

## Key Information Document (“KID”)

### Purpose

This document provides the investor (“you”) 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.

## Inverse Express Certificate in EUR on Netflix

Swiss Securities Number: 45114067 | ISIN: CH0451140674

Issuer of this Product: **Leonteq Securities AG, Guernsey Branch** | www.leonteq.com | Call +41 58 800 10 00 for more information

KID Manufacturer: **Leonteq Securities AG** | Competent Authority: the relevant Authority | Production date of the KID: 18.02.2019

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.

#### Objectives

Objective of the product is to provide the investor with a specified entitlement according to predefined conditions. The investor may receive a coupon payment on the Coupon Payment Date if a Coupon Trigger Event has occurred on the corresponding Coupon Observation Date. A Coupon Trigger Event shall occur if on any Conditional Coupon Observation Date the official close of the Underlying is below the Coupon Trigger Level. If the investor has not received a coupon payment on the previous Coupon Payment Date(s), the missed coupon payment(s) shall additionally be payable in arrears if a Coupon Trigger Event occurs on a subsequent Coupon Observation Date (“Memory Coupon”). The product has a fixed lifetime and will be redeemed on the Early Redemption Date or on the Redemption Date. The possibilities for the redemption of the product are as follows:

Early Redemption on the specific Early Redemption Date:

Provided that on one of the pre-defined Autocall Observation Dates the official close of the Underlying is below the Autocall Trigger Level, an Early Redemption will occur and the product will expire immediately.

The investor will receive EUR 1'000.00 (100% of the Issue Price) plus the Conditional Coupon Amount, if applicable, for the respective Conditional Coupon Payment Date. No further payments will be made.

#### Redemption opportunities on the Redemption Date:

- If a Barrier Event has NOT occurred, the Investor will receive a Cash Settlement in the Settlement Currency equal to: Issue Price (EUR 1'000.00)
- If a Barrier Event HAS occurred, the investor will receive a Cash Settlement that equals the Issue Price multiplied by the difference of (a) 2 and (b) the Final Fixing Level divided Initial Fixing Level. The Cash Settlement will be at least zero. This means the Cash Settlement is calculated as follows:  $\text{MAX}[0; \text{Issue Price} \times (200\% - \text{Final Fixing Level} / \text{Initial Fixing Level})]$

A Barrier Event shall be deemed to occur if the Underlyings' Final Fixing Level is at or above the Barrier Level.

The investor might incur a loss in case the sum of Cash Settlement on the Redemption Date and the coupon payment is below the purchase price of the product. Different from a direct investment in the Underlying, the investor will receive a coupon payment, but no dividend payment nor any further entitlement resulting from the Underlying (e.g. voting rights). The investor will not benefit from any increase of the market price of the Underlying.

<b>Currency of the product (Settlement Currency)</b>	Euro (“EUR”)	<b>Minimum Investment / Minimum Trading Lot</b>	1 Certificate(s)
<b>Issue Date</b>	22/01/2019	<b>Initial Fixing Date</b>	17/01/2019
<b>Last Trading Day/Time</b>	17/07/2020 / Exchange market close	<b>First Exchange Trading Date</b>	22/01/2019
<b>Redemption Date</b>	24/07/2020	<b>Final Fixing Date</b>	17/07/2020
<b>Issue Price</b>	EUR 1'000.00	<b>Initial Fixing Level</b>	Official close of the Underlying on the Initial Fixing Date on the Related Exchange.
<b>Final Fixing Level</b>	Official close of the Underlying on the Final Fixing Date on the Related Exchange.	<b>Settlement Type</b>	Cash Settlement
<b>Exchange Listing</b>	EuroTLX	<b>Quoting in consideration of accrued interest</b>	yes (dirty prices); the investor pays no accrued interest additionally when purchasing the product
<b>Conditional Coupon Rate</b>	0.8333%	<b>Currency Risk</b>	The product is currency hedged at maturity, i.e. although the Initial Fixing Level is determined in the currency of the Underlying, the amounts determined in the currency of the Underlying will be converted 1:1 into the Currency of the Product (Quanto).

