

Termsheet

Exchange Traded Product on Adaptivv Downside Control Swiss Index

Open End; issued in CHF; listed on SIX Swiss Exchange, BX Swiss

ISIN CH1290280408 | Swiss Security Number 129028040 | SIX Symbol ADSIC | BX Symbol ADSIC

This Product is collateralised in accordance with the terms and conditions of the TCM Security Agreement ("TCM Products"). More detailed information regarding the collateralisation can be found in the section "[Information about TCM-Collateralisation](#)" below.

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 the capital that he invested in this Product at risk and, in addition, transaction costs may incur. Investors may lose some or all of their capital invested in the Product as well as the transaction costs. Investors are exposed to the credit risk of the Issuer.

Even though translations into other languages might be available, only the English version of the Final Terms or Pricing Supplement and the relevant Issuance and Offering Programme are legally binding.

The Investor's exposure to the credit risk of the Issuer is only mitigated due to collateralization.

For Switzerland:

This Product is a derivative instrument according to Swiss law. It does not qualify as unit of a collective investment scheme pursuant to articles 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 constitutes advertising within the meaning of article 68 of the Swiss Federal Act on Financial Services ("FinSA").

This document is a termsheet prepared in view of the issuance of the Products and neither a prospectus within the meaning of articles 35 et seqq. of the FinSA, nor a private placement documentation, nor a key information document according to articles 58 et seqq. of the FinSA or any equivalent document under the FinSA. The information contained in this document is not complete and is subject to completion and amendment. This document has neither been reviewed nor approved by a reviewing 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.

Product Description

This Product replicates the price movements of the Underlying (adjusted by the AMF, ACAF, Units, and FX Rate, as further outlined herein) and is therefore in terms of risks comparable to a direct investment in the Underlying. On the Redemption Date the Investor will receive a Cash Settlement as further described under "Redemption". The Product is an Exchange Traded Product, which is issued as a TCM Product and collateralised in accordance with the Terms for TCM Products pursuant to the TCM Security Agreement and subject to compliance with the SIX Additional Rules for the Listing of Exchange Traded Products of SIX Swiss Exchange.

TCM Products are products with a reduced issuer risk as further described under "Information about TCM-Collateralisation". This protection is provided by means of a collateral pledge. The Issuer ("Collateral Provider") has entered into the Security Agreement with SIX Repo AG ("Collateral Agent") and SIX SIS AG ("Collateral Custodian") to secure the value of the TCM Product at any given time. The collateral is booked to an account ("Collateral Account") of the Collateral Provider with the Collateral Custodian. The Collateral Custodian, acting as an independent third party, manages both the Collateral Account and the collateral assignment for the TCM Product. The Collateral Provider has no right to dispose of the collateral in the Collateral Account or to close or transfer the Collateral Account. The Collateral Agent acts in accordance with the Security Agreement as the direct representative of the Investors. In the case of certain events, the Collateral Agent will use and liquidate the collateral in favour of the Investors.

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 "Adaptivv Downside Control Swiss Index", Version ID S035Q, dated 17/08/2023 (the "**Index Rule Book**").

Objective: The objective of the Index is to reflect the performance of a portfolio of weighted Swiss Equities, which provides an improved risk/return profile compared to a passive investment in Swiss Equities and to protect against major drawdowns during severe market crises.

The Index dynamically allocates – using a rule-based methodology – between the Swiss Equities portfolio constituents and a money market Instrument using variance-weighted trend indicators adjusted for regime shifts. Conceptually, the Model allocates weights on the assumption that an Equity Instrument can undergo sudden changes (regime shifts) in its price dynamic.

The Index Sponsor aims to rebalance the components of the Index on a weekly basis (ad-hoc rebalancings e.g. in case of new listings, news flow etc. are possible).

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.

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

* levels are expressed in percentage of the Initial Fixing Level

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 Products.

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 Product.

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 (100%)* (Index Value ₀)	
Adaptivv Downside Control Index	Swiss Adaptivv Financial Technologies	Leonteq Securities AG	1.00000	1.00000	CHF	CHF 25.00	

Product Details	
Swiss Security Number	129028040
ISIN	CH1290280408
SIX Symbol	ADSIC
BX Symbol	ADSIC
Issue Price	CHF 25.00
Issue Size	2'000'000 Product(s) (can be increased at any time)
Settlement Currency	CHF

Dates	
Initial Fixing Date	17/08/2023
Issue Date	19/09/2023
Observation Dates	Quarterly, from (and including) 30/09/2023; 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 Date	19/09/2023 (anticipated)
Last Trading Day/Time	Open-end, or in the case of an exercise of the Issuer's Termination Right or the Investor's Termination Right, 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 Authorized Participant 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, as specified in the Issuer's Termination Right or the Investor Redemption the 5th business day following the Final Fixing Date (subject to Settlement Disruption Event provisions)

Fees	
Distribution Fee	No Distribution Fees
Management Fee (MF)	0.63% 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.
Calculation Agent Fee (CAF)	0.32% 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.

