



LEONTEQ

RESULTS PRESENTATION FULL-YEAR 2020

ZURICH, 11 FEBRUARY 2021



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All figures in this presentation that are part of the consolidated IFRS financial statements for the twelve months ended 31 December 2020, 2019 and 2018 are audited.

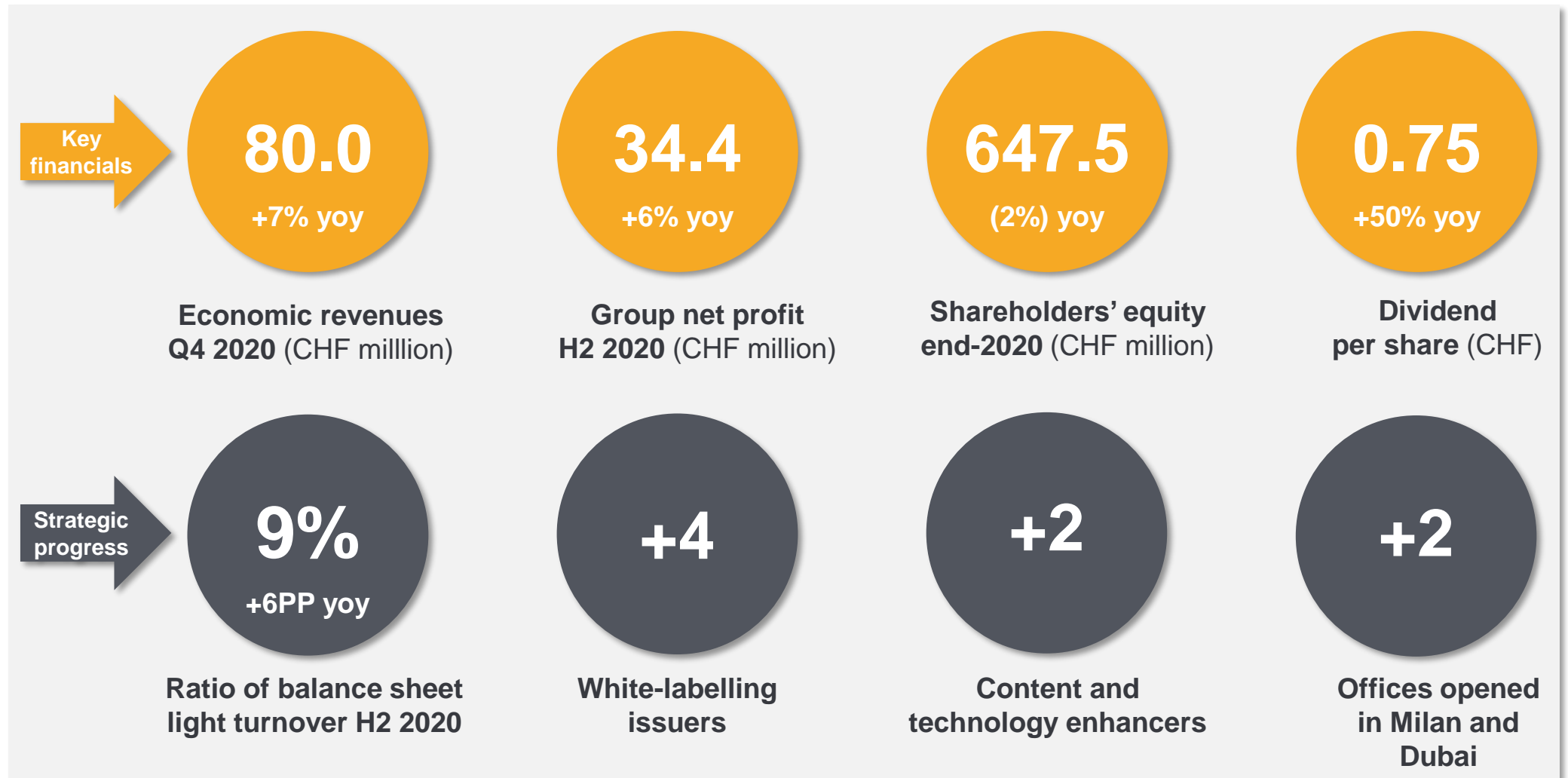
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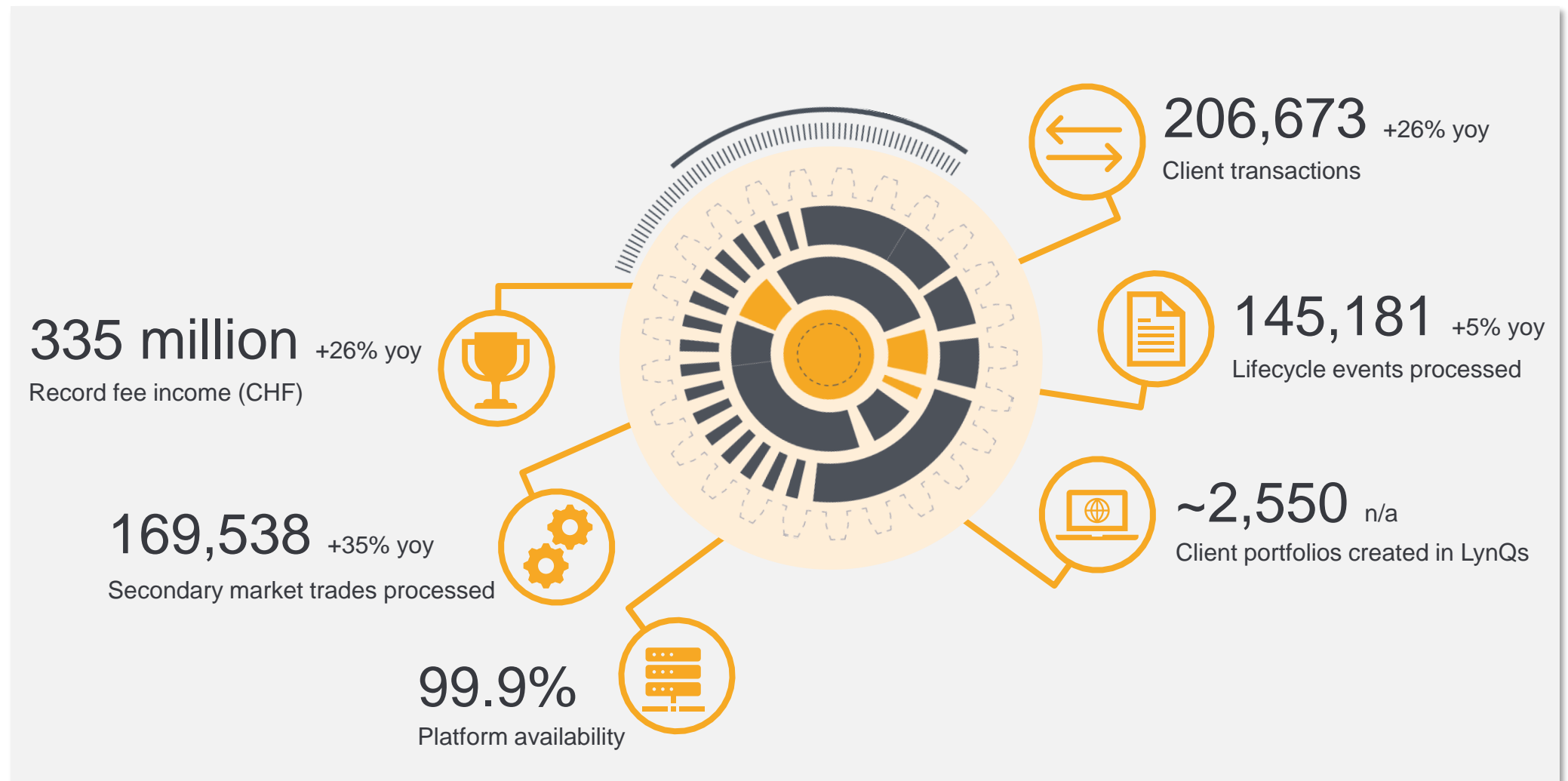
HIGHLIGHTS 2020

