with the highest forward momentum. The strategy invests in components of the Nasdaq Index, which are selected by their potential for ongoing momentum. At point of inclusion the new components are usually equally weighted. The components are then monitored and regularly rebalanced or replaced, based on the said systematic approach, built on their forward momentum potential.

Universe: The Index universe consists of eligible Components and may include Cash Instruments, Shares 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.

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).

Underlying

Underlying	Index Sponsor	Index Calculation Agent	Units ₀	Initial FX Rate (FX Rate ₀)	Currency	Initial Fixing Level (Index Value ₀)
momentumDB.pro US Tech Index	momentumDB.pro Management GmbH	LEONTEQ Securities AG	1.00000	1.00000	USD	USD 100.00

Product Details

Swiss Security Number	58730610
ISIN	CH0587306108
SIX Symbol	QAJLTQ
Issue Price	USD 100.00
Issue Size	200'000 Certificates (can be increased at any time)
Settlement Currency	USD

Dates

Initial Fixing Date	03.02.2021
Issue Date	10.02.2021
Observation Dates	Quarterly, from (and including) 31.03.2021; 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.
First Exchange Trading Day	10.02.2021
Last Trading Day/Time	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
Final Fixing Date	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)
Redemption Date	Open-end or in the case of an exercise of the Issuer's Termination Right or the Investor Redemption the 5 th Business Day following the Final Fixing Date (subject to Settlement Disruption Event provisions)

Fees	
Distribution Fee	No Distribution Fee
Calculation Agent Fee (CAF)	0.45% p.a. The Calculation 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.
Management Fee (MF)	0.50% 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 quarterly on the Observation Dates.
Performance Fee (PF)	20.00% (fee split: 20.00% Index Sponsor, 0.00% Calculation Agent) The Performance Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices. The Performance Fee will be paid quarterly on the Observation Dates.
Rebalancing Fee	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 0.12% 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 _t 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 in addition to the Rebalancing Fee.
Other Fees	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_t, the Management Fee, the Calculation Agent Fee, the Performance Fee and, as the case may be, the FX Rate. This amount equals Value_t on the Final Fixing Date, where Value_t is calculated according to the following formula and reasonably determined by the Calculation Agent:

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

Index Value_t	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.
FX Rate_t	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 _t is equal to 1.0).
Units_t	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:

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

Where Index Value_t means Index Value_t 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_t are rounded in accordance with the Rounding Convention.

Following the adjustment of Units_t by AMF_t, AMF_t is reset to zero.

Following the adjustment of Units_t by ACAF_t, ACAF_t is reset to zero.

Following the adjustment of Units_t by APF_t, APF_t is reset to zero.

AMF_t	Means the accrued management fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows:
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$$\text{AMF}_t = \text{AMF}_{t-1} + \text{Value}_{t-1} \times \text{MF} \times \text{DayCount}_t \quad \text{and} \quad \text{AMF}_0 = 0.00$$

ACAF_t	Means the accrued calculation agent fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows:
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$$ACAF_t = ACAF_{t-1} + Value_{t-1} \times CAF \times DayCount_t \quad \text{and} \quad ACAF_0 = 0.00$$

DayCount_t 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.

APF_t Means the accrued performance fee on Scheduled Trading Day t and is determined by the Calculation Agent as follows:

$$APF_t = APF_{t-1} + PF \times \text{Max}(0, Value_{t-1} - \text{Watermark}_{t-1}) \quad \text{and} \quad \text{Watermark}_0 = \text{Watermark}_1 = Value_0 \times (1 + \text{Hurdle Rate}), \quad APF_0 = 0.00$$

Watermark_{t-1} Means the maximum of Value_t on any Scheduled Trading Day since the Initial Fixing Date up to (and including) Scheduled Trading Day t-2.

Hurdle Rate 10.00%

Initial Fixing Level
(Index Value₀) Means the official closing price of the Underlying on the Initial Fixing Date as determined by the Calculation Agent.

