

Termsheet as of 28/06/2018

PRIVATE PLACEMENT
Yield-Enhancement Products
SSPA Product Type: 1260

Express Certificate on EURO STOXX® Banks Index

Barrier Observation at maturity only | Autocallable | Quanto CZK

Final Fixing Date 13/06/2023; issued in CZK; Not listed

ISIN CH0411117531 | Swiss Security Number 41111753 | WKN A2MG28

Investors should read the section "Significant Risks" below as well as the section "Risk Factors" of the relevant Programme.

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 in or from Switzerland only to qualified investors within the meaning of art. 10 of the CISA, 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).

I. PRODUCT DESCRIPTION

Market expectation of the Investor

Underlying trades sideways to slightly higher.

The Barrier Event will not occur.

Product description

This Product offers the Investor the opportunity to receive an Early Redemption Coupon Amount. An Early Redemption occurs if the relevant conditions are met on any of the Autocall Observation Dates. If no Early Redemption and no Barrier Event have occurred, the Investor will receive on the Redemption Date a Cash Settlement equal to the Issue Price. If a Barrier Event has occurred, the redemption of the Product will depend on the value of the Underlying, as described in section "Redemption".

UNDERLYING

Underlying	Index Sponsor	Bloomberg Ticker	Initial Fixing Level (100%)*	Barrier Level (60.00%)*	Autocall Trigger Level (100.00%)*
EURO STOXX® Banks Index	STOXX Limited	SX7E	EUR 114.37	EUR 68.62	EUR 114.37

PRODUCT DETAILS

Swiss Security Number	41111753
ISIN	CH0411117531
WKN	A2MG28
Issue Price	CZK 1'000.00
Issue Size	1'000'000 Certificate(s) (can be increased at any time)
Settlement Currency	CZK
Currency Protection	Quanto CZK
Bondfloor at issuance	91.38% (implied Yield p.a.: 1.82%)

DATES

Initial Fixing Date	13/06/2018
Issue Date	20/06/2018
Last Trading Day	13/06/2023
Final Fixing Date	13/06/2023 (subject to Market Disruption Event provisions)
Redemption Date	20/06/2023 (subject to Settlement Disruption Event provisions)

* levels are expressed in percentage of the Initial Fixing Level

Initial Fixing Date 13/06/2018	Barrier Observation 13/06/2023	Barrier Level EURO STOXX® Banks Index (60.00%)	Observation Date 13/06/2019	Observation Date 15/06/2020	Observation Date 14/06/2021	Observation Date 13/06/2022
Observation Date 13/06/2023	Final Fixing Date 13/06/2023	Redemption Date 20/06/2023				

Autocall Observation and Early Redemption Dates

	Autocall Observation Date	Autocall Trigger Level^a	Early Redemption Date	Early Redemption Coupon Amount
1	13/06/2019	100.00%	18/06/2019	CZK 72.00
2	15/06/2020	100.00%	18/06/2020	CZK 144.00
3	14/06/2021	100.00%	17/06/2021	CZK 216.00
4	13/06/2022	100.00%	16/06/2022	CZK 288.00
5	13/06/2023*	100.00%	20/06/2023**	CZK 360.00

^alevels are expressed in percentage of the Initial Fixing Level

*the last Autocall Observation Date equals the Final Fixing Date

**the last Early Redemption Date equals the Redemption Date

If any of the above-mentioned Autocall Observation Dates is not an Exchange Business Day for an Underlying, the next following Exchange Business Day for that Underlying shall be the respective Autocall Observation Date. General Terms and Conditions apply also to the Autocall Observation Dates as if they were Final Fixing Dates. If any of the above-mentioned Early Redemption Dates is not a Business Day, the next following Business Day will apply.

REDEMPTION

Provided that no Early Redemption has occurred on one of the pre-defined Autocall Observation Dates, the Investor is entitled to receive from the Issuer on the Redemption Date per Product:

Scenario 1 If a Barrier Event has NOT occurred, the Investor will receive a Cash Settlement in the Settlement Currency equal to: Issue Price

Scenario 2 If a Barrier Event has occurred, the Investor will receive a Cash Settlement in the Settlement Currency according to the following formula:

$$\text{Issue Price} \times \text{Final Fixing Level} / \text{Initial Fixing Level}$$

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.

Barrier Event A Barrier Event shall be deemed to occur if the Underlying's Final Fixing Level is at or below the Barrier Level, as reasonably determined by the Calculation Agent.

Early Redemption Provided that on one of the pre-defined Autocall Observation Dates the official close of the Underlying is above its Autocall Trigger Level an Early Redemption will occur and the Product will expire immediately. The Investor will receive on the relevant Early Redemption Date a Cash Settlement which equals the Issue Price plus the Early Redemption Coupon Amount for the relevant Autocall Observation Date, as defined in the table above. No further payments will be made.

GENERAL INFORMATION

Issuer Leonteq Securities AG, Guernsey Branch, St Peter Port, Guernsey
(Rating: n/a, 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 Not listed

Secondary Market Daily price indications will be available from 09:15 - 17:15 CET on www.leonteq.com, Thomson Reuters [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.

