

Supplement dated 27 April 2018



LEONTEQ SECURITIES AG, Zurich, Switzerland
(incorporated in Switzerland)
as Issuer

which may also be acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch) or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch)

This document represents the first supplement pursuant to article 16 para. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) (the "**Supplement**") to the base prospectus of the Issuer for Bonus Certificates, Inverse Bonus Certificates, Reverse Convertibles, Barrier Reverse Convertibles, Express Certificates, Tracker Certificates, Open End Tracker Certificates, Mini Future Certificates, Discount Certificates, Inverse Discount Certificates, Master Discount Certificates, Certificates with unconditional minimum redemption and Inverse Express Certificates 29 June 2017 (the "**Base Prospectus**").

This Supplement shall be published by making it available free of charge at Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland (Phone: +41 (0)58 800 1000, Facsimile: +41 (0)58 800 1010), in its function as paying agent. Furthermore, it will be published in electronic form on the website www.leonteq.com under the section "Solutions" – "Structured Products" – "Service" – "Prospectuses" – "Leonteq Program EU".

Lead Manager
Leonteq Securities AG, Zurich,
Switzerland

Withdrawal Right

Pursuant to article 16 para. 3 of the German Securities Prospectus Act investors who have already agreed to purchase or subscribe for products issued under the Base Prospectus that is supplemented by this Supplement (as defined herein) before this Supplement has been published shall have the right, exercisable within a time period of two working days after the publication of this Supplement, to withdraw their declaration of intent provided that the new factor or mistake to which this Supplement relates arose before the final closing of the offer to the public and the delivery of the products.

The withdrawal (for which no reasons need to be given) must be declared by notice in writing (i) to the same entity to which the investor addressed the declaration of intent or (ii), if the investor had addressed the declaration of intent directly to the Lead Manager, to Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland. Timely dispatch of the notice shall be sufficient to meet the notice period.

Subject of this Supplement is the publication of the Registration Document of Leonteq Securities AG as of 11 April 2018 on 18 April 2018, which is incorporated into the Base Prospectus and in respect thereof further amendments in the Base Prospectus have been made.

The Base Prospectus shall be supplemented as follows:

AMENDMENTS RELATING TO THE SECTION "I. SUMMARY"

- 1) *In "Section B – Issuer and any guarantors" under "B.2 – Domicile, legal form, legislation, country of incorporation" on page 12 of the Base Prospectus the first sentence of the paragraph shall be replaced as follows:*

"Leonteq Securities AG was incorporated and registered in Zurich, Switzerland on 24 September 2007 as a stock corporation under article 620 et seq. of the Swiss Code of Obligations for an unlimited duration."

- 2) *In "Section B – Issuer and any guarantors" under "B.5 – Description of the group" on pages 12-13 of the Base Prospectus the whole paragraph shall be replaced as follows:*

"Leonteq Securities AG, which may also be acting either through its Guernsey branch (Leonteq Securities AG, Guernsey Branch) or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch), is a fully owned subsidiary of Leonteq AG (Leonteq AG together with its subsidiaries the "**Leonteq Group**"). Leonteq AG's shares are listed on the SIX Swiss Exchange (security no. 19089118, ISIN CH0190891181, symbol LEON), included in the Swiss Performance Index SPI and are held amongst others by Raiffeisen Switzerland Cooperative, Rainer-Marc Frey, Credit Suisse Funds AG, Leonteq Group management and employees."

- 3) *In "Section B – Issuer and any guarantors" under "B.12– Selected historical key financial information regarding the Issuer, statement regarding trend information and significant changes in the financial or trading position of the Issuer" on page 13 of the Base Prospectus the whole text shall be replaced as follows:*

"

B.12	Selected historical key financial information regarding the Issuer, statement	<p>The following financial information (according to IFRS) has been extracted from the audited financial statements of Leonteq Securities AG for the years ended 31 December 2016 and 2017.</p> <p>in CHF thousands As at and for the year ended As at and for the year ended</p>
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	regarding trend information and significant changes in the financial or trading position of the Issuer	31 December 2016	31 December 2017
		(audited)	(audited)
		Income	
		Total operating income	147'029
		Result from operating activities (profit before taxes)	7'897
			160'742
			22'360
		As of	As of
		31 December 2016	31 December 2017
		(audited)	(audited)
		Balance Sheet	
		Total assets	5'534'894
		Other financial liabilities at fair value through profit or loss	2'422'805
		Total shareholders' equity	210'674
			6'321'872
			3'040'531
			293'433
		There has been no material adverse change in the prospects of the Issuer since the date of the last audited financial statements (31 December 2017).	
		There has been no significant change in the financial or trading position of the Issuer since the date of the last audited financial statement (31 December 2017).	

