

## Tracker Certificate on Bitcoin

Final Fixing Date 23/02/2054; issued in JPY; listed on SIX Swiss Exchange

ISIN CH1292088866 | Swiss Security Number 129208886 | SIX Symbol ZLULTQ

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.

### 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 and a direct exposure to the Underlying (adjusted by the  $AF_t$ , Conversion Ratio<sub>t</sub>, and FX Rate<sub>t</sub> 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".

**This Product exposes Investors to elevated risks. Investors must ensure that they understand and are prepared to assume the risks resulting from this Product and the direct exposure to the Underlying such as fraud, theft and cyber-attack risks. In case of fraud, theft and cyber-attack, the Issuer, inter alia, may, exercise its Issuer's Termination Right and early redeem the Product. Moreover, a termination of a hedge position in the Underlying (including, but not limited to, any loss realized by the Issuer resulting from fraud, theft and cyber-attacks relating to Service Providers of the Issuer) could lead to a decreased Final Fixing Level and negatively impact the Redemption Amount. Consequently the decreased Final Fixing Level will negatively affect the financial interests of the Investor.**

Further information on potential risks relating to the Product and the Underlying is contained in the section "Significant Risks" and "Additional Risk Factors related to Crypto Assets" of this Termsheet.

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

### UNDERLYING

Underlying	Reference Source**	Ticker	Initial Fixing Level (100%)*
Bitcoin	Bitstamp Exchange	XBTUSD	USD 51481.0000

### PRODUCT DETAILS

<b>Swiss Security Number</b>	129208886
<b>ISIN</b>	CH1292088866
<b>SIX Symbol</b>	ZLULTQ
<b>Issue Price</b>	JPY 7'830.00
<b>Issue Size</b>	100'000'000 Certificate(s) (can be increased at any time)
<b>Settlement Currency</b>	JPY composite ("composite" means that the currency risk against JPY is not hedged)
<b>Initial Conversion Ratio (Conversion Ratio<sub>0</sub>)</b>	0.001
<b>Administration Fee (AF)</b>	1.50% p.a. (deducted pro rata temporis) The Administration Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices.

### DATES

<b>Initial Fixing Date</b>	22/02/2024
<b>Issue Date</b>	29/02/2024
<b>First Exchange Trading Date</b>	29/02/2024 (anticipated)
<b>Last Trading Day/Time</b>	23/02/2054 / Exchange market close

\* levels are expressed in percentage of the Initial Fixing Level

\*\* The Issuer (or a hedging party thereof) has an unconditional right to remove, add or change one or more Reference Source(s) at any time, as described under "Risk relating to Reference Source" and "Risk relating to Service Provider".

<b>Final Fixing Date</b>	23/02/2054 (subject to Market Disruption Event provisions)
<b>Redemption Date</b>	02/03/2054 (subject to Settlement Disruption Event provisions)

## REDEMPTION

The Investor is entitled to receive from the Issuer on the Redemption Date per each Product a Cash Settlement in the Settlement Currency equal to the **Redemption Amount** on the Final Fixing Date and calculated as follows:

$$\text{Redemption Amount} = \text{Conversion Ratio}_t \times \text{Final Fixing Level} \times \text{FX Rate}_t - \text{AF}_t$$