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.

Quoting Type Secondary market prices are quoted dirty; accrued interest is included in the prices.

Quotation Type Secondary market prices are quoted in the Settlement Currency, per Product.

Settlement Type Cash Settlement

Minimum Investment 1 Certificate(s)

Minimum Trading Lot 1 Certificate(s)

Selling Restrictions This Product may be distributed in or from Switzerland only to qualified investors within the meaning of art. 10 of the CISA, 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. Most important jurisdictions where the Products may not be publicly distributed are EEA, UK, Hong Kong and Singapore. The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S). Detailed information on Selling Restrictions is published in the Programme which is available on www.leonteq.com.

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

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

TAXATION SWITZERLAND

Swiss Federal Stamp Duty	For Swiss stamp duty purpose, the Product is treated as analogous to a bond. Therefore, secondary market transactions are in principle subject to Swiss stamp duty (TK22).
Swiss Federal Income Tax (for private investors with tax domicile in Switzerland)	For tax purposes this Product is classified as transparent, where the majority of the return of the bond part is in the form of a discount or of one payment on the Redemption Date (IUP). Therefore, for private Investors with tax domicile in Switzerland holding the Product as part of their private property, the increase of the value of the bond part (according to the “Modifizierte Differenzbesteuerung”) at sale or at redemption is subject to the Federal Direct Tax. The present value of the bond part at issue is the Bondfloor per unit. An Investor who buys the Product at issuance and holds it until Redemption is taxed on the difference between the Bondfloor at the Issue Date and the Bondfloor at the Redemption Date. However, any gain derived from the option is considered as capital gain and is therefore not subject to the Federal Direct Tax for such taxpayers. The tax treatment regarding the cantonal and communal income taxes can differ from the tax treatment regarding the Federal Direct Tax. But in general the income tax treatments are corresponding.
Swiss Withholding Tax	The Product is not subject to the Swiss withholding tax.

On 1 January 2017, Switzerland has implemented the Automatic Exchange of Information in Tax Matters (“AEOL”) with the EU and Australia, Jersey, Guernsey, Isle of Man, Iceland, Norway, Japan, Canada and South Korea. Switzerland is also negotiating the introduction of the AEOL with other countries. In this context, the EU Savings Tax for Swiss paying agents and the Final Withholding Tax with UK and Austria was repealed.

The tax information is a non-binding summary and only provides a general overview of the potential Swiss tax consequences linked to this Product at the time of issue. Tax laws and tax interpretation may change at any time, possibly with retroactive effect.

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Information with regards to bond floor taxation

Updated bondfloor information, if a bondfloor is applicable to the Product (according to “Product Details” and “Taxation Switzerland” herein), can be found on the following web page of the Swiss Federal Tax Administration (FTA): www.ictax.admin.ch. The Investor must be aware that for tax purposes the value of the bond floor is converted into Swiss Francs (CHF) at inception/purchase as well as at sale/redemption of the Product, in case the Product is denominated in another currency than CHF. Thus, the Investor is exposed to the foreign exchange risk with regard to the taxable income calculation and thus also the withholding tax calculation, if applicable. However, withholding tax on the bondfloor only applies if the Bondfloor at redemption (in %) is greater than the bondfloor at issuance (in %).

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.**

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-(0)58-800 1000*), 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 “Yield Enhancement” which means that there is an upper limit to the profit an Investor can realize with this Product. At redemption the Investor could receive a maximum amount corresponding to the invested capital (excluding any transaction or other costs) plus any additional (guaranteed and/or conditional) payments such as coupon or participation payments, bonuses or others.

On the downside, especially if the Product has forfeited any contingent capital protection (like e.g. a barrier, strike), the Investor is exposed to the negative development of the Underlying(s). This might (even if a stop loss event has occurred) lead to a partial or even a total loss of the investment.

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

The risk of loss related to this Product is similar to an investment in the Underlying. Therefore, the Investor could lose the total capital invested if the Underlying value falls to zero.

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.

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.

Potential Investors should note that the Issuer is not rated by the credit rating agencies, i.e. there is no credit rating for the Issuer.

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 dealer 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). For open-end products such fees will be split linearly over ten years.

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 indicative 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.

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- recommend that any person invest in the Product or any other securities.
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Product.
- have any responsibility or liability for the administration, management or marketing of the Product.
- consider the needs of the Product or the owners of the Product in determining, composing or calculating the relevant Underlying or have any obligation to do so.

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 - The accuracy, timeliness, and completeness of the relevant Underlying and its data;
 - The merchantability and the fitness for a particular purpose or use of the relevant Underlying and its data;
 - The performance of the Product generally;
- STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the relevant Underlying or its data;
- Under no circumstances will STOXX, Deutsche Börse Group or their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the relevant Underlying or its data or generally in relation to the Product, even in circumstances where STOXX, Deutsche Börse Group or their licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Product or any other third parties.

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