

Supplement dated 24 April 2019



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 third 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, Inverse Express Certificates, Warrants, Participation Certificates and Spread Certificates 27 June 2018 (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 "Our Services" – "Investment 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 offered 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, mistake to which this Supplement relates or inaccuracy arose before the final closing of the offer to the public and the delivery of the products. No grounds must be stated for the withdrawal, which must be made in text form. The timely dispatch of the withdrawal is sufficient to comply with the deadline.

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.

This Supplement must be read in conjunction with any information already supplemented by the previous supplements to the Base Prospectus.

Subject of this Supplement is, firstly, the publication of the Registration Document of Leonteq Securities AG as of 8 April 2019 on 10 April 2019, which shall be incorporated into the Base Prospectus, and secondly, the re-design of the website www.leonteq.com. Therefore, the below amendments in the Base Prospectus shall be 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.5 – Description of the group" on page 13 of the Base Prospectus the second sentence of the paragraph shall be replaced as follows:*

"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, Lukas Ruffin family interests (representing all the holdings of Lukas T. Ruffin, Clairmont Trust Company Limited and Thabatseka LP), Sandro Dorigo, members of the management and employees of Leonteq Group entities."

- 2) *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 regarding trend information and significant changes in the financial or trading position of the Issuer	<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 2017 and 2018.</p> <table border="0"> <thead> <tr> <th data-bbox="597 1373 829 1402">in CHF thousands</th> <th data-bbox="867 1373 1099 1520">As at and for the year ended 31 December 2017 (audited)</th> <th data-bbox="1127 1373 1359 1520">As at and for the year ended 31 December 2018 (audited)</th> </tr> </thead> <tbody> <tr> <td data-bbox="597 1541 691 1570">Income</td> <td></td> <td></td> </tr> <tr> <td data-bbox="597 1591 834 1654">Total operating income</td> <td data-bbox="997 1591 1099 1621">160'742</td> <td data-bbox="1256 1575 1359 1604">227'971</td> </tr> <tr> <td data-bbox="597 1675 834 1772">Result from operating activities (profit before taxes)</td> <td data-bbox="1013 1675 1099 1705">22'360</td> <td data-bbox="1273 1675 1359 1705">86'288</td> </tr> <tr> <td></td> <td data-bbox="867 1890 1099 1950">As of 31 December 2017</td> <td data-bbox="1127 1890 1359 1950">As of 31 December 2018</td> </tr> </tbody> </table>	in CHF thousands	As at and for the year ended 31 December 2017 (audited)	As at and for the year ended 31 December 2018 (audited)	Income			Total operating income	160'742	227'971	Result from operating activities (profit before taxes)	22'360	86'288		As of 31 December 2017	As of 31 December 2018
in CHF thousands	As at and for the year ended 31 December 2017 (audited)	As at and for the year ended 31 December 2018 (audited)															
Income																	
Total operating income	160'742	227'971															
Result from operating activities (profit before taxes)	22'360	86'288															
	As of 31 December 2017	As of 31 December 2018															

		(audited)	(audited)
	Balance Sheet		
	Total assets	6'321'872	10'653'370
	Other financial liabilities at fair value through profit or loss	3'040'531	3'123'856
	Total shareholders' equity	293'433	455'700
	There has been no material adverse change in the prospects of the Issuer since the date of the last audited financial statements (31 December 2018).		
	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 2018).		

