

Key Information Document (“KID”)

Purpose

This document provides the investor (“you”) with key information about this investment product. It is not marketing material. The information is required by law to help the investor understand the nature, risks, costs, potential gains and losses of this product and to help the investor compare it with other products.

4.00% p.a. Barrier Reverse Convertible in CHF on Nestlé, Novartis, Roche

Swiss Securities Number: 45113675 | ISIN: CH0451136755 | SIX Symbol: P165TQ

Issuer of this Product: **Leonteq Securities AG, Guernsey Branch** | www.leonteq.com | Call +41 58 800 10 00 for more information

KID Manufacturer: **Leonteq Securities AG** | Competent Authority: the relevant Authority | Production date of the KID: 17.01.2019

The investor is about to purchase a product that is not simple and may be difficult to understand.

1. What is this product?

Type

This product is a Swiss Uncertificated Security under Swiss law.

Objectives

Objective of the product is to provide the investor with a specified entitlement according to predefined conditions. This product offers the investor a Coupon Rate regardless of the performance of the Underlyings during the lifetime. The product has a fixed lifetime and will be redeemed on the Redemption Date. The possibilities for the redemption of the product are as follows:

- If a Barrier Event has NOT occurred, the investor will receive CHF 1'000.00 (100% of the Denomination).
- If a Barrier Event HAS occurred and
 - (1) If the Final Fixing Level of the Underlying with the Worst Performance is at or below the respective Initial Fixing Level, the Investor will receive a round number (i.e. Conversion Ratio) of the Underlying with the Worst Performance per Product. Any potential fractional Conversion Ratio entitlements (Fractions of the Underlying) will be paid in cash, based on the Final Fixing Level.
 - (2) If the Final Fixing Level of the Underlying with the Worst Performance is above the respective Initial Fixing Level, the investor will receive CHF 1'000.00 (100% of the Denomination).

A Barrier Event shall be deemed to occur if at any time on any exchange business day during the Barrier Observation Period the level of at least one of the Underlyings' prices has been traded at or below the respective Barrier Level.

The investor might incur a loss in case the sum of the value of the delivered shares on the Redemption Date, the Fractions of the Underlying and the coupon payment is below the purchase price of the product. Different from a direct investment in the Underlyings, the investor will receive a coupon payment, but no dividend payment nor any further entitlement resulting from the Underlyings (e.g. voting rights). The investor will not benefit from any increase of the market price of the Underlyings.

Currency of the product (Settlement Currency)	Swiss Francs ("CHF")	Minimum Investment / Minimum Trading Lot	CHF 1'000.00
Issue Date	11/01/2019	Initial Fixing Date	28/12/2018
Last Trading Day/Time	28/12/2020 / Exchange market close	First Exchange Trading Date	11/01/2019
Redemption Date	11/01/2021	Final Fixing Date	28/12/2020
Denomination	CHF 1'000.00	Issue Price	100.00%
Initial Fixing Level	Official close of the respective Underlying on the Initial Fixing Date on the Related Exchange.	Final Fixing Level	Official close of the respective Underlying on the Final Fixing Date on the Related Exchange.
Coupon Rate	4.00% p.a. of the Denomination	Coupon Amount and Coupon Payment Date	CHF 40.00 paid on 11/01/2020 CHF 40.00 paid on 11/01/2021
Settlement Type	Cash Settlement or Delivery of Underlying	Barrier Observation Period	28/12/2018 - 28/12/2020
Exchange Listing	SIX Swiss Exchange AG	Quoting in consideration of accrued interest	no (clean prices); the investor pays accrued interest additionally when purchasing the product
Worst Performance	For each Underlying the performance is calculated by dividing its Final Fixing Level by the respective Initial Fixing Level. The Worst Performance corresponds to the lowest of all such calculated values.	Currency Risk	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.

Underlying	Type	Related Exchange	ISIN	Initial Fixing Level (100%)*	Barrier Level (69.00%)*	Conversion Ratio
NESTLE SA-REG	Share	SIX Swiss Exchange AG	CH0038863350	CHF 79.80	CHF 55.06	12.5313
NOVARTIS AG-REG	Share	SIX Swiss Exchange AG	CH0012005267	CHF 84.04	CHF 57.99	11.8991
ROCHE HOLDING AG-GENUSSSCHEIN	Participation Certificate	SIX Swiss Exchange AG	CH0012032048	CHF 243.40	CHF 167.95	4.1085

*levels are expressed in percentage of the Initial Fixing Level

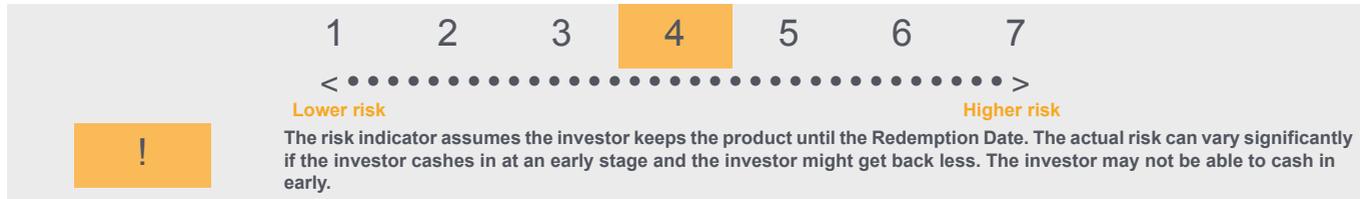
The Issuer may, with immediate effect, terminate the product if an extraordinary event occurs. Examples of extraordinary events include the loss of an Underlying, tax events and the discontinuation of the Issuer's ability to carry out the necessary hedging transactions. In this case, the Redemption Amount may possibly be significantly below the purchase price. Even a total loss of the investment is possible.