Issuer's Termination Right The Issuer has the right to call all Certificates for early redemption (the “**Termination Right**”) at any time with a 10 Business Days (prior to the respective Final Fixing Date) notice by announcement (the “**Termination Announcement**”) 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_t on the Final Fixing Date as determined by the Calculation Agent.

Investor Redemption Each Investor has an annual right, on 3 February for the first time on 3 February 2022 (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 10th 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_t on the Final Fixing Date as determined by the Calculation Agent.

Extraordinary Termination The Issuer has the right to call all Certificates with **immediate** effect, without prior notice (the “**Extraordinary Termination**”). Such Extraordinary Termination will prevail any Investor Redemption and/or Issuer's Termination, if applicable.

The Issuer may exercise its right for Extraordinary Termination:

- based on Hedging Disruption and other provisions as set out in paragraph “*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*”) of the Programme; or
- 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
- if the Index in whole or the calculation of the index value are terminated, as the case may be.

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

Issuer	Leonteq Securities AG, Zurich, Switzerland (Rating: Fitch BBB- with stable outlook, JCR BBB+ with stable outlook, Supervisory Authority: FINMA)
Lead Manager	Leonteq Securities AG, Zurich, Switzerland
Calculation Agent	Leonteq Securities AG, Zurich, Switzerland
Paying Agent	Leonteq Securities AG, Zurich, Switzerland
Index Sponsor	momentumDB.pro Management GmbH, Bankstrasse 5, Glarus 8750, Switzerland. The Index Sponsor is not supervised.
Listing/Exchange	SIX Swiss Exchange AG; traded on SIX Swiss Exchange – Structured Products Listing will be applied for.
Secondary Market	Daily price indications will be available from 09:15 - 17:15 CET on www.leonteq.com, Refinitiv [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.
Quotation Type	Secondary market prices are quoted in the Settlement Currency, per Product.

Settlement Type	Settlement in cash only ("Cash Settlement"). There is no physical delivery of Components to Investors.
Rounding Convention	Numbers are rounded down to five (5.0) decimal places.
Scheduled Trading Day	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).
Minimum Investment	1 Certificate(s)
Minimum Trading Lot	1 Certificate(s)
Minimum Redemption Number	1 Certificate(s)
Maximum Redemption Number	1 Certificate(s)
Clearing	SIX SIS Ltd, Euroclear, Clearstream
Depository	SIX SIS Ltd
Public Offering only in	Switzerland only
Form	Uncertificated Security / Book-entry
Governing Law/Jurisdiction	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)	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. 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.
Swiss Withholding Tax	The Product is not subject to the Swiss Withholding Tax.

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

It is intended that the Products will be issued under a base prospectus ("Base Prospectus") as per article 45 FinSA approved by SIX Exchange Regulation AG ("SIX Exchange Regulation") in its capacity as Swiss Prospectus Office. Only the Final Term, which will be available no later than on the Issue Date, together with the Base Prospectus of the relevant Issuance and Offering Programme, dated 16 November 2020 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"). The Final Terms will be registered with SIX Exchange Regulation in its capacity as Swiss Prospectus Office. The Final Terms should always be read together with the Base Prospectus. Definitions used in this Termsheet, but not defined therein, shall have the meaning given to them in the Final Terms and the Base Prospectus. **Even though a translations into other languages might be available, it is only the Final Termsheet jointly with the Base Prospectus which are legally binding.**

The Products may be offered, sold or advertised, directly or indirectly, in Switzerland to retail clients (*Privatkundinnen und -kunden*) in the meaning of the FinSA ("Retail Clients") in accordance with the FinSA. A Swiss key information document / key information document in accordance with Regulation (EU) No 1286/2014 (PRIIPs Regulation) has been prepared in relation to the Products and may be obtained, free of charge, upon request from the Lead Manager (see the contact details below).

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 under the section "Products" or, for listed products, in any other form as permitted by the rules and regulations of the relevant Exchange. Notices to Investors relating to the Issuing Parties will be published under the section "About us" on www.leonteq.com and/or on the web page of the respective Issuing Party.

