

Termsheet as of 27/05/2020

Credit-Linked Certificate on Unione di Banche Italiane SpA (Subordinated) with Participation on S&P 500®

Bearish | 100.00% Conditional Capital Protection | Credit risk of Reference Entity(-ies) | Market Recovery | 92.50% Participation

Final Fixing Date 20/06/2025; issued in USD; listed on Börse Frankfurt Zertifikate AG (Open Market)

ISIN CH0546655678 | Swiss Security Number 54665567 | WKN A2UVW3

Investors should read the section "Significant Risks" below as well as the section "Risk Factors" of the relevant Programme. Investing in this product may put Investor's capital at risk. Investor may lose some or all of its investment.

Even though translation into other languages might be available, it is only the Final Termsheet and Programme in English which are legally binding.

In the European Economic Area this product may only be offered to qualified investors as defined in the Prospectus Regulation or in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer shall require the publication of a prospectus or supplement pursuant to the Prospectus Regulation.

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

In addition, investors are subject to the credit risk of the Issuer.

This Product may be distributed or offered in or from Switzerland only to professional clients within the meaning of article 4 et seq. of the Financial Services Act (FinSA), as amended from time to time, and only marketing efforts commonly deployed for the market with such a selected investors' universe may be used.

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

The Product and any related payments are in particular subject and linked to the creditworthiness of the Reference Entity(-ies)/Underlying(s). The credit spread relating to the Reference Entity(-ies)/Underlying(s) may vary significantly during the lifetime of the Product. A high and/or further increasing credit spread indicates that the market expects a substantial probability that a Credit Event occurs. Therefore, this Product could be or could become highly speculative and Investors should take note that there is a significant risk of partial or total loss of the invested capital.

I. PRODUCT DESCRIPTION

Product description

The Product is linked to the creditworthiness of one or more Reference Entities and the corresponding Reference Obligations. The Products redeem at the Conditional Capital Protection on the Redemption Date, unless the Issuer exercises the Issuer's Termination Right or a Credit Event in respect of at least one Reference Entity occurs during the Credit Event Observation Period. Moreover, the Investor has the chance to participate in the negative performance of the Underlying, as further described below. Redemption in case of the exercise of the Issuer's Termination Right or the occurrence of a Credit Event is described in more detail herein.

Investors bear the credit risk of the Reference Entity(-ies), the Reference Obligation(s) and the Issuer of the Product. In case of the occurrence of a Credit Event during the Credit Event Observation Period, reduced or no accrued and no upcoming Coupons may be paid, and the aggregate amount received by the Investor may be less than the Conditional Capital Protection and may, in some circumstances, be zero.

The Product is documented pursuant to the existing **Programme** and is in addition subject to the **ISDA Definitions**, as defined herein.

UNDERLYING

Underlying	Index Sponsor	Bloomberg Ticker	Initial Fixing Level (100%)*	Strike Level (100.00%)*
S&P 500®	S&P Dow Jones Indices LLC	SPX	USD 2991.77	USD 2991.77

REFERENCE ENTITY(-IES)

i	Reference Entity / Transaction Type / Seniority	Rating of Reference Entity at Issuance***	Weight
1	Unione di Banche Italiane SpA / STANDARD EUROPEAN FINANCIAL CORPORATE / Subordinated	Ba3/-	100.00%

*** These Ratings from selected rating providers are as of the Initial Fixing Date and may change during the lifetime of the Product. The Calculation Agent has obtained the Ratings from public sources and takes no responsibility for their correctness and accuracy.

PRODUCT DETAILS

Swiss Security Number **54665567**
ISIN **CH0546655678**

* levels are expressed in percentage of the Initial Fixing Level

Initial Fixing Date	First Exchange Trading Date	Final Fixing Date	Scheduled Redemption Date			
26/05/2020	08/06/2020	20/06/2025	11/07/2025			

WKN	A2UVV3
Issue Price	100.00%
Issue Size	USD 10'000'000 (can be increased at any time)
Denomination	USD 1'000
Settlement Currency	USD
Participation	92.50%
Conditional Capital Protection	100.00%
	The Capital Protection applies only if no Credit Event occurs during the Credit Event Observation Period and the Issuer's Termination Right was not exercised. Otherwise the Redemption of the Product may be below the Conditional Capital Protection and may, in some circumstances, be zero.

