

Termsheet as of 28/12/2018

Capital Protection Certificate with Coupon on Daimler, Intesa Sanpaolo, RWE, Vodafone

90.00% Capital Protection | Autocallable | 5.00% Conditional Coupon Amount | Memory Coupon | Quanto EUR

Final Fixing Date 29/11/2023; issued in EUR; listed on Börse Frankfurt Zertifikate AG (Open Market)

ISIN CH0438949650 | Swiss Security Number 43894965 | WKN LTQ07P

This document does not constitute a prospectus within the meaning of the Directive 2010/73/EU of the European Parliament and of the Council amending the Directive 2003/71/EC of the European Parliament and Council. It is provided for information purposes only and is subject to change due to market conditions at any time without previous notice.

Investors should read the section "Significant Risks" below as well as the information on risks contained in the Product Documentation.

For investors in Switzerland: 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 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

Underlyings trade slightly higher.

Product description

This Product offers the Investor a periodic opportunity to receive a Conditional Coupon Amount. In addition the Investor will receive on the Redemption Date a Cash Settlement equal to the Denomination multiplied by the Capital Protection.

UNDERLYING							
Underlying	Related Exchange	Bloomberg Ticker	Initial Fixing Level (100%)*		Autocall Trigger Level (95.00%)*		Coupon Trigger Level (95.00%)*
DAIMLER AG-REGISTERED SHARES	Xetra	DAI GY	EUR	50.67	EUR	48.14	EUR 48.14
INTESA SANPAOLO	Milan Stock Exchange	ISP IM	EUR	2.0325	EUR	1.9309	EUR 1.9309
RWE AG	Xetra	RWE GY	EUR	19.05	EUR	18.10	EUR 18.10
VODAFONE GROUP PLC	London Stock Exchange	VOD LN	GBp	167.76	GBp	159.37	GBp 159.37

PRODUCT DETAILS	
Swiss Security Number	43894965
ISIN	CH0438949650
WKN	LTQ07P
Issue Price	100.00%
Issue Size	EUR 10'000'000 (can be increased at any time)
Denomination	EUR 100
Settlement Currency	EUR
Capital Protection	90.00%
Currency Protection	Quanto EUR
Bondfloor at issuance*	88.40% (implied Yield p.a.: 0.36%)
Conditional Coupon Amount	5.00%
Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, the Investor will receive on the relevant Coupon Payment Date a Conditional Coupon Amount according to the following formula:	

* levels are expressed in percentage of the Initial Fixing Level

Subscription 29/10/2018 29/11/2018	First Exchange Trading Date 06/12/2018	Observation Date 29/11/2019	Observation Date 30/11/2020	Observation Date 29/11/2021	Observation Date 29/11/2022	Observation Date 29/11/2023
Final Fixing Date 29/11/2023	Redemption Date 06/12/2023					

$$\text{Denomination} \times \left[\sum_{i=n+1}^N \text{Conditional Coupon Rate}_i \right]$$

Where:

"n" is the number of the last Coupon Payment Date where a Conditional Coupon Amount has been paid. If no Coupon Payment has been made upon the current Coupon Observation Date, the value of "n" will be equal to zero.

"N" is the number of the current Coupon Observation Date, according to the table below.

DATES

Subscription Start Date	29/10/2018
Subscription End Date	29/11/2018 14:00 CET
Initial Fixing Date	29/11/2018
Issue Date	06/12/2018
First Exchange Trading Date	06/12/2018
Last Trading Day/Time	29/11/2023 / Exchange market close
Final Fixing Date	29/11/2023 (subject to adjustments in accordance with the Final Terms)
Redemption Date	06/12/2023 (subject to adjustments in accordance with the Final Terms)

Conditional Coupon Observation and Conditional Coupon Payment Dates	N/n	Coupon Observation Date	Coupon Trigger Level^a	Coupon Payment Date	Conditional Coupon Rate_i
	1	29/11/2019	95.00%	04/12/2019	5.00%
	2	30/11/2020	95.00%	03/12/2020	5.00%
	3	29/11/2021	95.00%	02/12/2021	5.00%
	4	29/11/2022	95.00%	02/12/2022	5.00%
	5	29/11/2023*	95.00%	06/12/2023**	5.00%

^alevels are expressed in percentage of the Initial Fixing Level

*the last Coupon Observation Date equals the Final Fixing Date

**the last Coupon Payment Date equals the Redemption Date

Autocall Observation and Early Redemption Dates

	Autocall Observation Date	Autocall Trigger Level^a	Early Redemption Date
1	29/11/2019	95.00%	04/12/2019
2	30/11/2020	95.00%	03/12/2020
3	29/11/2021	95.00%	02/12/2021
4	29/11/2022	95.00%	02/12/2022
5	29/11/2023*	95.00%	06/12/2023**

^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/Coupon 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/Coupon Observation Date. If any of the above-mentioned Early Redemption or Coupon Payment Dates is not a Business Day, the next following Business Day will apply. For the avoidance of doubt, a Coupon Payment Date will never be later than the Early Redemption Date.

