

Termsheet

## Outperformance Certificate on Inflation Linked Funds Basket

200.00% Participation

Final Fixing Date 04/02/2027; issued in EUR; listed on EuroTLX

ISIN CH1158655667 | Swiss Security Number 115865566

For investors in the EEA: This publication is only intended for use by eligible counterparties and professional clients (as defined by Directive 2014/65/EU - MiFID II) and includes certain information regarding the lifecycle of the Product. It is provided by the Issuer for information purposes only and is subject to change due to market conditions at any time without previous notice. This publication is not a legally binding document and it does not constitute a prospectus within the meaning of the Regulation (EU) 2017/1129 (the Prospectus Regulation). Investors should consider the information contained in the "Significant Risks" and "Product Documentation" sections of this publication and shall carefully read the Product Documentation (including the Final Terms, Base Prospectus and the risk factors mentioned therein) prior to assuming any investment decision. Any such investment decision shall be made solely upon the information contained in the Product Documentation. In any case, investors are highly recommended to consult a competent financial advisor before investing in financial products. This publication does neither constitute nor substitute such advice. During its lifetime, the Product's value is subject to market fluctuation which may lead to a partial or total loss of the capital invested.

### For Switzerland:

This is a structured product involving derivative components. It does not qualify as unit of a collective investment scheme pursuant to article 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.

This document constitutes advertising within the meaning of article 68 of the FinSA.

This document is a termsheet prepared in view of the issuance of the Products and neither a prospectus within the meaning of article 35 et seqq. of the Swiss Federal Act on Financial Services ("FinSA"), nor a private placement documentation, nor a key information document according to article 58 et seqq. of the FinSA or any equivalent document under the FinSA. The information contained in this document is not complete and is subject to completion and amendment. This document has neither been reviewed nor approved by a reviewing body pursuant to articles 51 et seqq. FinSA. This document does not, and is not intended to, constitute or contain an offer or invitation to sell, and it is not soliciting offers to buy, the Product in any jurisdiction where such offer or sale is not permitted.

### Product Description

An Outperformance Certificate offers the Investor a disproportionate participation in a positive performance of the Underlying basket, as described in the Redemption Section below.

### UNDERLYING

i	Underlying	Investment Manager / Related Exchange	Bloomberg Ticker	Initial Fixing Level (100%)*	Initial Weight
1	Vanguard Eurozone Inflation-Linked Bond Index Fund EUR Acc	Vanguard Global Advisers, LLC	VANEZON ID	EUR 139.3182	33.33%
2	Xtrackers II Global Inflation-Linked Bond UCITS ETF 1D EUR	Milan Stock Exchange	XGII IM	EUR 232.2433	33.33%
3	iShares Euro Government Inflation-Linked Bond Index Fund (IE) D Acc EUR	BlackRock Asset Management Ireland Limited	BREGDEA ID	EUR 11.6033	33.33%

### PRODUCT DETAILS

Swiss Security Number	115865566
ISIN	CH1158655667
CFI Code	EYBYFB
Issue Price	EUR 114'500.00
Issue Size	1'000 Certificate(s) (can be increased at any time)
Initial Basket Level	EUR 114'500
Settlement Currency	EUR
Reference Amount	EUR 100'000.00
Participation	200.00%

### DATES

Initial Fixing Period	02/02/2022 – 04/02/2022
Initial Fixing Date	04/02/2022
Issue Date	04/02/2022
First Exchange Trading Date	09/02/2022 (anticipated)
Last Trading Day/Time	04/02/2027 / Exchange market close

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

<b>Final Fixing Date</b>	04/02/2027 (subject to adjustments in accordance with the Final Terms)
<b>Redemption Date</b>	11/02/2027 (subject to adjustments in accordance with the Final Terms)
<b>Final Fixing Period</b>	02/02/2027 - 04/02/2027

## REDEMPTION

The Investor is entitled to receive from the Issuer on the Redemption Date per Product:

