

Key Information Document (“KID”)

Purpose

This document provides the investor with key information about this investment product. It is not marketing material. The information is required by law to help the investor understand the nature, risks, costs, potential gains and losses of this product and to help the investor compare it with other products.

Product

Exchange Traded Product in USD on Adaptiv Downside Control Bitcoin ETF Index

Swiss Securities Number: 131403125 | ISIN: CH1314031258 | SIX Symbol: ADBI

Issuer: **Leonteq Securities AG, Guernsey Branch, St Peter Port, Guernsey** | Authorized Participant: **Leonteq Securities AG, Zurich, Switzerland**

PRIIP Manufacturer: **Leonteq Securities AG** | The PRIIP Manufacturer is part of the Leonteq Group. | www.leonteq.com | Call +41 58 800 1111 for more information

| Competent Authority: Not Applicable. The PRIIP Manufacturer is domiciled in Switzerland and is subject to prudential supervision by the Swiss Financial Market

Supervisory Authority (“FINMA”). FINMA is not considered a competent supervisory authority under EU Regulation 1286/2014 on Key Information Documents for

Packaged Retail and Insurance-based Investment Products (PRIIPs). | Date of production of the KID: 23.02.2024

The investor is about to purchase a product that is not simple and may be difficult to understand.

1. What is this product?

Type

This product is a Swiss Uncertificated Security under Swiss law and listed on the relevant exchange (as defined under “Exchange Listing” below) as an Exchange Traded Product (ETP).

Term

The product has no fixed lifetime and will be redeemed after the investor has exercised or the Issuer has terminated the product.

Objectives

Objective of the product is to provide the investor with a specified entitlement according to predefined conditions. The Product allows the investor to participate in price movements of the Underlying (as described in more detail below) and is therefore in terms of risk comparable to a direct investment in the Underlying. The Product offers the investor the right to exercise the product and the Issuer might terminate the product according to the Issuer’s Termination Right and the extraordinary termination provisions. The product has a fixed lifetime and will be redeemed on the Redemption Date, after the investor has exercised or the Issuer has terminated the product. The possibilities for the redemption of the product are as follows:

(i) After the exercise or the termination or on the Redemption Date, the investor will receive a Cash Settlement in the Settlement Currency that equals the Final Fixing Level of the Underlying, further deducted by the Units, the Calculation Agent Fee, the Management Fee, the Performance Fee and, as the case may be, the FX Rate.

The Calculation Agent Fee and the Management Fee will be accrued on a daily basis pro rata. The Calculation Agent Fee, the Management Fee and the Performance Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices. The Calculation Agent Fee, the Management Fee and the Performance Fee will be paid quarterly on the Observation Dates.

Each investor has an annual right, on 19/01, for the first time on 19/01/2025 to exercise the products for redemption by delivering a duly completed and signed redemption notice to the Authorized Participant.

The Issuer has the right to call all products for early redemption (the “**Termination Right**”) at any time with a five business days notice by announcement (the “**Termination Announcement**”). The Termination Announcement will specify the Final Fixing Date and the respective Redemption Date.

Any net distributions paid in relation to any Underlying Components will lead to an adjustment of the Index.

Underlying

The Underlying is an actively managed index (the “**Index**”) which is discretionarily managed by the Index Sponsor. The components of the Underlying (the “**Components**”) may be rebalanced on a regular basis. The Index Sponsor determines and is responsible for the composition of the Underlying and may add, replace or remove Components in accordance with a set of predefined index guidelines.

The Index universe consists of eligible Components and may include Cash Instruments and ETFs, as determined by the Index Sponsor and subject to the restrictions defined in the Index Rule Book