Coupon Observation Date	Coupon Trigger Level <sup>a</sup>	Conditional Coupon Payment Date	Conditional Coupon Amount	Autocall Observation Date	Autocall Trigger Level <sup>a</sup>	Early Redemption Date
19/02/2019	150.00%	22/02/2019	EUR 8.33	-	-	-
18/03/2019	150.00%	21/03/2019	EUR 8.33	-	-	-
17/04/2019	150.00%	24/04/2019	EUR 8.33	-	-	-
17/05/2019	150.00%	22/05/2019	EUR 8.33	-	-	-
17/06/2019	150.00%	20/06/2019	EUR 8.33	17/06/2019	100.00%	20/06/2019
17/07/2019	150.00%	22/07/2019	EUR 8.33	17/07/2019	100.00%	22/07/2019
19/08/2019	150.00%	22/08/2019	EUR 8.33	19/08/2019	100.00%	22/08/2019
17/09/2019	150.00%	20/09/2019	EUR 8.33	17/09/2019	100.00%	20/09/2019
17/10/2019	150.00%	22/10/2019	EUR 8.33	17/10/2019	100.00%	22/10/2019
18/11/2019	150.00%	21/11/2019	EUR 8.33	18/11/2019	100.00%	21/11/2019
17/12/2019	150.00%	20/12/2019	EUR 8.33	17/12/2019	100.00%	20/12/2019
17/01/2020	150.00%	22/01/2020	EUR 8.33	17/01/2020	100.00%	22/01/2020
18/02/2020	150.00%	21/02/2020	EUR 8.33	18/02/2020	100.00%	21/02/2020
17/03/2020	150.00%	20/03/2020	EUR 8.33	17/03/2020	100.00%	20/03/2020
17/04/2020	150.00%	22/04/2020	EUR 8.33	17/04/2020	100.00%	22/04/2020

Coupon Observation Date	Coupon Trigger Level <sup>a</sup>	Conditional Coupon Payment Date	Conditional Coupon Amount	Autocall Observation Date	Autocall Trigger Level <sup>a</sup>	Early Redemption Date
18/05/2020	150.00%	21/05/2020	EUR 8.33	18/05/2020	100.00%	21/05/2020
17/06/2020	150.00%	22/06/2020	EUR 8.33	17/06/2020	100.00%	22/06/2020
17/07/2020	150.00%	24/07/2020	EUR 8.33	-	-	-

<sup>a</sup>: levels are expressed in percentage of the Initial Fixing Level

Underlying	Type	Related Exchange	ISIN	Initial Fixing Level (100%)*	Barrier Level (150.00%)*	Autocall Trigger Level (100.00%)*	Coupon Trigger Level (150.00%)*
NETFLIX INC	Share	NASDAQ	US64110L1061	USD 353.19	USD 529.79	USD 353.19	USD 529.79

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

The Issuer may, with immediate effect, terminate the product if an extraordinary event occurs. Examples of extraordinary events include the loss of the Underlying, tax events and the discontinuation of the Issuer's ability to carry out the necessary hedging transactions. In this case, 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 called at an unfavourable 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 short-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 at least one of the following characteristics: Some knowledge of the financial instruments in question; or moderate 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 7 out of 7, which is the highest risk class.

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

**The investor shall be aware of currency risk. The investor may receive payments in a different currency, so the final return that the investor will get depends 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.

#### Performance Scenarios

Investment EUR 10,000		1 year	24/07/2020 (Recommended holding period)
Stress Scenario	What the investor might get back after costs	EUR 1655.37	EUR 2938.37
	Average return each year	-83.45%	-57.53%
Unfavourable Scenario	What the investor might get back after costs	EUR 9067.71	EUR 10466.07
	Average return each year	-9.32%	3.24%
Moderate Scenario	What the investor might get back after costs	EUR 10475.34	EUR 10466.07
	Average return each year	4.75%	3.24%
Favourable Scenario	What the investor might get back after costs	EUR 10716.96	EUR 11286.90
	Average return each year	7.17%	8.83%

This table shows the money the investor could get back over the next years and on the Redemption Date under different scenarios, assuming that the investor invests EUR 10,000.00.

The scenarios shown illustrate how the investor's investment could perform. The investor can compare them with scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of the product varies, and are not an exact indicator. What the investor gets back will vary depending on how the market performs and how long the investor keeps the investment/product.

The stress scenario shows what the investor might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay the investor.

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.

## 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.

## 4. What are the costs?

#### Cost over time

The Reduction in Yield (RIY) shows what impact the total costs the investor pays will have on the investment return the investor might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume the investor invests EUR 10,000. The figures are estimates and may change in the future.

The person selling to the investor or advising the investor about this product may charge other costs. If so, this person will provide the investor with information about these costs, and show the investor the impact that all costs will have on the investor's investment over time.

Investment EUR 10,000	If the investor cashes in the product after 1 year	If the investor cashes in at the end of the recommended holding period
Total costs	EUR 49.78	EUR 49.78
Impact on return (RIY) per year	0.52%	0.36%

#### Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return the investor might get at the end of the recommended holding period.
- the meaning of the different cost categories.

#### This table shows the impact on return per year

One-off costs	Entry costs	0.36%	The impact of the costs already included in the price.
	Exit costs	-	Not applicable
Ongoing costs	Portfolio transaction costs	-	Not applicable
	Other ongoing costs	-	Not applicable
Incidental costs	Performance fees	-	Not applicable
	Carried interests	-	Not applicable

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

##### Recommended holding period: 24/07/2020 (until Redemption Date)

The objective of the product is to provide the investor with the redemption profile described under "1. What is this product?" above.

There are no possibilities to take the investor's money out early other than to sell the product through the exchange where the product is listed or off-exchange. 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 and the base prospectus (including any supplements hereto) are published on the Issuer's 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 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.