<b>Initial Fixing Level</b>	An observed price or combination of observed prices (volume-weighted) quoted on the Reference Source(s) on the Initial Fixing Date, adjusted by any fees or costs, in particular trading commissions, levied on the Issuer (or a hedging party thereof) for establishing a hedge position in the Underlying and as determined by the Calculation Agent in its reasonable discretion ( <i>billiges Ermessen</i> ).
<b>Final Fixing Level</b>	An observed price or combination of observed prices (volume-weighted) quoted on the Reference Source(s) for the Underlying on Final Fixing Date, adjusted by any fees or costs, in particular trading commissions, levied on the Issuer (or a hedging party thereof) and profits and losses resulting from the termination of a hedge position in the Underlying (including, but not limited to, any loss realized by the Issuer resulting from fraud, theft and cyber-attacks relating to Service Provider(s) of the Issuer and directly affecting the Underlying), as determined by the Calculation Agent in its reasonable discretion ( <i>billiges Ermessen</i> ).
<b>Fixing Level<sub>t</sub></b>	An observed price quoted on the Reference Source(s) on calendar day t and as determined by the Calculation Agent in its reasonable discretion ( <i>billiges Ermessen</i> ).
<b>Issuer's Termination Right</b>	The Issuer has the unconditional right to call all Certificates with immediate effect, with a five Business Days period of notice prior to the Final Fixing Date (the " <b>Termination Right</b> ") by announcement (the " <b>Termination Announcement</b> ") 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, taking into account the event that led to the exercise of the Issuer's Termination Right, less any costs and withholdings levied onto the Issuer and/or any of its affiliates for 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.
<b>Investor's Termination Right</b>	Each Investor has an annual right, on 22/02 and for the first time on 22/02/2025, to call the Certificates for redemption (such day the Investor's Termination Right becomes effective being the Final Fixing Date, as defined herein) by delivering a duly completed and signed Redemption Notice to the Paying Agent in accordance with the General Terms and Conditions of the Programme (the Redemption Notice to be received by the Paying Agent no later than 12:00 am CET on the 15th Business Day preceding the respective Final Fixing Date). Thereafter, the Certificates 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.
<b>Conversion Ratio<sub>t</sub></b>	The Conversion Ratio on calendar day t and determined by the Calculation Agent as follows: $\text{Conversion Ratio}_t = \text{Conversion Ratio}_{t-1} - \text{AF}_t / (\text{Fixing Level}_t \times \text{FX Rate}_t)$
<b>Administration Fee (AF<sub>t</sub>)</b>	The Administration Fees on calendar day t and determined by the Calculation Agent as follows: $\text{AF}_t = \text{Conversion Ratio}_{t-1} \times \text{Fixing Level}_{t-1} \times \text{FX Rate}_t \times \text{AF} \times \text{DayCount}_t$
<b>Day Count<sub>t</sub></b>	The actual number of calendar days between (and including) calendar day t-1 to (and excluding) the current calendar day t divided by 360.
<b>FX Rate<sub>t</sub></b>	Prevailing foreign exchange rate on calendar day t used for exchanging the Underlying's currency into the Settlement Currency, as reasonably determined by the Calculation Agent. For an Underlying quoted in the Settlement Currency this value will be equal to 1.
<b>Extension Event</b>	In case the Calculation Agent cannot determine the Final Fixing Level on the Final Fixing Date, among others, due to illiquidity in the hedge position of the Underlying, the Issuer has the right to postpone the Final Fixing Date until the calendar day on which the Calculation Agent can determine the Final Fixing Level and such extension being the " <b>Extension Event</b> ".
<b>Amendments to the Product due to one or more Adjustment Event(s)</b>	The Issuer may make (but has no obligation to make) an adjustment to the Product in its reasonable discretion ( <i>billiges Ermessen</i> ) because of one or more Adjustment Events. An Adjustment Event means any of the following events as determined by the Calculation Agent: <b>a) "Hard Fork"</b> shall mean an event where the Underlying will split (or fork out) into two or more incompatible versions because of competing changes to technology; or <b>b) "Airdrop"</b> shall mean an event where the Underlying benefits from an issuance of a new digital asset to the holders of an associated Index Component; or <b>c)</b> similar events to a) and b). Further information is contained in the section "Additional Risk Factors related to Crypto Assets".