DATES

Initial Fixing Date	26/05/2020
Issue Date	08/06/2020
First Exchange Trading Date	08/06/2020 (anticipated)
Last Trading Day/Time	20/06/2025 / Exchange market close
Final Fixing Date	20/06/2025 (subject to Market Disruption Event provisions)
Redemption Date	In case no Credit Event during the Credit Event Observation Period and no Event Determination Date have occurred, the earlier of: <ul style="list-style-type: none"> a) 11/07/2025 ("Scheduled Redemption Date") b) in the case of an exercise of the Issuer's Termination Right, the date specified as the Early Redemption Date in the Issuer's Termination Announcement ("Early Redemption Date") <p>In case a Credit Event during the Credit Event Observation Period or an Event Determination Date has occurred, the Credit Event Redemption Date.</p> <p>Any of these dates is subject to Settlement Disruption Event provisions.</p>
Credit Event Redemption Date	The later of: <ul style="list-style-type: none"> a) the Scheduled Redemption Date b) the date falling ten Business Days after the date on which the Liquidation Amount has been calculated by the Calculation Agent

REDEMPTION

On the Redemption Date, the Investor is entitled to receive from the Issuer per Product a Cash Settlement in the Settlement Currency in accordance with the following provisions:

Scenario 1 (Scheduled)	In case no Credit Event during the Credit Event Observation Period has occurred and <ul style="list-style-type: none"> a) If the Final Fixing Level is at or below the Strike Level, the Investor will receive a Cash Settlement in the Settlement Currency according to the following formula: Denomination × (Conditional Capital Protection + Participation × (100% - Final Fixing Level / Strike Level)) b) If the Final Fixing Level is above the Strike Level, the Investor will receive a Cash Settlement in the Settlement Currency according to the following formula: Denomination × Conditional Capital Protection
Scenario 2 (Credit Event)	In case a Credit Event has occurred during the Credit Event Observation Period with respect to one or more Reference Entities, as reasonably observed and determined by the Calculation Agent, the Liquidation Amount .

In case, the exercise of the Issuer's Termination Right coincides with the occurrence of a Credit Event during the Credit Event Observation Period with respect to all Reference Entities, Scenario 2 will take precedence over the Issuer's Termination Right provisions.

The Calculation Agent may postpone or suspend the payment of any amount if the Calculation Agent has determined – in its sole and absolute discretion – that a Credit Event or a potential Credit Event (such as, but not limited to, a Potential Failure to Pay) has occurred, may have occurred, or might shortly occur, or if there is a pending request with the relevant Credit Derivatives Determinations Committee (as defined in the ISDA Definitions) regarding the occurrence of a Credit Event.

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	Official close of the Underlying on the Final Fixing Date as calculated and published by the Index Sponsor and as determined by the Calculation Agent.
Affected Reference Entity / Obligation	Means a Reference Entity or Reference Obligation in respect of which a Credit Event has occurred during the Credit Event Observation Period.
Liquidation Amount	The Liquidation Amount is expressed in the Settlement Currency and equals (i) the Denomination multiplied by the Conditional Capital Protection less (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Affected Reference Entities/Obligations and less (iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions. In case of an exercise of the Issuer's Termination Right, the Liquidation Amount is expressed in the Settlement Currency and equals (i) the Denomination multiplied by the Conditional Capital Protection less (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entities and Reference Obligations and less (iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions. The Liquidation Amount will be calculated by the Calculation Agent in its sole and absolute discretion. The Calculation

Agent will publish the Liquidation Amount as soon as it has been calculated according to the Programme. In case the Issuer gets a delivery of obligations from any hedge position, he shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason he is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

The Liquidation Amount may be significantly lower than the Conditional Capital Protection or even zero.