<b>Scenario 1</b>	If the Final Basket Performance is negative or zero, the Investor will receive a Cash Settlement in the Settlement Currency according to the following formula: Reference Amount × (100% + Final Basket Performance)
<b>Scenario 2</b>	If the Final Basket Performance is positive, the Investor will receive a Cash Settlement in the Settlement Currency according to the following formula: Reference Amount × (100% + Participation × Final Basket Performance)

**Final Basket Performance** An amount as calculated and determined by the Calculation Agent according to the following formula:

$$\sum_{i=1}^n \text{Initial Weight}_i \times \left( \frac{\text{Final Fixing Level}_i}{\text{Initial Fixing Level}_i} - 100\% \right)$$

Where:

n = number of Underlying Components in the Basket

**Initial Fixing Level** XGII IM: The average of intraday prices at any time during the Initial Fixing Period, as reasonably determined by the Calculation Agent.

VANEZON ID, BREGDEA ID: The average of all Official Net Asset Values during the Initial Fixing Period, as reasonably determined by the Calculation Agent.

**Final Fixing Level** XGII IM: The average of intraday prices at any time during the Final Fixing Period, as reasonably determined by the Calculation Agent.

VANEZON ID, BREGDEA ID: The average of all Official Net Asset Values during the Final Fixing Period, as reasonably determined by the Calculation Agent.

**Official Net Asset Value (NAV)** The net asset value per Fund Unit (a unit of the Fund) of the Fund as published by the fund administrator and adjusted by the costs (if any) incurred during the execution, as determined by the Calculation Agent.

**Issuer's Termination Right** The Issuer may call all Certificates for Early Redemption with a 10 Business Days notice (the "Termination Notice") at any time by announcement of the exercise of its Termination Right (the "Termination Announcement") on the Paying Agent's website, notifying the Final Fixing Date and the respective Redemption Date. The Issuer may exercise the Issuer's Termination Right in case of (but not limited to) a Disruption Event as described in the Programme or a Fund Event as described below.

**Fund Event** A Fund Event shall include the following events as determined by the Calculation Agent (in case of multiple Underlyings, the events described herein shall apply to each Underlying individually):

a) The Underlying ceases trading, is dissolved or has a resolution passed, or there is any proposal for its dissolution, winding-up, official liquidation or similar; or

b) The activities of such Underlying or its manager/issuer (or otherwise) are placed under review by any governmental, legal or regulatory entity for reasons of wrongdoing, breach of any rule or regulation or other similar reason; or

c) there exists any litigation against the Underlying or its manager/issuer (or otherwise) which in the sole and absolute determination of the Calculation Agent could materially affect the value of the Underlying or on the rights or remedies of any investor in such Underlying; or

d) an allegation of criminal or fraudulent activity is made in respect of the Underlying or its manager/issuer (or otherwise) or any employee of any such entity, or the Calculation Agent reasonably determines or suspects that any such criminal or fraudulent activity has occurred; or

e) one or more of the key individuals involved with, or having supervision over, the Underlying or its manager/issuer (or otherwise) ceases to act in such capacity, and fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act; or

f) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines, the currency, frequency and fees of subscriptions and/or redemptions of the Underlying (howsoever described, including the underlying type of assets in which the Underlying invests) from those set out in the fund documents, or any announcement regarding a potential modification or material deviation, except where such modification or deviation is of a formal, minor or technical nature to; or

g) following the issue or creation of a new class or series (howsoever described in the fund documents) of shares or units by the Underlying, the Calculation Agent determines taking into consideration the potential cross liability between classes of shares or units (howsoever described in the fund documents) that such new class or series has or may have an adverse effect on the hedging activities of the hedging party in relation to the transaction; or

h) The Issuer, its affiliates or any other designated hedging entity would be required to pay a subscription fee in respect of a subscription of units or shares of an Underlying or any redemption fee incurred in respect of a redemption of units or shares of such Underlying in relation to their hedging activities;

i) a material modification of the method of calculating the NAV (Net Asset Value, the "NAV") of the Underlying; or