During the whole term of this Product, the Product Documentation and the Swiss key information document if applicable, will be published on www.leonteq.com under the section "Products" and 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). 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.

Significant Risks

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 expiring worthless. Potential Investors should be prepared in certain circumstances to sustain a total loss of the capital invested to purchase this Product as well as the transaction costs. Prospective Investors shall consider the following important risk factors and read 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 their portfolio 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.

Product specific risks: To the extent that this Product is not capital protected, investors may lose some or all of their investment, as well as the transaction costs as they are fully exposed to the performance of the Underlyings. The Product does not confer any claim to receive rights and/or payments of the Underlying, such as dividend payments, unless explicitly stated in the documentation governing the Product. Please refer to the Product Documentation as regards the further Product specific risk factors to be taken into account.

Issuer risk: Investors are exposed to the credit risk of the Issuer. If the Issuer is not able to make a payment and becomes insolvent, investors could lose some or all of their investment.

Market risk: Market risk may have a negative impact on the value of and the return on an investment in the Product. Market risk is the risk associated with the effect of changes in market factors such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term. Market risk may also lead to an early redemption of the Product (e.g. in the event of a hedging disruption).

Liquidity risk: The Issuer or, as the case may be, the guarantor or a third party appointed by the Issuer or guarantor, if any, intends to act as market maker in relation to the Product and it will use commercially reasonable efforts to provide indicative bid and offer prices for the Product on a regular basis under normal market conditions. However, such market maker does not have an obligation to provide prices for the Product. Liquidity of the Product in the secondary market may be limited and an active trading market for the Product may not develop. Accordingly, investors may not be able to sell their Product.

Currency risk: If the investor's reference currency is different from the currency, in which the Product is denominated, the investor bears the currency risk between the two currencies. The fluctuations in exchange rates could have an adverse effect on the value of or return on an investment in the Product, even if the redemption amount would otherwise provide for a positive return. If the Underlyings are calculated in a currency different from the Currency of the Product, the conversion into the Currency of the Product will be carried out at the relevant exchange rate.

Early termination and reinvestment risk: The Product may be early redeemed prior to the maturity of the Product (be it by declaration of the issuer or as a result of certain events specified in the terms of the Product) and investors must consider that in case of such an early redemption, investors will not receive any further coupon payments after the occurrence of the early redemption and the redemption amount may be significantly below the issue / purchase price paid and the early redemption amount payable at maturity. Investors may not be able to reinvest the early redemption amount in a financial instrument with the same profit potential and additional transaction costs may be incurred as a consequence of a reinvestment of the early redemption amount.

Illiquidity of Underlying: One or, if applicable, more of the Underlyings might be or become illiquid over the life time of the Product. Illiquidity of an Underlying might lead to larger bid/offer spreads of the Product and/or to an extended time period for buying and/or selling the Underlying respective to acquire, unwind or dispose of the hedging transaction(s) or asset(s) or to realise, recover or remit the proceeds of such hedging transaction(s) or asset(s) which might implicate a postponed redemption or delivery and/or a modified redemption amount, as reasonably determined by the Calculation Agent.

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.

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.

Additional Risk Factors Related to Products linked to a Reference Asset denominated in Renminbi and Renminbi-Denominated Products

For the purpose of this Termsheet and where the context requires, "Renminbi" or "CNY" refers to the lawful currency of the People's Republic of China ("PRC"). "CNY" is the official (ISO) code on the currency markets. CNY is not available and not tradable outside of the PRC. Therefore "CNH" has been established as offshore deliverable CNY. CNH is not an official ISO code and is only used as a technical term for differentiation between the currency used/traded in the PRC (CNY) and the respective offshore tradable and deliverable currency (CNH).

Renminbi is subject to PRC exchange control policies and there is limited availability of Renminbi outside the PRC.

Renminbi is not freely convertible and is subject to exchange control policies and restrictions of the PRC government. As a result of restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited, which may adversely affect the liquidity of Renminbi outside the PRC, which in turn may adversely affect the market value, and the potential return, of the Product.