## GENERAL INFORMATION

<b>Issuer</b>	Leonteq Securities AG, Zurich, Switzerland (Rating: Fitch BBB with stable outlook, JCR BBB+ with stable outlook, Supervisory Authority: FINMA)
<b>Lead Manager</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Calculation Agent</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Paying Agent</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Distribution Fees</b>	No Distribution Fees
<b>Listing/Exchange</b>	SIX Swiss Exchange AG; traded on SIX Swiss Exchange - Structured Products 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.

<b>Secondary Market</b>	Daily price indications will be available from 09:15 - 17:15 CET on <a href="http://www.leonteq.com">www.leonteq.com</a> , Refinitiv [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ. <b>The Issuer will provide a limited secondary market under normal market conditions.</b> Investors should note that when the Issuer (or a hedging party thereof) is unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the bid/offer spread may be expanded (temporarily or indefinitely), in order to limit the economic risks of the Issuer (or hedging party thereof). Further information relating to the risk of a wider bid/offer spread is contained in the section "Significant Risks" and "Additional Risk Factors related to Crypto Assets" of this document.
<b>Quotation Type</b>	Secondary market prices are quoted in the Settlement Currency, per Product.
<b>Settlement Type(s)</b>	Cash Settlement
<b>Minimum Investment</b>	1 Certificate(s)
<b>Minimum Trading Lot</b>	1 Certificate(s)
<b>Clearing</b>	SIX SIS Ltd, Euroclear, Clearstream
<b>Depository</b>	SIX SIS Ltd
<b>Public Offering only in</b>	Switzerland
<b>Form</b>	Uncertificated Securities
<b>Governing Law / Jurisdiction</b>	Swiss / Zurich

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

#### TAXATION SWITZERLAND

**Swiss Federal Stamp Duty** Secondary market transactions are not subject to Swiss stamp duty.

**Swiss Federal Income Tax (for private investors with tax domicile in Switzerland)** For private investors with tax domicile in Switzerland holding the Product as part of their private property, gains realised during the term of the Product and on the Redemption Date qualify as capital gains and are therefore not subject to the Federal Direct Tax.

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 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.

#### 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 21 September 2023 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 [www.leonteq.com](http://www.leonteq.com) under the section "Products" or, for listed products, in any other form as permitted by the rules and regulations of the relevant Exchange. Notices to Investors relating to the Issuing Parties will be published under the section "About Leonteq" on [www.leonteq.com](http://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](http://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](mailto:termsheet@leonteq.com)). Please note that all calls made to numbers marked with an asterisk (\*) are recorded. By calling such number, your consent to the recording is deemed given.

#### 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 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.

#### ADDITIONAL INFORMATION / DISCLAIMER

##### Prudential Supervision

Leonteq Securities AG is authorised as securities firm and subject to prudential supervision by 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 and may affect the likelihood that any relevant Barrier Level, if any, is reached.

##### 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.

##### ESG

The Product is not classified as sustainable. No representation as to the sustainability – within the meaning of Regulation (EU) 2020/852 (Taxonomy Regulation) and Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) or any other sustainability-related law or regulation – of the Product or any Underlying is provided. Any reference to sustainability-related terms in relation to the Product or any Underlying shall not imply the provision of any such representation by the Issuer, the Lead Manager or the Guarantor, as applicable. It is furthermore specified that the Product is not aimed at clients with specific needs regarding sustainability preferences pursuant to Art. 2 No. 7 of the MiFID II Delegated Regulation (EU) 2017/565.

#### ADDITIONAL RISK FACTORS RELATED TO CRYPTO ASSETS

**Any of the factors below may negatively impact the value, tradability, liquidity and security of the Underlying and/or the Product or may result in the early termination of the Product. Each reference to the "Underlying" in this section should also apply (if applicable) to each "Underlying Component" or "Index Component", which consists of a crypto asset.**

##### Volatility of Underlying

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

by the speculative nature of the Underlying and (if applicable) any leverage inherent in the Product.