"

- 3) *In "Section B – Issuer and any guarantors" under "B.15 – Description of the Issuer's principal activities" on page 14 of the Base Prospectus the whole text shall be replaced as follows:*

"

B.15	Description of the Issuer's principal activities	<p>Leonteq Securities AG's main business activities include the development, structuring, distribution, hedging and settlement, lifecycle management and market-making of structured products, as well as the design and management of structured certificates and unit-linked life insurance policies.</p> <p>Leonteq Securities AG provides some of these core services to platform partners under the terms of cooperation agreements. Additionally, Leonteq Securities AG provides among others insurance and wealth planning solution services to third parties in Switzerland and abroad.</p> <p>Leonteq Securities AG distributes its financial products directly to institutional investors and indirectly to retail investors through third party financial intermediaries.</p>
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4) In "Section D – Risks" under "D.2 – Key information on the key risks that are specific to the Issuer" on pages 52-53 of the Base Prospectus the whole text shall be replaced as follows:

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D.2	Key information on the key risks that are specific to the Issuer	<p>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 its exposure to equity prices, interest rates, currencies, credit spreads and commodity prices arising from the issuance of structured investment products and the instruments that the Issuer uses to hedge that exposure. It is also exposed to liquidity risks relating to the need to fund hedging activities. The Issuer is exposed to credit risks due to its exposure to trading counterparties and as a result of the investment of the proceeds from the issuance of structured investment products in bonds and other fixed-income instruments. In addition, the Issuer is also exposed to model, operational and reputational risks, as well as potential changes in the regulatory and macro-economic environment and its rating.</p> <ul style="list-style-type: none"> • Financial information of the Issuer should not be relied on as evidence of future results. • The Issuer may not be able to fulfil its obligations due to a deteriorated financial situation. The Issuer may become insolvent. • The Issuer is exposed to the risk that its valuation and risk measurement model may be incorrect and that its risk management measures may not prove successful. • 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. • The Issuer is exposed to significant and increasing competition which may adversely affect its 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 is exposed to the credit risk of its counterparties. • The Issuer is exposed to market liquidity and funding liquidity risks which may adversely affect its ability to operate its business and its future results of operations. • The Issuer’s risk exposure in financial instruments leads to
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		<p>certain risk concentrations which could result in a significant loss of the Issuer which in turn may adversely affect the Issuer's result of operations.</p> <ul style="list-style-type: none"> • The Issuer's activities and results of operations may be adversely affected by operational risks. The Issuer may be adversely affected by compliance, legal, regulatory, and reputational risks. • The Issuer may be adversely affected by tax risks. • The Issuer's liquidity, profitability and businesses may be adversely affected by a reduction in its credit ratings.
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AMENDMENTS RELATING TO THE SECTION "I. SUMMARY – DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG"

- 1) *In "Abschnitt B – Emittent und etwaige Garantiegeber" under "B.5 – Konzernstruktur" on page 86 of the Base Prospectus the second sentence of the paragraph shall be replaced as follows:*

"Die Aktien der Leonteq AG sind an der SIX Swiss Exchange notiert (Valorenummer: 19089118, ISIN: CH0190891181, Symbol LEON), in dem Swiss Performance Index SPI enthalten und werden unter anderen durch die Raiffeisen Schweiz Genossenschaft, Rainer-Marc Frey, Lukas Ruffin Familieninteressen (welche alle Beteiligungen von Lukas T. Ruffin, Clairmont Trust Company Limited und Thabatseka LP vertritt), Sandro Dorigo, die Mitglieder des Managements und die Mitarbeiter der Leonteq Gruppe gehalten."

- 2) *In "Abschnitt B – Emittent und etwaige Garantiegeber" under "B.12– Ausgewählte wesentliche Historische Finanzinformationen über den Emittenten, Erklärung zu Trendinformationen sowie wesentliche Veränderungen der Finanzlage oder Handelsposition des Emittenten" on pages 86-87 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	<p>Die nachfolgenden Finanzinformationen (nach IFRS) wurden dem geprüften Jahresabschluss der Leonteq Securities AG für die zum 31. Dezember 2017 und 2018 geendeten Jahre entnommen.</p> <p>in Tausend CHF</p> <table> <tr> <td></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> </table>		Für das	Für das		Geschäftsjahr 1.	Geschäftsjahr 1.		Januar – 31.	Januar – 31.
	Für das	Für das									
	Geschäftsjahr 1.	Geschäftsjahr 1.									
	Januar – 31.	Januar – 31.									