LUKAS RUFLIN | CEO

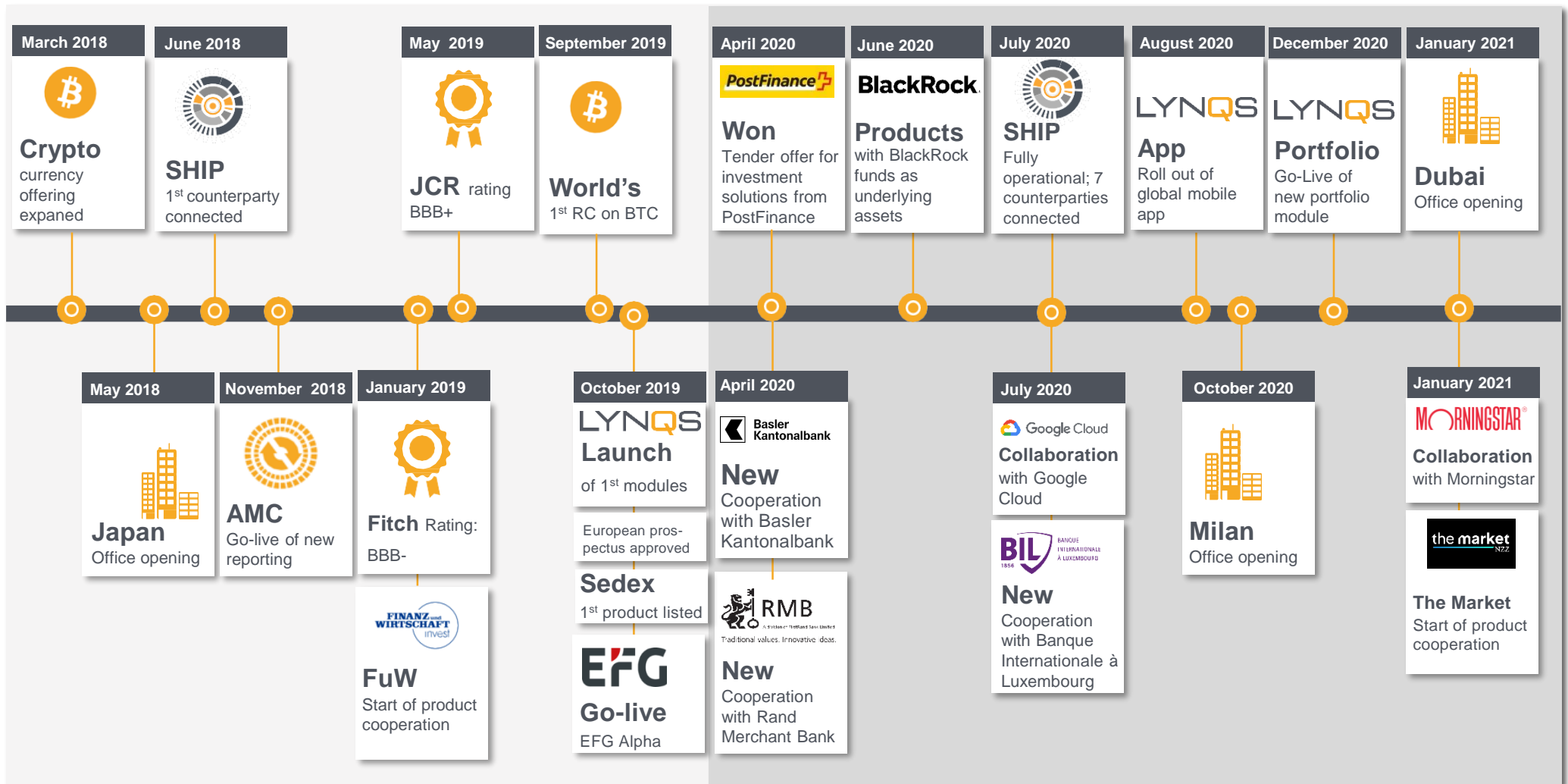
SIGNIFICANT STRATEGIC PROGRESS IN 2020, IMPROVED PROFITABILITY IN H2 2020 WITH RECORD REVENUES IN Q4 2020