### **Underlying Illiquidity Risk**

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

### **Risk relating to Technology**

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

### **Adjustment Event Risk**

As a result of one or more Adjustment Events, trading venues on which the Underlying is traded may suspend (temporarily or indefinitely) the ability to trade the Underlying or in the case of a Hard Fork a particular version of the "underlying". Consequently, the Investors in the Product may (i) not get exposure (indefinitely) to all "underlying" versions following a Hard Fork or other Adjustment Events and forego the value of one or more versions, or (ii) may get exposure to a version on a delayed basis (in which case that version might have a significant change in its value), or (iii) may not benefit or be negatively affected by an Adjustment Event relating to the Underlying. Following an Adjustment Event, the Issuer may make (but has no obligation to make) an amendment to the Product and/or Underlying including, but not limited to, an issuance of an additional product in its reasonable discretion (billiges Ermessen).

In addition, Adjustment Events may result in instability of the Underlying or an "underlying" version and Adjustment Events or the threat of a potential Adjustment Event may prevent the establishment of the Underlying. (Potential) Adjustment Events may negatively impact the Issuer's ability to provide a secondary market for the Product, may result in an increased bid/offer spread (potentially indefinitely) for the Product or result in the (early) termination of the Product.

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

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

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

### **Connected Party Risk**

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

### **Regulatory Risk**

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

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

### **No Supervision**

As of Initial Fixing Date, the Underlying does not have a function as and/or the full characteristics of a legal tender and is currently not supervised, registered with or otherwise endorsed by any authority or institution such as a central bank. In addition, most trading, lending or other dealing platforms and custodian of the Underlying are or may be presently unregulated. Consequently, there is no authority or institution which may intervene in the Underlying market to stabilize the value of the Underlying or prevent, mitigate or counter-attack irrational price developments of the Underlying. The Underlying may be exposed to lack of price transparency, potential price and market manipulation including on the trading, lending or other dealing of the Underlying and/or the dealing platforms for the Underlying.

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

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

### **Risk relating to Service Provider**

Service Providers used by the Issuer (or a hedging party thereof) for trading and holding/storing the Underlying, (i) may cease to exist, (ii) may be exposed to fraud, theft and cyber-attacks, including the risk of loss of the Underlying (especially if held in any virtual wallet or other private storage facility, see separate risk factor "Fraud, Theft and Cyber-Attack Risk"), or (iii) may be subject to regulatory requirements, and the Issuer's internal compliance requirements may prevent the Issuer (or a hedging party thereof) to use a particular Service Provider for trading the Underlying. The Issuer (or a hedging party thereof) may not be able to replace a Service Provider resulting in an early termination of the Product.

### **Risk relating to Reference Source**

The Issuer (or a hedging party thereof) has an unconditional right to remove, add or change one or more Reference Sources at any time without previous notice related to Reference Sources by announcement on the Paying Agent's website ([www.leonteq.com](http://www.leonteq.com)), all in accordance with the General Terms and Conditions of the Programme, and, for listed products, in the form as permitted by the rules and regulations of the SIX Exchange Regulation AG. This potentially results in a wider bid/offer spread for the Product (e.g. due to a change of trading commission payable to the Reference Source



and/or Service Provider). The Issuer (or a hedging party thereof) may not be able to replace a Service Provider resulting in an early termination of the Product.

#### **Trust in the Underlying**

The Underlying only exist virtually. Establishing a value for the Underlying is or may become difficult and may pose significant challenges for Investors in reliably valuing the Product as the value depends on the expectation and trust that the Underlying has a future use. Among others, persistent high volatility, changes and advances in technology, fraud, theft and cyber-attacks and regulatory changes may prevent the establishment of the Underlying for future use and potentially rendering the Underlying worthless.

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

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

#### **Limited Trading Hours**

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

#### **Termination Risk**

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

#### **Tax Impact**

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

#### **Foreign Exchange Risk**

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

### **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](http://www.leonteq.com) and can be ordered free of charge from the Lead Manager.