Veränderungen der Finanzlage oder Handelsposition des Emittenten	Dezember 2017	Dezember 2018
	(geprüft)	(geprüft)
	Umsatz	
Ergebnis der gesamten Geschäftstätigkeit	160'742	227'971
Ergebnis der operativen Geschäftstätigkeit (Gewinn vor Steuern)	22'360	86'288
	31. Dezember 2017	31. Dezember 2018
	(geprüft)	(geprüft)
	Bilanz	
Summe der Aktiva	6'321'872	10'653'370
Erfolgswirksam zum beizulegenden Zeitwert bewertete finanzielle Verbindlichkeiten	3'040'531	3'123'856
Summe Eigenkapital	293'433	455'700
Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2018) hat es keine wesentlichen negativen Veränderungen in den Geschäftsaussichten der Emittentin gegeben.		
Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2018) sind keine wesentlichen Veränderungen in der		

		Finanzlage oder Handelsposition der Emittentin eingetreten.
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- 3) *In "Abschnitt B – Emittent und etwaige Garantiegeber" unter "B.15 – Beschreibung der Haupttätigkeiten des Emittenten" on pages 87-88 of the Base Prospectus the whole text shall be replaced as follows:*

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B.15	Beschreibung der Haupttätigkeiten des Emittenten	<p>Zu den Haupttätigkeiten der Leonteq Securities AG zählen die Entwicklung, die Strukturierung, der Vertrieb, die Absicherung (<i>Hedging</i>), die Abrechnung, das Lebenszyklus-Management (<i>lifecycle management</i>) sowie das Market Making für strukturierte Produkte sowie ferner die Konzeption und das Management von strukturierten Zertifikaten und fondgebundenen Lebensversicherungen.</p> <p>Die Leonteq Securities AG erbringt einige dieser Hauptdienstleistungen an ihre Plattform-Partner nach Massgabe der Kooperationsverträge. Ferner bietet die Leonteq Securities AG unter anderem Versicherungs- und Vermögensplanungslösungen für Dritte in der Schweiz und im Ausland an.</p> <p>Die Leonteq Securities AG vertreibt ihre Finanzprodukte entweder direkt an institutionelle Anleger oder indirekt über dritte Finanzintermediäre an Privatanleger.</p>
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- 4) *In "Abschnitt D – Risiken" unter "D.2 – Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind" on pages 126-127 of the Base Prospectus the whole text shall be replaced as follows:*

"