- j) the Calculation Agent determines, at any time, that (i) the NAV of the Underlying is inaccurate, or (ii) the reported net asset value of the Underlying misrepresents the net asset value of the Underlying; or
- k) any change in the periodicity of the calculation or the publication of the NAV of the Underlying; or
- l) The manager/issuer/market maker/stock exchange or otherwise of the Underlying repeatedly fails for reasons other than of technical or operational nature to calculate and/or publish, as scheduled, prices of the Underlying and the reason for such failure is a consequence of or, in the determination of the Calculation Agent, a material indication of any decision to liquidate or dissolve such Underlying; or
- m) An event, which results in the Underlying becoming illiquid; or
- n) There is any change in the regulatory or tax treatment applicable with respect to such Underlying which could have an adverse economic impact for the Calculation Agent, its affiliates or any hypothetical hedging entity as a holder of an actual interest in such Underlying; or
- o) The Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of such Underlying; or
- p) Any suspension, mandatory redemption, limitation or restriction including but not limited to the imposition of a minimum notice period for redemption of or subscription for units/shares in the Underlying, limitation imposed on trading (including the payment of any redemption amount) of such Underlying (by reason of liquidity restrictions or otherwise) if, in any such case, such suspension or limitation is material; or
- q) The Calculation Agent, its affiliates or any hypothetical hedging entity would be obliged (whether by a governmental, legal or regulatory entity or otherwise) to redeem all or some of the units/shares of such Underlying that it is holding in relation to actual hedging activities; or
- r) The assets under management of the Underlying fall below 50,000,000 CHF (or equivalent).

## GENERAL INFORMATION

<b>Issuer</b>	Leonteq Securities AG, Guernsey Branch, St Peter Port, Guernsey (Rating: Fitch BBB- with positive outlook, JCR BBB+ with stable outlook, Supervisory Authority: FINMA / GFSC)
<b>Lead Manager</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Calculation Agent</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Paying Agent</b>	Leonteq Securities AG, Zurich, Switzerland
<b>Distribution Fees</b>	Relevant Fees (as defined in the relevant Base Prospectus and/or below)
<b>Listing/Exchange</b>	EuroTLX SIM S.p.A; traded on the multilateral trading facility (MTF) EuroTLX There is no obligation of the Issuer and/or the Lead Manager or any third party to list the Product or apply for admission to trading at issuance or during the term of the Product. In case of a listed/admitted Product, there is no obligation to maintain a listing/admission during the term of the Product.
<b>Secondary Market</b>	Daily price indications will be available from 09:00 - 17:30 CET on www.leonteq.com, Refinitiv [ISIN]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.
<b>Quotation Type</b>	Secondary market prices are quoted in the Settlement Currency, per Product.
<b>Settlement Type(s)</b>	Cash Settlement
<b>Minimum Investment</b>	1 Certificate(s)
<b>Minimum Trading Lot</b>	1 Certificate(s)
<b>Clearing</b>	SIX SIS Ltd, Euroclear, Clearstream
<b>Depository</b>	SIX SIS Ltd
<b>Public Offering only in</b>	Italy
<b>Form</b>	Uncertificated Securities
<b>Governing Law / Jurisdiction</b>	Swiss / Zurich

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

## TAXATION

Investors and prospective Investors are advised to consult with their tax advisers with respect to the 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.