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 up to 0.05% 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 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, the Management Fee, the Calculation Agent 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.

$$Value_t = FX Rate_t \times Units_t \times Index Value_t - AMF_t - ACAF_t$$

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: Units_t = Units_{t-1} If Scheduled Trading Day t is an Observation Date: Units_t = Units_{t-1} - (AMF_t + ACAF_t) / (Index Value_t x 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.
AMF_t	Means the accrued management fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows: AMF_t = AMF_{t-1} + Value_{t-1} x MF x DayCount_t, and AMF₀ = 0.00
ACAF_t	Means the accrued calculation agent fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows: ACAF_t = ACAF_{t-1} + Value_{t-1} x CAF x DayCount_t, and ACAF₀ = 0.00
Day Count_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.
Rounding Convention	Numbers are rounded down to five (5) decimal places.
Scheduled Trading Day t	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).
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 unconditional right to call all Products with immediate effect, with a five Business Days period of notice prior to the Final Fixing Date (the "Termination Right") by announcement (the "Termination Announcement") on the Lead Manager's website, all in accordance with the General Terms and Conditions of the Programme. The Termination Announcement will specify the Last Trading Day and Final Fixing Date. In case of an exercise of the Issuer's Termination Right, the Issuer will pay to the Investor a Cash Settlement in the Settlement Currency that shall be the Fair Market Value of the Product.
Investor's Termination Right	Each Investor has an annual right, on 17/08 for the first time on 17/08/2024 (such day being the Final Fixing Date; Following Business Day Convention will apply) to call the Products for redemption, by delivering a duly completed and signed Redemption Notice to the Authorized Participant in accordance with the General Terms and Conditions of the Programme (notice to be received by the Authorized Participant no later than 07.00 am CET on the 10th Business Day preceding the respective Final Fixing Date). Following such announcement the Products will be redeemed on the Redemption Date for a value equal to the Redemption Amount on the Final Fixing Date as determined by the Calculation Agent.

General Information

Issuer	Leonteq Securities AG, Guernsey Branch, St Peter Port, Guernsey (Rating: Fitch BBB- with positive outlook, JCR BBB+ with stable outlook, Supervisory Authority: FINMA / GFSC)
Collateral Provider (TCM)	Leonteq Securities AG, Guernsey Branch, St Peter Port, Guernsey
Collateral Agent (TCM)	SIX Repo AG, Zurich, Switzerland
Collateral Custodian (TCM)	SIX SIS AG, Olten, Switzerland
Authorized Participant	Leonteq Securities AG, Zurich, Switzerland
Lead Manager	Leonteq Securities AG, Zurich, Switzerland
Calculation Agent	Leonteq Securities AG, Zurich, Switzerland
Paying Agent	Leonteq Securities AG, Zurich, Switzerland
Index Sponsor	Adaptivv Financial Technologies, Talstrasse 9, Zurich 8001, Switzerland. The Index Sponsor is supervised by: FINMA Swiss Financial Markets Supervisory Authority.
Listing/Exchange	SIX Swiss Exchange AG; traded on SIX Swiss Exchange - Exchange Traded Products (ETPs) BX Swiss AG; traded on BX Swiss Exchange - Exchange Traded Products (ETPs) There is no obligation of the Issuer and/or the Lead Manager or any third party to list the Product or apply for admission to trading at issuance or during the term of the Product. In case of a listed/admitted Product, there is no obligation to maintain a listing/admission during the term of the Product.
Secondary Market	Daily price indications will be available from 09:00 - 17:30 CET on www.leonteq.com , Refinitiv [SIX Symbol].S or [ISIN]=LEOZ and Bloomberg [ISIN] SW Equity or on LEOZ.
Resale	Products may only be sold to a third party with the prior consent of the Lead Manager and only in form of a private placement. Thus, Investors must contact the Lead Manager before they resell the Products.
Quotation Type	Secondary market prices are quoted in the Settlement Currency, per Product.
Settlement Type(s)	Cash Settlement
Minimum Investment	1 Product(s)
Minimum Trading Lot	1 Product(s)
Minimum Redemption Number	1 Product(s)
Maximum Redemption Number	1 Product(s)
Clearing	SIX SIS Ltd, Euroclear, Clearstream
Depository	SIX SIS Ltd
Public Offering only in	Switzerland
Private Placement in	N/A
Form	Uncertificated Securities
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	For Swiss stamp duty purpose, the Product is treated as analogous to a share/unit in a foreign investment fund. Therefore, primary and secondary market transactions are in principle subject to Swiss stamp duty (TK24).
Swiss Federal Income Tax (for private investors with tax domicile in Switzerland)	<p>For Swiss income tax purpose, the Product is treated as analogous to a share/unit in an investment fund. Any reinvested dividend and interest income from the Underlying are subject to income tax. The taxable income (if any) earned by the Product is annually reported to the Swiss Federal Tax Administration. For private Investors with tax domicile in Switzerland holding the Product as part of their private property, the reported income (if any) is subject to the Federal Direct Tax.</p> <p>In the absence of tax reporting, taxable income is determined based on a fair market return, taking into account the asset classes of the Underlying.</p> <p>Any dividend payments are subject to the Federal Direct Tax on the respective payment date. 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 Swiss withholding tax.