Risks relating to Renminbi exchange rate and interest rate

The exchange rate of, and interest rate for, Renminbi outside the PRC may be different from the same in the PRC. The value of Renminbi against Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political, economic and market conditions and by many other factors. There is no guarantee that Renminbi will not depreciate, and any devaluation of Renminbi could adversely affect the market value of the Product. In addition, interest rates for Renminbi in the PRC are government controlled. The PRC government may further liberalise the regulation of interest rates for Renminbi in the PRC which may increase interest rate volatility for Renminbi outside the PRC. Any

fluctuation in interest rates for Renminbi outside the PRC may adversely affect the market value, and the potential return, of the Product.

Renminbi payment risk

If the Settlement Currency of the Product is Renminbi, and a FX Disruption Event has occurred and is continuing on, a scheduled date of payment, payment may be made in Successor Currency on the postponed payment date. In such case, there may be a delay in payments under the Product and no interest will be payable for any such delay. Investors may also suffer a loss in the Successor Currency if Renminbi depreciates against the Successor Currency following the occurrence of a FX Disruption Event.

China Connect risk

If the Underlying(s) or Underlying Component(s) are eligible securities listed and traded on the SSE and SZSE ("China Connect Securities") (as in the case of A-Shares as Underlying), foreign investors may invest in such China Connect Securities through China Connect. The respective Hedging Entity may (but is not obliged to) choose to hedge obligations under the Products using China Connect.

Trading through China Connect is subject to a number of restrictions which may restrict or affect an investment in China Connect Securities, including (but not restricted to) the application of PRC law and regulation to investors in China Connect Securities, pre-trade checking to prevent naked short-selling, the application of aggregate and daily RMB quotas and restrictions on the ability of an investor to take up certain types of rights issuances through China Connect. In particular, it should be noted that China Connect is in its initial stages. Further developments are likely and there is no assurance as to whether or how such developments may restrict or affect an investment in China Connect Securities. In addition, the laws and regulations of Hong Kong and the PRC, and the rules, policies or guidelines published or applied by any regulator which regulates China Connect and activities relating to China Connect (including without limitation, the China Securities Regulatory Commission (CSRS), People's Bank of China (PBOC), State Administration of Foreign Exchange (SAFE), Securities and Futures Commission (SFC), Hong Kong Monetary Authority (HKMA) or any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect), or any exchange, clearing system or other entity which provides services relating to China Connect (including without limitation, the Stock Exchange of Hong Kong (SEHK) and any relevant subsidiary, Hong Kong Securities Clearing Company (HKSCC), Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) or China Securities Depository and Clearing Corporation (CSDCC) from time to time in respect of China Connect or any activities arising from China Connect are new and subject to change, and there may be uncertainty as to their interpretation and/or implementation.

These potential restrictions and uncertainties relating to China Connect may trigger a Hedging Disruption, a Market Disruption Event or an Additional Disruption Event. Even if trading on the SSE or SZSE continues uninterrupted, such events concerning China Connect could lead to adjustments to the terms of the Products or to their redemption earlier, or later, than scheduled. Such uncertainty and any potential change of the laws and regulations in the PRC for the China Connect may adversely impact on the performance of the Underlying and may also have a potential retrospective effect. These changes may in turn adversely affect the market value of the Product, which may result in a partial or total loss of the invested capital.;

Risks of investing in the PRC securities market and derivative instruments relating to it

The PRC capital market is still at a premature stage. Regulation of the PRC capital market is heavily influenced by government policies and is less transparent and less efficient than the regulation of developed capital markets. There still remain allegations and convictions of malpractices such as market manipulation and insider trading. The stock price of a PRC listed company may not therefore reasonably reflect its intrinsic value. In addition, the disclosure of information by a PRC company with respect to its financial status may not always be complete and reliable. If the stock price of a PRC listed company does not reasonably reflect its intrinsic value, such pricing inaccuracy will be passed through to derivative instruments such as the Products.