Issuer's Termination Right The Issuer has an unconditional right to call all Certificates for early redemption (the "**Termination Right**") at any time without previous notice by announcement (the "**Termination Announcement**") on the Paying Agent's website (www.leonteq.com), all in accordance with the General Terms and Conditions of the Programme. The Termination Announcement will specify the Final Fixing Date and the respective Early Redemption Date. In case the Issuer's Termination Right has been exercised, the Investor will receive the **Liquidation Amount** on the Early Redemption Date, and the Product will be terminated.

TERMS RELATING TO THE REFERENCE OBLIGATION(S)

Issuer's Substitution Right The Issuer has an unconditional right to substitute any Reference Obligation by another obligation ("**Replacement Reference Obligation**") issued by the same Reference Entity or a Successor thereof without notice. In case no Replacement Reference Obligation is found, the Issuer may exercise the Issuer's Termination Right, otherwise the Product continues to exist.

The Issuer may exercise the Issuer's Substitution Right multiple times on the same Reference Entity or different Reference Entities, as the case may be. The Issuer may exercise the Issuer's Substitution Right in case of (but not limited to):

- a Reference Entity Call Event, or
- any corporate action in respect of a Reference Obligation (excluding any Credit Event in respect of a Reference Entity, as defined herein), or
- a restructuring in respect of a Reference Obligation (excluding any Credit Event in respect of a Reference Entity, as defined herein), or
- the ordinary redemption of a Reference Obligation.

Reference Entity Call Event Means any redemption (full or partial) of a Reference Obligation by the Reference Entity (e.g. exercising a redemption option, redemption right or call right but excluding the ordinary redemption at maturity), as reasonably determined by the Calculation Agent in his sole and absolute discretion.

Successor As defined in the ISDA Definitions (see section "Credit Event Determination Characteristics"). In accordance with the ISDA Definitions, a Reference Entity may become a Successor of another Reference Entity, including of an Affected Reference Entity or vice versa. In case a Successor is an Affected Reference Entity, such Successor may again become subject to a Credit Event.

CREDIT EVENT DETERMINATION CHARACTERISTICS

Credit Event The Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred with respect to a Reference Entity or Reference Obligation during the Credit Event Observation Period if:

- the relevant Reference Entity fails to make, when and where due any interest, redemption or other payment as defined in the terms and conditions of the relevant Reference Obligation as of the Initial Fixing Date of this Product, or
- an event has occurred that causes payments (interest, redemption or other payments) to be delayed or different in amount as per the terms and conditions of the relevant Reference Obligation as of the Initial Fixing Date of this Product, or
- a credit event (as defined in the ISDA Definitions) has occurred in respect of the relevant Reference Obligation or the relevant Reference Entity, or
- any other event occurs in respect of the relevant Reference Obligation or the relevant Reference Entity which may result in a non-payment or late payment of any amount due.

For the purposes of point 3 above, the following shall apply:

- The credit event shall be determined in accordance with the Transaction Type specified in table "Reference Entity(-ies)" and as defined in the most recent version of the Credit Derivatives Physical Settlement Matrix as of the Initial Fixing Date ("**Matrix**") as determined by the Calculation Agent. The Matrix can be found at: http://www.isda.org/c_and_a/Credit-Derivatives-Physical-Settlement-Matrix.html
- For the purposes of determining a credit event, the Calculation Agent will use the standard elections in the Matrix.
- For the purposes of the definition of the Credit Event Notice (see Section 1.32. of the ISDA Definitions) and the definition of the DC Credit Event Announcement (see Section 1.28. of the ISDA Definitions), the Credit Event Backstop Date shall be "not applicable".
- A credit event and an Event Determination Date (as defined in the ISDA Definitions) shall **inter alia** (beside further cases described in the ISDA Definitions) be regarded as occurred and effective immediately after the below described publication of the Credit Event Notice.

The occurrence of a Credit Event shall be published in a notice by the Calculation Agent on the Calculation Agent's website ("**Credit Event Notice**") during the Notice Delivery Period.

The relevant Credit Event Notice is regarded as delivered and becomes effective immediately after its publication on the Calculation Agent's website ("**Notice Delivery Date**").

Credit Event Observation Period Means the period from (and including) the day which is 60 calendar days prior to the Initial Fixing Date to (and including) the Extension Date (as defined in the ISDA Definitions). For the purposes of the determination of the Extension Date, the 20 June 2025 shall be regarded as the Scheduled Termination Date.