"

**AMENDMENTS RELATING TO THE SECTION "I. SUMMARY – DEUTSCHE
ÜBERSETZUNG DER ZUSAMMENFASSUNG"**

- 1) *In "Abschnitt B – Emittent und etwaige Garantiegeber" unter "B.2 – Sitz, Rechtsform, Rechtsordnung, Land der Gründung der Gesellschaft " on page 72 of the Base Prospectus the first sentence of the paragraph shall be replaced as follows:*

"Leonteq Securities AG wurde am 24. September 2007 gemäss Art. 620ff. des Schweizer Obligationenrechts als Aktiengesellschaft in der Schweiz für unbestimmte Zeit gegründet und in Zürich (Schweiz) eingetragen."

- 2) *In "Abschnitt B – Emittent und etwaige Garantiegeber" unter "B.5 – Konzernstruktur" on page 73 of the Base Prospectus the whole paragraph shall be replaced as follows:*

"Die Leonteq Securities AG gegebenenfalls handelnd durch eine ihrer Zweigniederlassungen in Guernsey (Leonteq Securities AG, Guernsey Branch) oder in Amsterdam (Leonteq Securities AG, Amsterdam Branch,) ist eine hundertprozentige Tochtergesellschaft der Leonteq AG (Leonteq AG gemeinsam mit ihren Tochtergesellschaften die "**Leonteq Gruppe**"). Die Aktien der Leonteq AG sind an der SIX Swiss Exchange notiert (Valorennummer: 19089118, ISIN: CH0190891181, Symbol LEON) in dem Swiss Performance Index SPI enthalten und werden unter anderen durch die Raiffeisen Schweiz Genossenschaft, Rainer-Marc Frey, Credit Suisse Funds AG, das Management und Mitarbeitende der Leonteq Gruppe gehalten."

- 3) *In "Abschnitt B – Emittent und etwaige Garantiegeber" unter "B.12– Ausgewählte wesentliche Historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten" on pages 73 - 74 of the Base Prospectus the whole text shall be replaced as follows:*

"

B.12	Ausgewählte wesentliche historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des	<p>Die nachfolgenden Finanzinformationen (nach IFRS) wurden dem geprüften Jahresabschluss der Leonteq Securities AG für die zum 31. Dezember 2016 und 2017 geendeten Jahre entnommen.</p> <table border="0" style="width: 100%; text-align: center;"> <tr> <td>in Tausend CHF</td> <td>Für das</td> <td>Für das</td> </tr> <tr> <td></td> <td>Geschäftsjahr 1.</td> <td>Geschäftsjahr 1.</td> </tr> <tr> <td></td> <td>Januar – 31.</td> <td>Januar – 31.</td> </tr> <tr> <td></td> <td>Dezember 2016</td> <td>Dezember 2017</td> </tr> </table>	in Tausend CHF	Für das	Für das		Geschäftsjahr 1.	Geschäftsjahr 1.		Januar – 31.	Januar – 31.		Dezember 2016	Dezember 2017
in Tausend CHF	Für das	Für das												
	Geschäftsjahr 1.	Geschäftsjahr 1.												
	Januar – 31.	Januar – 31.												
	Dezember 2016	Dezember 2017												

	Emittenten		(geprüft)	(geprüft)
		Umsatz		
		Ergebnis der gesamten Geschäftstätigkeit	147'029	160'742
		Ergebnis der operativen Geschäftstätigkeit (Gewinn vor Steuern)	7'897	22'360
			31. Dezember 2016	31. Dezember 2017
			(geprüft)	(geprüft)
		Bilanz		
		Summe der Aktiva	5'534'894	6'321'872
		Erfolgswirksam zum beizulegenden Zeitwert bewertete finanzielle Verbindlichkeiten	2'422'805	3'040'531
		Summe Eigenkapital	210'674	293'433
		Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2017) hat es keine wesentlichen negativen Veränderungen in den Geschäftsaussichten der Emittentin gegeben.		
		Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2017) sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der Emittentin eingetreten.		