Intended retail investor

- The product is aimed at retail investors who intend to form private assets and have a short-term investment horizon.
- The investor can bear losses up to the total loss of the investment amount and attaches no importance to products with capital guarantee.
- **KNOWLEDGE & EXPERIENCE:** Investors who have at least one of the following characteristics: Some knowledge of the financial instruments in question; or moderate experience of financial markets.

2. What are the risks and what could the investor get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer is not able to pay the investor.

We have classified this product as 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of the Issuer to pay the investor of the product.

The investor shall be aware of currency risk. The investor may receive payments in a different currency, so the final return that the investor will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so the investor could lose some or all of its investment.

In the case of delivery of the Underlying price losses may arise even after the Final Fixing Date until the Underlying is credited to the investors securities account.

If the Issuer is not able to redeem the investor what is owed, the investor could lose the entire investment.

However, the investor may benefit from a consumer protection scheme (see the section "3. What happens if the Issuer is unable to pay out?"). The indicator shown above does not consider this protection.

Performance Scenarios

Investment CHF 10,000 Scenario		1 year	11/01/2021 (Recommended holding period)
Stress Scenario	What the investor might get back after costs	CHF 3325.78	CHF 5601.56
	Average return each year	-66.74%	-25.31%
Unfavourable Scenario	What the investor might get back after costs	CHF 8368.69	CHF 6965.50
	Average return each year	-16.31%	-16.64%
Moderate Scenario	What the investor might get back after costs	CHF 10091.86	CHF 10411.65
	Average return each year	0.92%	2.05%
Favourable Scenario	What the investor might get back after costs	CHF 10411.38	CHF 10411.65
	Average return each year	4.11%	2.05%

This table shows the money the investor could get back over the next years and on the Redemption Date under different scenarios, assuming that the investor invests CHF 10,000.00.

The scenarios shown illustrate how the investor's investment could perform. The investor can compare them with scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of the product varies, and are not an exact indicator. What the investor gets back will vary depending on how the market performs and how long the investor keeps the investment/product.

The stress scenario shows what the investor might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay the investor.

The figures shown include all the costs of the product itself, but may not include all the costs that the investor pays to the advisor or distributor. The figures do not take into account the investor's personal tax situation, which may also affect how much the investor gets back.

3. What happens if the Issuer is unable to pay out?

The obligations of the Issuer under this product are guaranteed by a first demand guarantee of PostFinance Ltd, Bern, Switzerland, governed by Swiss law, which protects investors in case the Issuer is unable to fulfil its obligations under the product. A total loss of the investor's capital invested is possible if both the Issuer and the Guarantor are unable to fulfil their obligations in respect of the product and the guarantee, respectively. The product is a debt instrument and as such is not covered by any deposit protection scheme.

4. What are the costs?

Cost over time

The Reduction in Yield (RIY) shows what impact the total costs the investor pays will have on the investment return the investor might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume the investor invests CHF 10,000. The figures are estimates and may change in the future.

The person selling to the investor or advising the investor about this product may charge other costs. If so, this person will provide the investor with information about these costs, and show the investor the impact that all costs will have on the investor's investment over time.

Investment CHF 10,000	If the investor cashes in the product after 1 year	If the investor cashes in at the end of the recommended holding period
Total costs	CHF 88.80	CHF 40.02
Impact on return (RIY) per year	0.90%	0.21%

Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return the investor might get at the end of the recommended holding period.
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.21%	The impact of the costs already included in the price.
	Exit costs	-	Not applicable
Ongoing costs	Portfolio transaction costs	-	Not applicable
	Other ongoing costs	-	Not applicable
Incidental costs	Performance fees	-	Not applicable
	Carried interests	-	Not applicable

5. How long should the investor hold it and can the investor take money out early?**Recommended holding period: 11/01/2021 (until Redemption Date)**

The objective of the product is to provide the investor with the redemption profile described under "1. What is this product?" above. This only applies if the product is held until maturity.

There are no possibilities to take the investor's money out early other than to sell the product through the exchange where the product is listed or off-exchange. In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the product can be temporarily hindered, or may not be possible at all.

6. How can the investor complain?

Any complaint regarding the person advising on, or selling, the product on the relevant website can be submitted directly to that person.

Any complaint regarding the product or the conduct of the Issuer of this product can be submitted to the following address: Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland, kid@leonteq.com, www.leonteq.com.

7. Other relevant information

Any additional documentation in relation to the product and in particular the simplified prospectus and the programme (including any supplements hereto) are published on the website: www.leonteq.com. In order to obtain more detailed information – and in particular details of the structure of and risks associated with an investment in the product – the investor should read these documents.

Furthermore, Leonteq created the KID after having made certain assumptions and exercised certain discretion with respect to calculations of key figures and performance scenarios and is going to reassess and adapt its assumptions as it deems appropriate from time to time.