Investment in the PRC securities markets (which are inherently stock markets with restricted access) involves certain risks and special considerations as compared with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Additional Information / Disclaimer

Prudential Supervision

Leonteq Securities AG, Zurich has a securities dealers license 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.

Payment of a Coupon

If the Product stipulates the Payment of a Coupon, the Investor is only entitled to receive the respective coupon payment, if he has purchased/not sold the Product at the latest on the Business Day preceding the respective Coupon Ex-Date for the then prevailing price.

No Offer

This 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.

ADDITIONAL INFORMATION WITH REGARDS TO THE PRIVATE OFFERING IN THE EEA

The following terms apply only to the non public offering in the European Economic Area (EEA) and are to be understood in addition to the afore-mentioned provisions.

Product Documentation

This document does not constitute a prospectus within the meaning of the Directive 2010/73/EU of the European Parliament and of the Council amending the Directive 2003/71/EC of the European Parliament and Council (Prospectus Directive).

Secondary Market

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, will, under normal market conditions, provide bid and offer prices for the Products on a regular basis. 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.

No Offer

The indicative Termsheet has been prepared for discussion purposes only. It is not an offer to buy the Product described within or enter into any agreement. Neither the Issuer nor any of their officers or employees is soliciting any action based upon it. The Final Termsheet is subject to further discussion and negotiation and also subject to internal approval.

No Representation

The Issuer and/or Lead Manager makes no representation or warranty relating to any information herein which is derived from independent sources. Furthermore, the Issuer makes no representations as to (i) the suitability of the Product for any particular Investor and (ii) the appropriate accounting treatment or possible tax consequences of investing in the Product or (iii) the future performance of the Product either in absolute terms or relative to competing investments.

No Advice

This Termsheet should not be construed as investment, financial, strategic, legal, regulatory, accounting or tax advice. It does not take into account the particular investment objectives, financial situation or needs of individual Investors. Certain transactions, including those involving futures, options and high yield securities, give rise to substantial risk and are not suitable for all investors. Accordingly, Investors should consider whether the Product described herein is suitable for their particular circumstances and should consult their own accounting, tax, investment and legal advisors before investing. The Issuer does not accept any responsibility to update any opinions or other information contained in this Termsheet.

Selling Restrictions

No action has been or will be taken to permit a public 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. Possible limitations resulting from legal restrictions with regard to cross-border communication and cross-border business concerning the Products and related information remain reserved.

Most important jurisdictions where the Products may not be publicly distributed are EEA, UK, Hong Kong and Singapore.

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). Detailed information on Selling Restrictions is published in the Programme which is available on www.leonteq.com and can be ordered free of charge from the Lead Manager.

EEA

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each purchaser of the Products represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the Products to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Products which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, and the Issuer has consented in writing to the use of the prospectus for the purpose of that offer, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Products in that Relevant Member State:

- solely to legal entities which are qualified investors as defined in the Prospectus Directive,
 - at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Lead Manager; or;
 - in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- provided that no such offer of Products shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus

Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Products to the public" in relation to any Products in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe the Products, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including

the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Singapore

In Singapore, this document has not be registered and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Products may not be circulated or distributed, nor may the Products be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act (Cap. 289) of Singapore ("SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined under section 275(2) of the SFA) pursuant to Section 275(1) (which term includes an accredited investor (as defined in Section 4A of the SFA) ("accredited investor")), or any person pursuant to an offer that is made on terms that such shares are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or assets, pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Products are subscribed or purchased under Section 275 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Products pursuant to an offer made under Section 275 of the SFA except (1) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or to any person where the transfer arises from an offer that is made on terms as set out Section 275(1A) or Section 276(4)(i)(B) of the SFA, or (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law, or (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

In Hong Kong, this document has not been approved by the Securities and Futures Commission of Hong Kong, nor has a copy of it been registered by the Registrar of Companies in Hong Kong. The Products are not offered and sold in Hong Kong, and the Lead Manager represents and agrees that

it will not offer and sell such Products in Hong Kong, by means of any document, to any person other than to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. The Lead Manager represents and agrees that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Products which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.