## PRODUCT DOCUMENTATION

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 the Collective Investment Schemes Act ("CISA"), as such article was in effect immediately prior to the entry into effect of the Swiss Financial Services Act ("FinSA"), but not a prospectus pursuant to article 40 of the FinSA or article 1156 of the Swiss Code of Obligations. No key information document according to article 60 of the FinSA or any equivalent document under the FinSA has been or will be prepared in relation to the Products. No prospectus has been reviewed or approved by a Swiss reviewing body pursuant to article 52 FinSA, and the documentation prepared in relation to the Products may not comply with the disclosure requirements applicable to a prospectus approved by such a reviewing body under the FinSA. For investors in the EEA: A base prospectus approved by the relevant competent authority and passported to relevant host member states allows the public offer of the Product in certain member states. Potential investors should read the Base Prospectus, as supplemented from time to time and the final terms before subscribing to 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 Leonteq" on [www.leonteq.com](http://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](http://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 58 800 1111\*), fax (+41-(0)58-800 1010) or via e-mail ([termsheet@leonteq.com](mailto: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.

The Issuer and/or the Lead Manager will offer the Products at the Issue Price but reimbursing an amount of a) up to 2% p.a. ("Relevant Fees"), b) up to 3.5% p.a. ("Significant Fees"), c) more than 3.5% p.a. ("Substantial Fees"), or d) with a fee explicitly specified. For Products, where the Issue Price is set out in percent, the above fees will be calculated and applied based on the Denomination of that Product, else, the fees will be calculated and applied on the Issue Price.

## SIGNIFICANT RISKS

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 their portfolio 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.

**Product Specific Risks:** To the extent that this Product is not capital protected, investors may lose some or all of their investment as well as the transaction costs as they are fully exposed to the performance of the Underlyings. The Product does not confer any claim to receive rights and/or payments of the Underlying, such as dividend payments, unless explicitly stated in the documentation governing the Product. Please refer to the Product Documentation as regards the further Product specific risk factors to be taken into account.

**Issuer Risk:** Investors are exposed to the credit risk of the Issuer. If the Issuer is not able to make a payment or becomes insolvent, investors could lose some or all of their investment.

**Market Risk:** Market risk may have a negative impact on the value of and the return on an investment in the Product. Market risk is the risk associated with the effect of changes in market factors such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term. Market risk may also lead to an early redemption of the Product (e.g. in the event of a hedging disruption).

**Liquidity Risk:** The Issuer or, as the case may be, the guarantor or a third party appointed by the Issuer or guarantor, if any, intends to act as market maker in relation to the Product and it will use commercially reasonable efforts to provide indicative bid and offer prices for the Product on a regular basis under normal market conditions. However, such market maker does not have an obligation to provide prices for the Product. Liquidity of the Product in the secondary market may be limited and an active trading market for the Product may not develop. Accordingly, investors may not be able to sell their Product.

**Currency Risk:** If the investor's reference currency is different from the currency, in which the Product is denominated, the investor bears the currency risk between the two currencies. The fluctuations in exchange rates could have an adverse effect on the value of or return on an investment in the Product, even if the redemption amount would otherwise provide for a positive return. If the Underlyings are calculated in a currency different from the Currency of the Product, the conversion into the Currency of the Product will be carried out at the relevant exchange rate.

**Early Termination and Reinvestment Risk:** The Product may be redeemed prior to its maturity (be it by declaration of the issuer or as a result of certain events specified in the terms of the Product) and investors must consider that in case of such an early redemption, investors will not receive any further coupon payments after the occurrence of the early redemption and the early redemption amount may be significantly below the issue / purchase price paid and the redemption amount payable at maturity. Investors may not be able to reinvest the early redemption amount in a financial instrument with the same profit potential and additional transaction costs may be incurred as a consequence of a reinvestment of the early redemption amount.

**Illiquidity of Underlying:** 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 RISK FACTORS RELATED TO PRODUCTS LINKED TO COLLECTIVE INVESTMENT SCHEMES ("CIS")

### Investing in the Product is not the same as investing in the reference CIS

Investing in the Product is not the same as investing in the Underlying or equity(ies) or assets underlying the CIS. Changes in the market price of the Underlying, and/or equity(ies) or assets underlying the CIS, may not lead to any corresponding change in the market value of, or potential redemption under, the Product.