The tax information provided herein is a non-binding summary and only provides a general overview of the potential Swiss tax consequences linked to this Product at the time of issue. Tax laws and tax interpretation 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.

Information with regards to FATCA (Foreign Account Tax Compliance Act)

Any payment under this Product may be subject to withholding tax (such as, inter alia, withholding related to FATCA 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 Terms, which will be available no later than on the Issue Date, together with the Base Prospectus of the relevant Issuance and Offering Programme (the "Programme") dated 22 September 2022 containing all further relevant terms and conditions, 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 herein, shall have the meaning given to them in the Final Terms and the Base Prospectus. Even though a translation into other languages might be available, only the English version of the Final Terms jointly with the Base Prospectus 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 (the "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 Leonteq" on www.leonteq.com and/or on the web page of the respective Issuing Party.

Insofar as this publication contains information relating to a Packaged Retail and Insurance-based Investment Product (PRIIP), a Key Information Document in accordance with the PRIIPs Regulation is available and can be obtained from www.priipkidportal.com. Other regulatory documents including the Target Market Assessment are also available, or can be requested, from the same portal.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager at Europaallee 39, 8004 Zurich (Switzerland), via telephone (+41 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.

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 or 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 redeemed prior to its maturity (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 early redemption amount may be significantly below the issue / purchase price paid and the 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 lifetime 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 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.

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.

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 stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective Underlyings and/or their stock 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

The Investor's exposure to the credit risk of the Issuer of this Product is only mitigated due to collateralisation. In order to collateralize this Product, collateral is being deposited at SIX SIS Ltd. Following a so called Realization Event, e.g. in case of insolvency of the Issuer, the deposited securities will be used for the Redemption of the Product. For further information please see the section "Information about TCM-Collateralisation" below.

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 Information and 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 Product will be denominated and settled in Renminbi outside the PRC. 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 is authorised as securities firm and subject to prudential supervision by FINMA. Leonteq Securities AG, Guernsey Branch is regulated by the Guernsey Financial Services Commission ("GFSC").

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 and may affect the likelihood that any relevant Barrier Level, if any, is reached.

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 "General Information" herein). 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 recurring 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.

Information about TCM-Collateralisation

Triparty Collateral Management Secured Products ("TCM Products") are products with a reduced issuer risk. This protection is provided by means of a collateral pledge. Investors thus profit from increased protection on the invested capital.

The Collateral Provider has entered into the Security Agreement on 3 March 2023 ("Security Agreement") and TCM Products are collateralised in accordance with the terms of the Security Agreement. The Collateral Provider will provide collateral to secure the value of TCM Products, whereby such collateral can consist among others of the securities that are the direct or indirect underlying's of the TCM Product.

The legal position of the Investors and of all involved parties in relation to the collateralisation of the TCM Product is determined by the provisions of the Security Agreement. The Issuer shall, upon request, provide the Security Agreement to the Investors free of charge. A copy of the Security Agreement may be obtained from the Lead Manager at Europaallee 39, 8004 Zurich (Switzerland), or via telephone (+41 58 800 1111*), fax (+41-(0)58-8001010) or email (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.

More detailed information regarding TCM-Collateralisation can also be found in the Programme.

The costs with respect to the collateralisation of TCM Products as well as the borrowing costs of the products collateral may be taken into account for the pricing of TCM Products and may therefore be borne by the Investors, as the case may be.

The payment to the Investors in case of a so called Realization Event may be delayed for factual or legal reasons.

To the extent the calculation of the current value of a TCM Product as published daily by the Collateral Provider on SIX Financial Information proves to be incorrect, the collateralisation of the TCM Product may be insufficient.

This TCM Product does not constitute collective investment schemes pursuant to the CISA and do not require authorization or supervision by the Swiss Financial Market Supervisory Authority FINMA.

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.