Notice Delivery Period Means the period from and including the Initial Fixing Date to and including the date that is 25 calendar days after the later of the Final Fixing Date and the Extension Date (as defined in the ISDA Definitions).

Notice of Publicly Available Information Not applicable

Event Determination Date Unless otherwise provided for in the Product Documentation, as defined in the ISDA Definitions on the basis that "Auction Settlement" and "Buyer or Seller" are deemed to be applicable for the purposes of this Product.

Credit Event Backstop Date For the purposes of the definition of the Credit Event Notice (see Section 1.32. of the ISDA Definitions) and the definition of the DC Credit Event Announcement (see Section 1.28. of the ISDA Definitions), the Credit Event Backstop Date shall be "not applicable".

ISDA Definitions Mean the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on its website at www.isda.org (or any successor website thereto). Please note that the ISDA Definitions cannot be obtained free of charge.
The Calculation Agent has the right (but not the obligation) to replace and amend the ISDA Definitions by any later definitions or supplements published by the ISDA.
The ISDA Definitions shall apply only as far as they are required to define the terms in capital letters which are mentioned in this Termsheet and are not already defined in the Product Documentation, unless explicitly provided otherwise herein. Furthermore, terms defined in the ISDA Definitions but which have been otherwise named or defined in this Termsheet, shall for the purposes of the application or interpretation of the ISDA Definitions be interpreted in accordance with their respective term or definition used in this Termsheet.

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)		
Lead Manager	Leonteq Securities AG, Zurich, Switzerland		
Calculation Agent	Leonteq Securities AG, Zurich, Switzerland		
Paying Agent	Leonteq Securities AG, Zurich, Switzerland		
Distribution Fees	Relevant Fees (incl. VAT, if any. Reference is made to section "Remunerations to Third Parties" herein and to the General Terms and Conditions of the Programme)		
Listing/Exchange	Frankfurter Wertpapierbörse (Freiverkehr); traded on Börse Frankfurt Zertifikate AG (Open Market) Listing will be applied for.		
Secondary Market	Daily price indications will be available from 09:00 - 17:30 CET on www.leonteq.com , Refinitiv [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ. For any "buy back" transaction, a minimum period of 15 Business Days between the trade date and the Redemption Date shall apply.		
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 percentage.		
Settlement Type	Cash Settlement		
Minimum Investment	USD 1'000		
Minimum Trading Lot	USD 1'000		
Selling Restrictions	<p>This Product may be distributed or offered in or from Switzerland only to professional clients within the meaning of article 4 et seq. of the Financial Services Act (FinSA), as amended from time to time, and only marketing efforts commonly deployed for the market with such a selected investors' universe may be used. 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.</p> <p>Most important jurisdictions where the Products may not be publicly distributed are EEA, UK, Hong Kong and Singapore.</p> <p>The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S). 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.</p>		
Clearing	SIX SIS Ltd, Euroclear, Clearstream		
Depository	SIX SIS Ltd		
Public Offering only in	N/A		
Form	Uncertificated Security / Book-entry		
Governing Law / Jurisdiction	Swiss / Zurich		
Business Day	For the purpose of interpreting the ISDA Definitions: <table border="1"><tr><td>Reference Entity 1</td><td>London & New York</td></tr></table> Zurich, London, New York (for the purpose of Redemption Date, Early Redemption Date and Credit Event Redemption Date)	Reference Entity 1	London & New York
Reference Entity 1	London & New York		

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

TAXATION

Investors and prospective Investors are advised to consult with their tax advisers with respect to the 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

The Termsheet contains a summary of information of the Product and is for information purposes only. **Only the Final Termsheet together with the Issuance and Offering Programme of the relevant Issuer valid as per the Initial Fixing Date containing all further relevant terms and conditions, as such is amended from time to time (the "Programme"), shall form the entire and legally binding documentation for this Product ("Product Documentation"),** and accordingly the Final Termsheet should always be read together with the Programme. Definitions used

in the Final Termsheet, but not defined therein, shall have the meaning given to them in the Programme. **Even though translation into other languages might be available, it is only the Final Termsheet and Programme in English which are legally binding.**

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

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions of the Programme.