The market value of the Product will fluctuate depending on factors such as market interest rate movements, the financial condition of the issuer, the market's view of the credit quality of the issuer, the value of the embedded option(s), the price performance and price volatility of the Underlying. If the Investor sell the Product back to the Issuer or Lead Manager or any appointed third party before expiry, the amount the Investor receives for the Product may be substantially less than the issue price paid for the Product. In extreme circumstances, the Investor may lose 100% of the initial investment amount.

### **Risk related to CISs in general**

The Underlying is managed by its manager and the investment objectives and investment restrictions of the Underlying may change from time to time. Neither the Issuer, Lead manager nor the Investors have any control over the decisions made by the manager regarding the Underlying and have no rights against the manager for its decisions. Such decisions may have any adverse impact on the potential gain/loss of the Product.

In addition, the applicable laws and regulations governing the Underlying may also restrict the operations of the Underlying and restrict their ability to achieve the investment objectives. Such risks may have a negative impact on the performance of the Underlying and therefore the potential return of the Product.

### **Risk factors specific to Products linked to an Exchange Traded Fund ("ETF")**

The investment objective of most ETFs is to track the performance of the equity(ies) or assets underlying the ETFs or, as the case may be, a specific index. However, increases in the price performance of the equity(ies), assets underlying the ETFs or specific index may not lead to an increase in the market price of the ETFs. Also, any increase(s) in the market prices of the ETFs or the equity(ies) or assets underlying the ETFs or the level of the related index (as the case may be) may not lead to an increase in the market value of the Product of the same magnitude or even any increase at all. Investors should note that ETFs are or may be exposed to the political, economic, currency and other risks related to the underlying asset pool or index that the ETFs are designed to track

Some ETFs may not invest directly in the equity(ies), underlying assets or constituents of the specified index which they track, but instead may synthetically replicate the performance of the referenced equity(ies), underlying assets or specified index by investing in derivatives issued by market counterparties that are linked to the referenced equity(ies), underlying assets, specified index or constituents of the specified index. For these synthetic ETFs, Investors are exposed to the credit risk of the counterparties which used the derivatives, in addition to the risks relating to the referenced equity(ies), underlying assets or specified index. Potential contagion and concentration risks of these counterparties which issue the derivatives should also be taken into account. In addition, a higher liquidity risk is involved if a synthetic ETF involves derivatives which do not have an active secondary market, and wider bid-offer spreads in the price of the derivatives may result in losses in the ETF.

There may also be a disparity between the performance of the ETF and the performance of the underlying index due to, for instance, failure of the tracking strategy of the ETF, currency differences, fees and expenses. Furthermore, where the index/market that the ETF tracks is subject to restricted access, the efficiency in the creation or redemption of units of or shares in the ETF to keep the price of the ETF in line with its net assets value may be disrupted, causing the ETF to trade at a premium or discount to its net asset value. Such risk may have a negative impact on the performance of the ETF and may adversely affect the value of the Product in which case the Investor may suffer a loss in the investment.

An ETF which primarily invests in securities traded in the domestic A-share markets of the People's Republic of China (which are inherently stock markets with restricted access) through the manager in its status as Qualified Foreign Institutional Investor involves certain risks and special consideration as compared with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks. The policy and rules relating to the Qualified Foreign Institutional Investor scheme of the People's Republic of China are or may be subject to change. The operation of such ETFs may also be affected by interventions by the applicable government(s) and regulator(s) in the financial markets.

Prospective Investors should read the offering documents of the Underlying for further information about the risks applicable to the ETF.

## **ADDITIONAL INFORMATION / DISCLAIMER**

### **Prudential Supervision**

Leonteq Securities AG is authorised as securities firm 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).

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.

## **SELLING RESTRICTIONS**

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](http://www.leonteq.com) and can be ordered free of charge from the Lead Manager.