REDEMPTION

Provided that no Early Redemption has occurred on one of the previous Autocall Observation Dates, the Investor is entitled to receive the Conditional Coupon Amount(s) on the relevant Coupon Payment Date(s), subject to the Conditional Coupon Amount provisions.

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 a Cash Settlement in the Settlement Currency according to the following formula:

Denomination × Capital Protection

Initial Fixing Level	Official close of the respective Underlying on the Initial Fixing Date on the Related Exchange, as determined by the Calculation Agent.
Final Fixing Level	Official close of the respective Underlying on the Final Fixing Date on the Related Exchange, as determined by the Calculation Agent.
Early Redemption	Provided that on one of the pre-defined Autocall Observation Dates the official close of all Underlyings is above their 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 Denomination. No further payments will be made.
Coupon Trigger Event	A Coupon Trigger Event shall be deemed to occur, if on any Coupon Observation Date all Underlyings close above their respective Coupon Trigger Level, as reasonably determined by the Calculation Agent.

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 (as defined in the relevant Base Prospectus)
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 , Thomson Reuters [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.
Quoting Type	Secondary market prices are quoted dirty; accrued interest is included in the prices.
Quotation Type	Secondary market prices are quoted in percentage.
Settlement Type	Cash Settlement
Minimum Investment	EUR 100
Minimum Trading Lot	EUR 100
Selling Restrictions	The Product can only be offered publicly in the jurisdictions mentioned in the section "Public Offering" herein. No action has been 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 for such purpose special actions are 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. Selling and offering restrictions apply in particular in 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 can be found in the relevant Base Prospectus.
Clearing	SIX SIS Ltd, Euroclear, Clearstream
Depository	SIX SIS Ltd
Public Offering only in	Czech Republic
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 ("AEOI") 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 AEOI 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 Indicative Termsheet includes the information required for a preliminary simplified prospectus pursuant to Article 5 of the Swiss Federal Act on Collective Investment Schemes ("CISA"). The Termsheet, which will be available no later than on the Issue Date, as well as the Final Termsheet include the information required for a definitive simplified prospectus pursuant to Article 5 CISA. For investors in the EEA: A base prospectus approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") allows the public offer of the Product in certain member states. The BaFin has provided the competent authority of the relevant host member state with a certificate of approval attesting that the base prospectus has been drawn up in accordance with the Directive 2010/73/EU of the European parliament and of the council dated November 24, 2010 amending Directive 2003/71/EC of the European parliament and of the council dated November 3, 2003 concerning the base prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. This base prospectus thus benefits from a European passport enabling an offer to the public of the Product in the relevant host member state. Potential investors should read the Base Prospectus, as supplemented from time to time and the final terms before subscribing the Product. This document contains a summary of information of the Product and is for information purposes only. Only the Final Terms together with the respective Base Prospectus, as supplemented from time to time, as well as a possible summary of the individual issue form the documentation of the Product (the "Product Documentation"); therefore the Final Terms should always be read together with the Base Prospectus as well as a possible summary of the individual issue.

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions. Notices to investors in Switzerland relating to the Issuing Parties will be published under the section "About us" on www.leonteq.com and/or on the web page of the respective Issuing Party.

Insofar as this publication contains information relating to a Packaged Retail and Insurance-based Investment Product (PRIIP), a Key Information Document in accordance with Regulation (EU) No 1286/2014 (PRIIPs Regulation) is available and can be obtained from www.priipkidportal.com.

During the whole term of this Product, the Product Documentation is available in electronic form on the website indicated in the Final Terms and can be ordered free of charge at Leonteq Securities AG, 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 "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 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 Capital Protection level.

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 limited to the difference between the purchase price (if higher than the Capital Protection) and the Capital Protection. However, during the life of the Product, its price can fall below the protection level.

ADDITIONAL RISK FACTORS

Prospective Investors should ensure that they 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 to sustain a total loss of the capital invested to purchase this Product. Prospective Investors shall consider the following important risk factors and also see the information on risks contained in the Product Documentation.

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 respective Final Terms.

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, 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.

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 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 should not be construed as an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

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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