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.

II. PROSPECTS FOR PROFIT AND LOSS

This Product falls within the category "Reference Entity Certificate with Conditional Capital Protection". Depending on whether the Product is capped or not, the profit an Investor could realize with this Product at redemption is limited (with cap) or unlimited (without cap). Any profit is composed of the invested capital (excluding any transaction or other costs) multiplied by the Conditional Capital Protection plus any additional (guaranteed and/or conditional) payments such as coupon or participation payments, bonuses or others.

On the downside the Investor's exposure to the Underlying(s) is floored at the Conditional Capital Protection level.

In case a Credit Event has occurred, the Investor could lose the total capital invested.

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

III. SIGNIFICANT RISKS

RISK FACTORS RELATING TO THE PRODUCT

General

In case a Credit Event has occurred, the Investor could lose the total capital invested.

This Product is a complex financial product. The Investor assumes an additional credit risk. Investors are advised to seek expert advice on the risks associated with the specific Product before investing in Products with exposure to a Reference Entity or referring to third party credit events.

Given the complexity of the terms and conditions of this Product an investment is suitable only for experienced Investors who understand and are in a position to evaluate the risks associated with it.

Risks regarding the credit linkage to the Reference Entity and the Reference Obligation

The value of this Product and its repayment depends, amongst other things, predominantly on the Reference Entity(-ies) and the Reference Obligation(s). The creditworthiness of the relevant Reference Entity depends on specific risks relating to such entity and its business.

Any collateral securitization in place does not eliminate the risks associated with any Credit Event.

This Product is neither guaranteed by the Reference Entity(-ies) nor secured by any bonds or assets of the Reference Entity(-ies).

If the Calculation Agent determines, in accordance with the Product terms and at its own discretion, that a Credit Event has occurred, the Investors in the Product have no right of recourse against the relevant Reference Entity with regards to any loss which they sustain due to the Liquidation Amount redeemed to them (which may be significantly lower than the Issue Price or even zero).

After determination of a Credit Event by the Calculation Agent, the Investors do not stand to benefit from any positive performance with regards to the Reference Obligation(s) or any other debt instruments issued by the relevant Reference Entity. In particular, the consequences of determination of a Credit Event by the Calculation Agent cannot be reversed. As such, Investors do not participate, e.g. in the event of restructuring, in the corresponding restructuring process and are not entitled to appeal against elements of the restructuring process. For this reason, an investment in the Product may be associated with a higher risk than a direct investment in the liabilities of the Reference Entity(-ies).

If circumstances arise or an event occurs which have/has a negative impact on the creditworthiness or credit rating of the Reference Entity(-ies) but which do/does not result in the occurrence of a Credit Event, the price of the Product may fall. As a result, Investors who sell the Product at this time may sustain a significant loss of their capital invested.

No investigations, searches or other enquiries will be made and no express or implied representations or warranties will be given by the Issuer, Guarantor and their affiliates, any agent or any other third party on behalf of any of the persons named above in respect of the Reference Entity(-ies).

As a result of mergers or other events, the Reference Entity(-ies) may change. This could result in the risk that the relevant Reference Entity following such changes being, in economic terms, no longer comparable to the respective Reference Entity prior to such changes. Successions may be relevant if they have occurred before or after the Issue Date or after the Final Fixing Date of the Product.

Investors should take into account that the relevant date, on which the Liquidation Amount can be determined, may occur not only several days, but also several weeks or months, after the occurrence of a Credit Event without any interest payment in respect of the Liquidation Amount being owed by the Issuer.

Certain events and circumstances, including the occurrence of a Credit Event, shall be deemed to have occurred if a relevant Credit Derivatives Determination Committee of ISDA (the "DC") has issued a resolution to such effect. The resolutions made by a relevant DC will be published on the website <http://www.isda.org/credit/>. Potential Investors should be aware that their investment in the Product and any loss following a Credit Event is dependent on the contents of DC resolutions and that the Issuer, Guarantor and their affiliates and the holders of the Product are bound by such resolutions.

