

Termsheet

Exchange Traded Product on Risk-Adjusted Bitcoin & USD Overnight Interest Index

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

ISIN CH1300961203 | Swiss Security Number 130096120 | SIX Symbol XBTO | BX Symbol XBTO

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.

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 AF_t , Conversion Ratio_t, 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 respective regulations of the relevant exchange (as defined under General Information below).

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.

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	Index Sponsor	Index Calculation Agent	Bloomberg Ticker	Initial Fixing Level (100%)*
Risk-Adjusted Bitcoin & USD Overnight Interest Index	Leonteq Securites AG	LIXX GmbH	LIXX80II	USD 100.4500

PRODUCT DETAILS

Swiss Security Number	130096120
ISIN	CH1300961203
SIX Symbol	XBTO
BX Symbol	XBTO
Issue Price	USD 100.45
Issue Size	500'000 Product(s) (can be increased at any time)
Settlement Currency	USD

* levels are expressed in percentage of the Initial Fixing Level

Initial Conversion Ratio (Conversion Ratio₀)	1
Administration Fee (AF)	0.95% 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

Initial Fixing Date	20/11/2023
Issue Date	20/12/2023
First Exchange Trading Date	20/12/2023 (anticipated)
Last Trading Day/Time	Open-end
Final Fixing Date	As specified by the Issuer in his Termination Announcement or, the 5th Exchange Business Day following the day, on which the duly completed and signed Redemption Notice is delivered to the Authorized Participant (subject to Market Disruption Event provisions)
Redemption Date	Means the 5th Business Day following the Final Fixing Date (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 **Value_t** on the Final Fixing Date and calculated as follows:

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

Initial Fixing Level	Official close of the Underlying on the Initial Fixing Date as calculated and published by the Index Sponsor and as determined by the Calculation Agent.
Final Fixing Level	The official closing price of the Underlying on Final Fixing Date as published by the Index Calculation Agent, 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 / Index Components), as determined by the Calculation Agent in its reasonable discretion (billiges Ermessen).
Fixing Level_t	The official closing price of the Underlying on calendar day t (or if such official closing price is not available the last available official closing price of the Underlying) as calculated and published by the Index Sponsor and/or the Index Calculation Agent and 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 20/11 for the first time on 20/11/2024 (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 Value _t on the Final Fixing Date as determined by the Calculation Agent.
Extraordinary Termination	The Issuer has the right to call all Products with immediate effect, without prior notice (the " Extraordinary Termination "). Such Extraordinary Termination will prevail any Investor's Termination Right and/or Issuer's Termination Right, if applicable. The Issuer may exercise its right for Extraordinary Termination (but not limited to): a) 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 b) if the agreement, or any part thereof concerning the Index, between the Issuer and the licensor (or an affiliate thereof) is terminated; or c) the occurrence of an Index Disruption Event; or d) 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.
Extension Event	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 Index Component(s), 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 " Extension Event ".
Amendments to the Product due to one or more Adjustment Event(s)	The Issuer may make (but has no obligation to make) an adjustment to the Product in its reasonable discretion (billiges Ermessen) because of one or more Adjustment Events. An Adjustment Event means any of the following events as determined by the Calculation Agent: a) "Hard Fork" 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) "Airdrop" 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 **c**) similar events to a) and b). Further information is contained in the section “Additional Risk Factors related to Crypto Assets”.

Conversion Ratio_t	The Conversion Ratio on calendar day t and determined by the Calculation Agent as follows: Conversion Ratio _t = Conversion Ratio _{t-1} – AF _t / (Fixing Level _t × FX Rate _t)
Administration Fee (AF_t)	The Administration Fees on calendar day t and determined by the Calculation Agent as follows: AF _t = Value _{t-1} × AF × Day Count _t
Day Count_t	The actual number of calendar days between (and including) calendar day t-1 to (and excluding) the current calendar day t divided by 360.
FX Rate_t	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.

GENERAL INFORMATION

Issuer	Leonteq Securities AG, Guernsey Branch, St Peter Port, Guernsey (Rating: Fitch BBB with stable 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
Distribution Fees	No Distribution Fees
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.
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
Form	Uncertificated Securities
Governing Law / Jurisdiction	Swiss / Zurich
Service Provider	Any counterparty used by the Issuer (or a hedging party thereof) for hedging of, trading of or holding/storing of the Index Components.

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, the 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)	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. 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. 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.
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 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.

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.

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.

Subsequent Primary/Secondary Listing of the Product

During the lifetime of the Product the Issuer may apply for primary and/or secondary listing(s) of this Product on Swiss and/or non Swiss exchanges without the consent of the Investor.

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.

INDEX DISCLAIMER

Leonteq Securities AG makes no representation or warranty, expressed or implied, as to the Index value at any particular time on any particular date. Leonteq Securities AG makes no express or implied representations or warranties, and expressly disclaims any express or implied representations or warranties as regards (i) the merchantability or fitness of the Index for a particular purpose, any data or information included in the Index or any data or information on which the Index is based, (ii) the advisability of purchasing or assuming any risk in connection with any transaction or product linked to the Index, (iii) the results to be obtained by any investor in any transaction or product linked to the performance of the Index or any component thereof, or (iv) the results to be obtained by any other person or entity relating to the use of the Index.

Further information on the Index can be ordered free of charge from the Index Sponsor Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland or termsheet@leonteq.com.

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 engaged in transactions related to the Underlying. In addition, control mechanisms may increase transaction fees in the Underlying significantly (and therefore impact the bid/offer spread of the Product). Investors should ensure that investing in this Product complies with their local regulation.

No Supervision

As of Initial Fixing Date, the Underlying does not have a function as and/or the full characteristics of a legal tender and is currently not supervised, 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), 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 and can be ordered free of charge from the Lead Manager.