"

AMENDMENTS RELATING TO THE SECTION "II. RISKS"

- 1) *In the section "II. Risks" under "I. Risk factors associated with the Issuer" on page 132ff. of the Base Prospectus the whole text shall be replaced as follows:*

"The following is a disclosure of risk factors that are material to the specific situation of the Issuer and may affect the Issuer's ability to fulfil its respective obligations as issuer of any issued structured investment products.

The Issuer is exposed to risks resulting primarily from the issuance of structured investment products. The Issuer is exposed to market risks, which result from mismatches between exposure to equity prices, interest rates, currencies, credit spreads and commodity prices resulting from the issuance of structured investment products and the instruments that the Issuer uses to hedge this exposure, and to liquidity risks relating to the need to fund hedging activities. The Issuer is exposed to credit risks resulting from exposure to trading counterparties and as a result of investment of the proceeds from the issuance of structured investment products in bonds and other fixed-income instruments. The Issuer is also exposed to model, operational and reputational risks, as well as potential changes in the regulatory and macro-economic environments.

Financial information of the Issuer should not be relied on as evidence of future results.

As a financial services provider, the business activities of the Issuer are affected by the prevailing market situation. Different risk factors can impair the Issuer's ability to implement business strategies and may have a direct, negative impact on earnings. Accordingly, the Issuer's revenues and earnings are subject to fluctuations. The revenues and earnings figure from a specific period, thus, are not evidence of results in any future period. They can vary from one year to the next and may affect the Issuer's ability to achieve its strategic objectives. Taking into account that the Issuer has only a short financial history this might be of particular relevance.

The Issuer may not be able to fulfil its obligations due to a deteriorated financial situation. The Issuer may become insolvent.

The financial situation of the Issuer could deteriorate and may prevent the Issuer from fulfilling its obligations. Investors are therefore exposed to the credit risk of the Issuer. The default or insolvency of the Issuer may lead to a partial or total loss of the claims of investors. The Issuer is subject to the Swiss bank insolvency rules and the Swiss Financial Market Supervisory Authority's („FINMA“) bank insolvency ordinance, which empowers FINMA as the competent authority to apply certain recovery and resolution measures. If FINMA applies such measures this may have a significant negative impact on the investor's rights by suspending, modifying and/or wholly extinguishing obligations of the Issuer under structured investment products and may lead to a partial or total loss of the invested capital.

The Issuer is exposed to the risk that its valuation and risk measurement model may be wrong and that its risk management measures may not prove successful.

Model risk is the risk of financial loss due to inappropriate model assumptions or inadequate model usage. In the Issuer's business, the major model risks arise when models are used to value financial securities and to calculate hedging ratios. The consequence of an inadequate model could be a wrong valuation leading to incorrect risk measurement and wrong hedging positions, both of which could lead to a financial loss.

The Issuer is exposed to the risk that its risk management and mitigation measures do not prove successful. Management of the Issuer's risks can be very complex given the highly complex nature of many of the products, structured solutions and other operations. The Issuer's risk management strategies and procedures may leave it exposed to unidentified or unanticipated risks. If the measures used to assess and mitigate risk prove insufficient, that may lead to adverse effects on the Issuer's operations and financial condition.

The Issuer is exposed to market risks arising from open positions in interest rate, currency, commodity, credit, equity and other products which may adversely affect its results of operations.

Market risk is the risk of loss resulting from adverse movements of the market price or model price of financial assets. The Issuer distinguishes five types of market risks:

- equity risk, i.e. the risk of adverse movements in share prices and related derivatives;
- interest rate risk, i.e. the risk of adverse movements in yield curve and corresponding movements in the valuation of fixed-income based assets;
- credit spread risk, i.e. the risk that the widening of credit spreads negatively impacts asset prices, credit spread risk relates primarily to the investment portfolio;
- foreign exchange risk (FX risk), i.e. the risk of adverse movements in currency exchange rates and related derivative instruments; and
- commodity risk, i.e. the risk of adverse movements in commodity prices and related derivatives.