| | | | |
|--|---|---|---|
| Currency of the product (Settlement Currency) | US Dollars (“USD”) | Minimum Investment / Minimum Trading Lot | 1 Product(s) |
| Issue Date | 26/02/2024 | Initial Fixing Date | 19/01/2024 |
| Last Trading Day/Time | Open-end | First Exchange Trading Date | 26/02/2024 |
| Redemption Date | Means the 5th Business Day following the Final Fixing Date (subject to Settlement Disruption Event provisions) | Final Fixing Date | Open-end or, in case of an exercise of the Issuer’s Termination Right, as specified in the Issuer’s Termination Announcement, or, in case of an exercise of the Investor’s Termination Right, the date on which the exercise of such Investor’s Termination Right becomes effective (subject to Market Disruption Event provisions) |
| Issue Price | USD 25.00 | Initial Fixing Level | Official close of the Underlying on the Initial Fixing Date as calculated and published by the Index Sponsor. |
| Final Fixing Level | Official close of the Underlying on the Final Fixing Date as calculated and published by the Index Sponsor. | Settlement Type | Cash Settlement |
| Exchange Listing | 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) | Observation Dates | Quarterly, from (and including) 31/03/2024; if a specific Observation Date is not a Scheduled Trading Day then the following Scheduled Trading Day will be deemed to be an Observation Date. |
| Management Fee (MF) | 0.43% p.a | Calculation Agent Fee (CAF) | 0.32% p.a |
| Performance Fee (PF) | 10.00% | SIX Symbol | ADBI |
| | | BX Symbol | ADBI |

| Underlying | Type | Index Sponsor | Index Calculation Agent | Units ₀ | Initial FX Rate (FX Rate ₀) | Currency | Initial Fixing Level (100%)* (Index Value ₀) |
|---|-------|------------------------------------|-------------------------|--------------------|---|----------|--|
| Adaptivv Downside Control Bitcoin ETF Index | Index | Adaptivv Financial Technologies AG | Leonteq Securities AG | 1.00000 | 1.00000 | USD | USD 25.0000 |

*levels are expressed in percentage of the Initial Fixing Level

The product terms provide that if certain exceptional events occur (1) adjustments may be made to the product and/or (2) the Issuer of the product may terminate the product early. These events are specified in the product terms and principally relate to the Underlying(s), the product and the Issuer of the product. For instance, these exceptional events are including but not exclusively limited to the cessation of an Underlying, tax events and the discontinuation of the Issuer's ability to carry out the necessary hedging transactions. In the event of termination, the redemption amount may possibly be significantly below the purchase price. Even a total loss of the investment is possible. The investor also bears the risk that the product will be terminated at an unfavorable point in time and the investor might only be able to reinvest the redemption amount on less favorable terms.

Intended retail investor

- The product is aimed at retail investors who intend to form private assets and have a long-term investment horizon.
- The investor can bear losses up to the total loss of the investment amount and attaches no importance to products with capital guarantee.
- KNOWLEDGE & EXPERIENCE: Investors who have the following characteristics: Basic knowledge of the financial instruments in question (a basic investor can take investment decisions based on regulatory documents or basic information provided by the distributor); no experience of financial markets

2. What are the risks and what could the investor get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer is not able to pay the investor.

We have classified this product as 6 out of 7, which is the second-highest risk class.

This rates the potential losses from future performance at a high level, and poor market conditions are very unlikely to impact the capacity of the Issuer to pay the investor of the product.

The investor shall be aware of the currency risk. If the investor receives payments in a different currency, the final return that the investor gets will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so the investor could lose some or all of its investment.

If the Issuer is not able to redeem the investor what is owed, the investor could lose the entire investment.

For detailed information about all risks please refer to the risk sections of the legal documentation as specified in the section 'Other relevant information' below.

Performance Scenarios

What the investor will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

| Recommended holding period: Example Investment: Scenarios | | 5 years | |
|---|--|------------|---|
| | | USD 10 000 | If the investor exits after 1 year If the investor exits after 5 years (Recommended Holding Period) |
| Minimum | There is no minimum guaranteed return. The investor could lose some or all of the investor's investment. | | |
| Stress | What the investor might get back after costs | USD 0 | USD 0 |
| | Average return each year | -100.00% | -100.00% |
| Unfavourable | What the investor might get back after costs | USD 2490 | USD 180 |
| | Average return each year | -75.10% | -55.33% |
| Moderate | What the investor might get back after costs | USD 8840 | USD 2530 |
| | Average return each year | -11.64% | -24.06% |
| Favourable | What the investor might get back after costs | USD 22580 | USD 21030 |
| | Average return each year | 125.83% | 16.03% |

The figures shown include all the costs of the product itself, but may not include all the costs that the investor pays to the advisor or distributor. The figures do not take into account the investor's personal tax situation, which may also affect how much the investor gets back.