D.2	Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind	<p>Die Emittentin ist Risiken ausgesetzt, die sich vor allem aus der Emission strukturierter Anlageprodukte ergeben. Die Emittentin ist Marktrisiken ausgesetzt, die sich aus der Diskrepanz zwischen ihrem Exposure aus Aktienkursen, Zinsen, Währungen, Credit Spreads und Rohstoffpreisen, die sich aus der Emission strukturierter Anlageprodukte und den Instrumenten, die die Emittentin verwendet, um sich gegen dieses Exposure abzusichern, ergeben können. Darüber hinaus unterliegt sie</p>
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		<p>Liquiditätsrisiken im Zusammenhang mit der Finanzierung dieser Absicherungsaktivitäten. Die Emittentin ist Kreditrisiken ausgesetzt, die sich aus Geschäften mit Handelsgegenparteien ergeben bzw. die sich durch die Investition der Erlöse aus den Emissionen von strukturierten Anlageprodukten in Anleihen und andere festverzinsliche Instrumente ergeben. Ferner ist die Emittentin Modellrisiken, operationellen Risiken, Reputationsrisiken sowie Risiken aufgrund etwaiger Veränderungen im regulatorischen und makroökonomischen Umfeld und ihres Ratings ausgesetzt.</p> <ul style="list-style-type: none"> • Auf die Finanzinformationen der Emittentin für eine bestimmte Finanzperiode sollte nicht als Indiz für zukünftige Ergebnisse vertraut werden. • Die Emittentin könnte aufgrund einer verschlechterten finanziellen Lage nicht fähig sein, ihre Verpflichtungen zu erfüllen. Die Emittentin könnte zahlungsunfähig werden. • Die Emittentin ist dem Risiko ausgesetzt, dass ihr Modell für Bewertung und Risikobemessung falsch sein könnte und, dass sich ihre Massnahmen zum Risikomanagement als nicht erfolgreich erweisen. • Die Emittentin ist Marktrisiken aufgrund offener Positionen bei Zins-, Währungs-, Rohstoff-, Kredit-, Equity- und anderen Produkten ausgesetzt, welche ihre Ertragslage negativ beeinflussen könnten. • Die Emittentin ist einem erheblichen und steigenden Wettbewerb ausgesetzt, der ihre künftige Ertragslage negativ beeinflussen könnte. • Die Emittentin ist den Risiken im Zusammenhang mit ihrem Plattform-Partner-Geschäft ausgesetzt, welche ihre Ertragslage negativ beeinflussen könnten. • Die Emittentin ist dem Kreditrisiko ihrer Gegenparteien ausgesetzt. • Die Emittentin unterliegt einem Marktliquiditätsrisiko sowie einem Finanzierungsliquiditätsrisiko, welche ihre Fähigkeit, ihr Geschäft zu betreiben, sowie ihre künftige Ertragslage negativ beeinflussen könnte. • Die Risiken der Emittentin aus Finanzinstrumenten können zu bestimmten Risikokonzentrationen führen, die einen erheblichen Verlust der Emittentin zur Folge haben können, was wiederum die künftige Ertragslage der Emittentin negativ beeinflussen könnte. • Die Aktivitäten der Emittentin und ihre Ertragslage könnten durch operationelle Risiken negativ beeinflusst werden. Die Emittentin könnte durch Compliance-, rechtliche und regulatorische Risiken sowie durch Reputationsrisiken negativ beeinflusst werden. • Steuerliche Risiken könnten sich negativ auf die Emittentin auswirken.
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		<ul style="list-style-type: none"> • Die Liquidität, Profitabilität und die Geschäfte der Emittentin können durch eine Herabstufung des Kredit-Ratings negativ beeinflusst werden.
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AMENDMENTS RELATING TO THE SECTION "II. RISKS"

In the section "II. Risks" under "1. Risk factors associated with the Issuer" on page 159ff. 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 its exposure to equity prices, interest rates, currencies, credit spreads and commodity prices arising from the issuance of structured investment products and the instruments that the Issuer uses to hedge that exposure. It is also exposed to liquidity risks relating to the need to fund hedging activities. The Issuer is exposed to credit risks due to its exposure to trading counterparties and as a result of the investment of the proceeds from the issuance of structured investment products in bonds and other fixed-income instruments. In addition, the Issuer is also exposed to model, operational and reputational risks, as well as potential changes in the regulatory and macro-economic environment and its rating.

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 Issuers 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 are not evidence of results for 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") banking 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 incorrect 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 an incorrect valuation leading to incorrect risk measurement and incorrect hedging positions, both of which could result in 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 risks 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 in the market price or model price of financial assets. The Issuer distinguishes between five types of market risk:

- 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 may negatively impact 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 or default 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 Group 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 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 as well as 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 risks which may adversely affect its ability to operate its business and its future results of operations.

Since the Issuer hedges its liabilities arising from 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 buyback price is linked to the price of unwinding the asset, market liquidity risk related to trading activities is limited.

Furthermore, the Issuer is exposed to funding liquidity and refinancing risks 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 efficiently meet both expected and unexpected current and future cash flow and collateral needs without impacting either its 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 and its future results of operations could be negatively affected.

The Issuer's risk exposure in financial instruments leads to certain risk concentrations which could result in a significant loss.

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 based on plausible adverse future market developments.