The Issuer's market risk arises primarily from the issuance of structured products and the related hedging activity. Any risk mitigation strategies of the Issuer can expose the Issuer to remaining sources of risk as the hedge instrument and the position being hedged may not always move in parallel. Interest rate risks and foreign exchange risks may also arise in the normal course of business. The Issuer is also exposed to interest rate risk as a result of its Insurance & Wealth Planning Solutions business. The Issuer gives guarantees to its insurance cooperation partners on minimum returns, and this exposes the Issuer to risks involving falling interest rates and risks involving the increasing volatility of interest rates. Market risk may adversely affect the results of operations of the Issuer.

The Issuer is exposed to significant and increasing competition which may adversely affect its future results of operations.

All aspects of the Issuer's business are highly competitive and the competitive conditions are expected to continue to intensify. The Issuer's ability to compete depends on many factors, including its reputation, the quality of its services and advice, intellectual capital, product innovation, execution ability, pricing, sales efforts, and the talent of its employees. The significant and increasing competition may adversely affect the Issuer's future results of operations.

The Issuer is exposed to the risks relating to its platform partners business which may adversely affect its results of operations.

The Issuer offers services in connection with development, structuring, distribution, hedging and settlement as well as the market-making and secondary market servicing of structured products to third parties, platform partners, pursuant to cooperation arrangements. The Issuer's platform partners business is based on a novel business model that is largely untested and there may not be sufficient demand to enable the Issuer to achieve meaningful operating income or cash flow or profitable operations.

The Issuer is further exposed to reputational and potentially regulatory risks should one of its platform partner's default which might have a significant impact on the Issuer's operations.

The Issuer is exposed to the credit risk of its counterparties.

Credit risk is the general risk of financial loss if a counterparty or an issuer of a financial security does not meet its contractual obligations. The Issuer distinguishes the following credit risks:

- counterparty credit risk is the risk of the counterparty defaulting on a derivative instrument that has a positive replacement value;
- issuer risk is the risk of a default by the issuer of a debt instrument held as a direct position or as an underlying of a derivative;
- country risk is the risk of financial loss due to a country-specific event.

The Issuer is exposed to credit risks related to over-the-counter (OTC) derivatives and securities lending and borrowing activities with counterparties, and through the investment of proceeds from the issuance of structured investment products in bonds or other fixed-income instruments.

Large credit risks are primarily with banks and insurance companies as a result of the Issuer's OTC derivatives, securities lending and Insurance & Wealth Planning Solutions business.

The Issuer is exposed to market liquidity, and funding liquidity risk which may adversely affect its ability to operate its business and its future results of operations.

Since the Issuer hedges its liabilities under issued structured investment products through the sale or purchase of derivatives or other financial and non-financial instruments, the Issuer is exposed to the risk that it will be unable to sell or buy such hedging assets at fair value to cover its liabilities for the corresponding structured investment products. The Issuer refers to this risk as market liquidity risk related to outstanding structured investment products. As the product buy back price is linked to the asset unwind price, the market liquidity risk related to trading activities is limited.

Furthermore, the Issuer is exposed to funding liquidity and refinancing risk primarily due to its structured product issuances and issuances by its platform partners, for whom the Issuer provides derivative hedges. In addition, the Issuer is required to post collateral in order to secure the obligations relating to certain (collateralized) structured products.

The funding liquidity risk represents the risk that the Issuer will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without impacting either daily operations or the financial condition of the Issuer.

Funding liquidity risks may realise if the Issuer is not able to implement mitigation measures or if such measures do not prove successful. If the Issuer does not effectively manage its market and funding liquidity, its business could be negatively affected.

The Issuer's risk exposure in financial instruments leads to certain risk concentrations which could result in a significant loss which in turn may adversely affect the Issuer's result of operations.

The Issuer considers that a risk concentration exists when an individual or group of financial instruments is exposed to changes in the same risk factor, and that exposure could result in a significant loss of the Issuer based on plausible adverse future market developments which in turn may adversely affect the Issuer's result of operations.

As 31 December 2017, the Issuer has identified five large exposures (as of 31 December 2016, two large exposures) as defined in Article 95 of the Swiss Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Traders (Eigenmittelverordnung, ERV). A large exposure pursuant to Article 95 ERV means an exposure to a single counterparty or group of related counterparties amounting to 10 per cent. or more of the corrected and eligible equity capital of the Issuer.

The Issuer's activities and results of operations may be adversely affected by operational risks.