The stress scenario shows what the investor might get back in extreme market circumstances.

The scenarios shown represent possible outcomes calculated based on simulations.

3. What happens if the Issuer is unable to pay out?

The investor is exposed to the risk that the Issuer might be unable to fulfil its obligations in respect of the product e.g. in the event of insolvency (inability to pay / over-indebtedness) or administrative order. A total loss of the investor's capital invested is possible. The product is a debt instrument and as such is not covered by any deposit protection scheme.

This Product is collateralised in accordance with the terms and conditions of the TCM Security Agreement ("TCM Products"). The Investor's exposure to the credit risk of the Issuer and the Guarantor, if any, is only mitigated due to collateralisation. More detailed information regarding the collateralisation can be found in the programme.

4. What are the costs?

The person advising the investor on the product or selling this product to the investor may charge the investor other costs. If so, this person will provide the investor with information about these costs and how they affect the investor's investment.

Cost over time

The tables show the amounts that are taken from the investor's investment to cover different types of costs. These amounts depend on how much the investor invests, how long the investor holds the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year the investor would get back the amount that the investor invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- USD 10 000 is invested

| | If the investor exits after 1 year | If the investor exits after 5 years (Recommended Holding Period) |
|------------------------|------------------------------------|--|
| Total costs | USD 673 | USD 736 |
| Annual cost impact (*) | 6.9% | 3.2% each year |

(*) This illustrates how costs reduce the return of the investor each year over the holding period. For example it shows that if the investor exits at the recommended holding period the average return of the investor per year is projected to be -20.9% before costs and -24.1% after costs.

We may share part of the costs with the person selling the investor the product to cover the services it provides to the investor. It will inform the investor of the amount.

Composition of Costs

| One-off costs upon entry or exit | | If the investor exits after 1 year |
|---|--|------------------------------------|
| Entry costs | 2.4% of the amount the investor pays in when entering this investment. These costs are already included in the price the investor pays. | Up to USD 240 |
| Exit costs | Exit costs are estimated to be 1.7% of the investment before it is paid out to the investor. These costs are already included in the price the investor receives and are only incurred if the investor exits before maturity. If the investor holds the product until maturity, no exit costs will be incurred. | USD 168 |
| Ongoing costs taken each year | | |
| Management fees and other administrative or operating costs | 0.8% of the value of the investment per year (this is an estimate based on actual costs), plus performance fees of 10.0% of the positive performance. These costs are explained in section 1. "What is the product?" above. Performance fees are calculated on the basis of simulations. The actual performance fees will depend on the performance. | USD 262 |
| Transaction costs | 0.1% of the value of the investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | USD 5 |

5. How long should the investor hold it and can the investor take money out early?

Recommended holding period: 5 years

The average investor holds this kind of product for about 5 years on average. Furthermore, this period enhances the comparability with other investment products without a fixed lifetime. The investor has the possibility to call the products for redemption according to the "Investor's Termination provisions as described under "1. What is this product?" above. Further, the product might be sold through the exchange where the product is listed or off-exchange.

Under normal market conditions, the price at which the investor may sell the product will depend on the market parameters prevailing at the time, which could put the invested amount at risk.

In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the product can be temporarily hindered, or may not be possible at all.

6. How can the investor complain?

Any complaint regarding the person advising on, or selling, the product on the relevant website can be submitted directly to that person.

Any complaint regarding the product or the conduct of the Issuer of this product can be submitted to the following address: Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland, kid@leonteq.com, www.leonteq.com.

7. Other relevant information

Any additional documentation in relation to the product and in particular the final terms or the pricing supplement and the issuance and offering programme (including any supplements hereto) are published on the website: www.leonteq.com. In order to obtain more detailed information – and in particular details of the structure of and risks associated with an investment in the product – the investor should read these documents.

Furthermore, Leonteq Securities AG created the KID after having made certain assumptions and exercised certain discretion with respect to calculations of key figures and performance scenarios and is going to reassess and adapt its assumptions as it deems appropriate from time to time.

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.