The Issuer, Guarantor and their affiliates may be subject to conflicts of interest in relation to the Reference Entity(-ies).

Suitability

Prospective purchasers of the Product must ensure that they understand the nature of such Product and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in such Product and that they consider the suitability of such Product as an investment in the light of their own circumstances and financial condition.

Given the complexity of the terms and conditions of this Product an investment is suitable only for experienced Investors who understand and are in a position to evaluate the risks associated with it.

Interest Rate Risk/Credit Risk

The Investor in the Product is exposed to interest rate risks and to the credit spreads of the Reference Entity as the valuation of the Product depends, among others, on the prevailing interest rates and credit spreads of the Reference Entity.

Credit Ratings/Rating Volatility

Credit ratings represent the rating agencies' opinions regarding credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and/or interest payments and do not evaluate the risks of fluctuations in market value. Accordingly, the credit ratings (if applicable) may not fully reflect the true risks of a Reference Entity. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events; so that an issuer's current financial condition may be better or worse than its rating indicates. Rating agencies may from time to time change the ratings of a Reference Entity even if no losses have been incurred.

Furthermore, there is no assurance that the rating (if applicable) of a Reference Entity will not be reduced or withdrawn in the future, or that a rating is a guarantee of future performance. Neither the Issuer nor any other party has made any investigation into the Reference Entity.

Early Termination Risk

The Issuer has broad discretion to call the Product for Early Redemption. Such early termination may adversely affect the Investors' financial interests.

Limited Liquidity

A secondary market will be provided under normal market conditions at the prevailing market price.

Tax/Regulatory Impact

There may be a tax or regulatory impact on investing in the Product. The Issuing Parties and the Placement Agents do not provide any tax opinion. Any Investor should consult with its own advisors prior to investing in the Product.

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. Prospective Investors shall consider the following important risk factors and see the section "Risk Factors" of the Programme for details on all other risk factors to be considered.

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

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

The Issuer has the right (but not an obligation) to adjust the terms and conditions of the Product and/or terminate the Product **(a)** in case the Issuer is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Product, or to realize, recover or remit the proceeds of any such transaction(s) or asset(s), or **(b)** in case of publication of any new definitions or supplements related to the ISDA Definitions by the International Swaps and Derivatives Association, Inc.

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.

No dividend payment

This Product does not confer any claim to receive rights and/or payments of the underlying, such as dividend payments, unless explicitly stated herein, and therefore, without prejudice to any coupon or dividend payments provided for in this Termsheet, does not yield any current income. This means that potential losses in value of the Product cannot be compensated by other income.

Credit Risk of Issuing Parties

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

Secondary Market

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, intends, under normal market conditions, to provide bid and offer prices for the Products on a regular basis (if specified in the section "General Information"). However, the Issuer and/or the Lead Manager, as applicable, make no firm commitment to provide liquidity by means of bid and offer prices for the Products, and assume no legal obligation to quote any such prices or with respect to the level or determination of such prices. 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.

Illiquidity Risk

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

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).

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

Further information is available on request.

Payment of a Coupon

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

No Offer

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

No Representation

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

ADDITIONAL INFORMATION WITH REGARDS TO THE PRIVATE OFFERING IN THE EEA

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

Product Documentation

This document does not constitute a prospectus within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"), as amended from time to time.

Secondary Market

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, will, under normal market conditions, provide bid and offer prices for the Products on a regular basis. In special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer and/or the Lead Manager.

No Offer

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

No Representation

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

No Advice

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

EEA Selling Restrictions

Each purchaser of the Products represents and agrees that it has not made and will not make an offer of the Products to the public in any Member State of the European Economic Area (each, a "Member State") prior to the publication of a prospectus in relation to the Products which has been approved by the competent authority in the relevant Member State or, where appropriate, approved in another Member State and notified to the competent authority in the relevant Member State, all in accordance with the applicable law, and the Issuer has consented in writing to the use of the prospectus for the purpose of that offer, except the purchaser may make an offer of Products in that relevant Member State:

- solely to legal entities which are qualified investors as defined in the Prospectus Regulation,

- at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Lead Manager; or;
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Products shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 1 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Products to the public" in relation to any Products in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe the Products.

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