As of 31 December 2018, the Issuer identified seven large exposures (as of 31 December 2017, five large exposures). A large exposure is defined in Article 95 of the Swiss Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Traders (*Eigenmittelverordnung*, ERV) and means the total 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 occurring due to inadequate or failed internal processes, people and systems or due to external causes. "Losses" can take the form of direct financial losses or regulatory sanctions or foregone revenues, e.g. due to the failure of a service or system. Such events may also lead to reputational damage that could have 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. Compliance risk and legal risk are the risks arising from violations of, or non-

compliance with, laws, rules, regulations, prescribed practices or internal policies and procedures, or the non-enforceability of legal rights, 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 reputational harm, 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 defined as the potential loss of reputation due to a financial loss or any other real or perceived event with a negative impact on reputation. In particular, this includes the risk arising from any cases of employee misconduct. 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, making them unattractive for investors. Such tax risk may adversely affect the Issuer's business, results of operations and financial condition.

The Issuer's liquidity, profitability and businesses may be adversely affected by a reduction in its credit ratings.

The ratings of Leonteq Securities AG as Issuer should be evaluated independently from similar ratings of other entities, and from the rating, if any, of the debt or derivative securities issued. A credit rating is not a recommendation to buy, sell or hold securities issued or guaranteed by the rated entity and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency. The Issuer's liquidity, profitability and businesses may be adversely affected by a reduction in its credit ratings."

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

In the section "III. Information about the Issuer" on page 215 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 8 April 2019 (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"

In the section "X. Documents incorporated by reference" on page 1263 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 215 of the Base Prospectus) the information contained in the Registration Document of Leonteq Securities AG dated 8 April 2019 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 226 of the Base Prospectus the information contained in the section "V. Terms and 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.
- In Section "IV. Information about the Products" under " (n) Continuation of the public offer and increases of Products" on page 226 of the Base Prospectus the information contained in the section "V. Terms and Conditions" (pages 221 to 864) and in the section "VIII. Form of Final Terms" (pages 893 to 970) of the Base Prospectus of Leonteq Securities AG dated 29 June 2017 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 2017, 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 "Our Services" – "Investment Solutions" – "Structured Products" – "Service" – "Prospectuses" – Leonteq Program EU").

AMENDMENTS RELATING TO THE WEBSITE www.leonteq.com IN ALL RELEVANT SECTIONS OF THE BASE PROSPECTUS

- 1) In the Base Prospectus all references to the website "*www.leonteq.com (under "Solutions" – "Structured Products" – "Services" – "Prospectuses" – Leonteq Program EU)*" shall be read as reference to website "*www.leonteq.com (under "Our Services" – "Investment Solutions" – "Structured Products" – "Service" – "Prospectuses" – Leonteq Program EU)*".
- 2) In the Base Prospectus all references to the website "*www.leonteq.com ("Solutions" – "Structured Products" – on the relevant product site – retrievable by the relevant securities identification number for the Product in the search field)*" shall be read as reference to the website "*www.leonteq.com ("Our Services" – "Investment Solutions" – "Structured Products" – on the relevant product site – retrievable by the relevant securities identification number for the Product in the search field)*".
- 3) In the Base Prospectus all references to the website "*www.leonteq.com (under "Solutions" – "Structured Products" – "Services" – "Prospectuses" under the heading "Notices")*" shall be read as reference to website "*www.leonteq.com (under "Our Services" – "Investment Solutions" – "Structured Products" – "Service" – "Prospectuses" under the heading "Notices")*".
- 4) In the Base Prospectus all references to the website "*www.leonteq.com (unter „Solutions“ – „Strukturierte Produkte“ – „Service“ – „Prospekte“ - unter der Rubrik „Bekanntmachungen“)*" shall be read as reference to the website "*www.leonteq.com (unter „Unsere Services“ – „Investment Solutions“ – „Strukturierte Produkte“ – „Service“ – „Prospekte“ - unter der Rubrik „Bekanntmachungen“)*".

Leonteq Securities AG, Zurich

24 April 2019

Leonteq Securities AG, Zurich