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people and systems or due to external causes. „Losses“ can be direct financial losses or in the form of regulatory sanctions or foregone revenues, for example due to the failure of a service or system. Such events may also lead to reputational damage which could result in longer term financial consequences. Operational risks may adversely affect the Issuer's activities and results of operations.

The Issuer may be adversely affected by compliance, legal, regulatory, and reputational risks.

The Issuer operates in an industry that is highly regulated and may be adversely affected by compliance, legal or regulatory risks and reputational implications from the legal and regulatory environment. Compliance risk and legal risk are the risks arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices or internal policies and procedures, or the non-enforceability of legal, including contractual, rights. Legislation and rules adopted around the world have imposed substantial new or more stringent regulations, internal practices, capital requirements, procedures and controls and disclosure requirements in different areas. The trend and scope of increased compliance requirements may require the Issuer to invest in additional resources to ensure compliance.

The Issuer is exposed to the risk of fines, civil financial penalties, payment of damages and the voiding of contracts. Compliance and legal risks can lead to diminished reputation, limited business opportunities, reduced expansion potential and an inability to enforce contracts.

Furthermore, the Issuer is exposed to the risk that changes in law or interpretations thereof, including regulatory and tax laws, may have a material negative impact on its results. Regulatory or similar changes in any jurisdiction in which the Issuer operates may adversely affect its business, results of operations and financial condition.

Reputational risk is the potential loss in reputation due to a financial loss or due to any other real or perceived event with a negative impact on reputation. This includes, in particular, the risk arising from deviations from good ethical behavior. The Issuer's reputation is critical in maintaining its relationships with clients, investors, regulators and the general public, and is a key focus in its risk management efforts.

The Issuer may be adversely affected by tax risks.

Tax risk is defined as the risk of losses arising, in particular, from changes in taxation (derived from tax legislations and decisions by the courts) including the misinterpretation of tax regimes as well as the manner in which they may be applied and enforced. This also applies to new international tax laws that could have a negative impact on the taxation of structured products and making them unattractive for investors. Such tax risk may adversely affect the Issuer's business, results of operations and financial condition."

AMENDMENTS RELATING TO THE SECTION "III. INFORMATION ABOUT THE ISSUER"

- 1) *In the section "III. Information about the Issuer" on page 183 of the Base Prospectus the whole text shall be replaced as follows:*

"In respect of information that is required to be disclosed in relation to the Issuer is contained in the Registration Document of Leonteq Securities AG dated 11 April 2018 (the „**Registration Document**“), which has been filed with the Competent Authority. The information about the Issuer contained in the Registration Document is herewith incorporated into this Base Prospectus by reference pursuant to Section 11 of the WpPG (see also section „X. Documents Incorporated by Reference“ of the Base Prospectus)."

AMENDMENTS RELATING TO THE SECTION "X. DOCUMENTS INCORPORATED BY REFERENCE"

1) *In the section "X. Documents incorporated by reference" on page 974 of the Base Prospectus the whole text shall be replaced as follows:*

"In the Base Prospectus reference is made to the following document pursuant to Section 11 WpPG:

- In Section „III. Information about the Issuer“ (page 183 of the Base Prospectus) the information contained in the Registration Document of Leonteq Securities AG dated 11 April 2018 with respect to the Issuer are incorporated by reference into this Base Prospectus pursuant to Section 11 WpPG and are therefore deemed to be an integral part of this Base Prospectus.
- In Section "IV. Information about the Products" under" (n) Continuation of the public offer and increases of Products" on page 192 of the Base Prospectus the information contained in the section "V. Product Conditions" (pages 205 to 818) and in the section "VIII. Form of Final Terms" (pages 847 to 918) of the Base Prospectus of Leonteq Securities AG dated 29 June 2016 are incorporated by reference into this Base Prospectus pursuant to Section 11 WpPG and are therefore deemed to be an integral part of this Base Prospectus. All further sections of the Base Prospectus of Leonteq Securities AG dated 29 June 2016, which are not incorporated by reference into this Base Prospectus are not relevant for the investor.

The document incorporated by reference has been filed with BaFin and can be ordered free of charge from or will be available, during the usual business hours for inspection at Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland. In addition thereto, the document is published in electronic form on the website www.leonteq.com under the section "Solutions" – "Structured Products" – "Service" – "Prospectuses" – "Leonteq Program EU."

Leonteq Securities AG, Zurich

27 April 2018

Leonteq Securities AG, Zurich