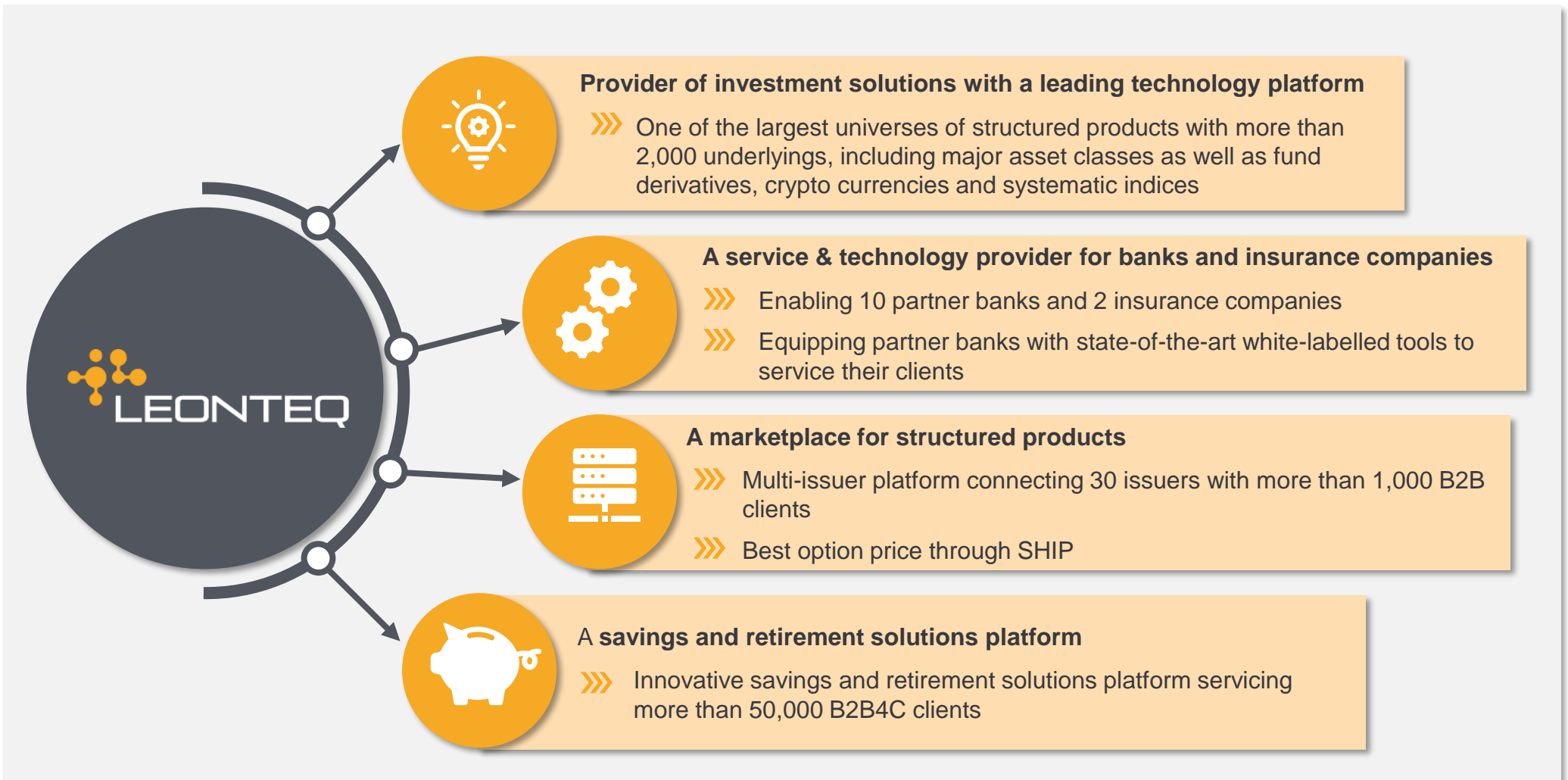
ROBUSTNESS OF LEONTEQ'S TECHNOLOGY PLATFORM AND SOLIDITY OF CLIENT FRANCHISE PROVEN THROUGHOUT 2020



SIGNIFICANT PROGRESS ACHIEVED OVER THE PAST THREE YEARS



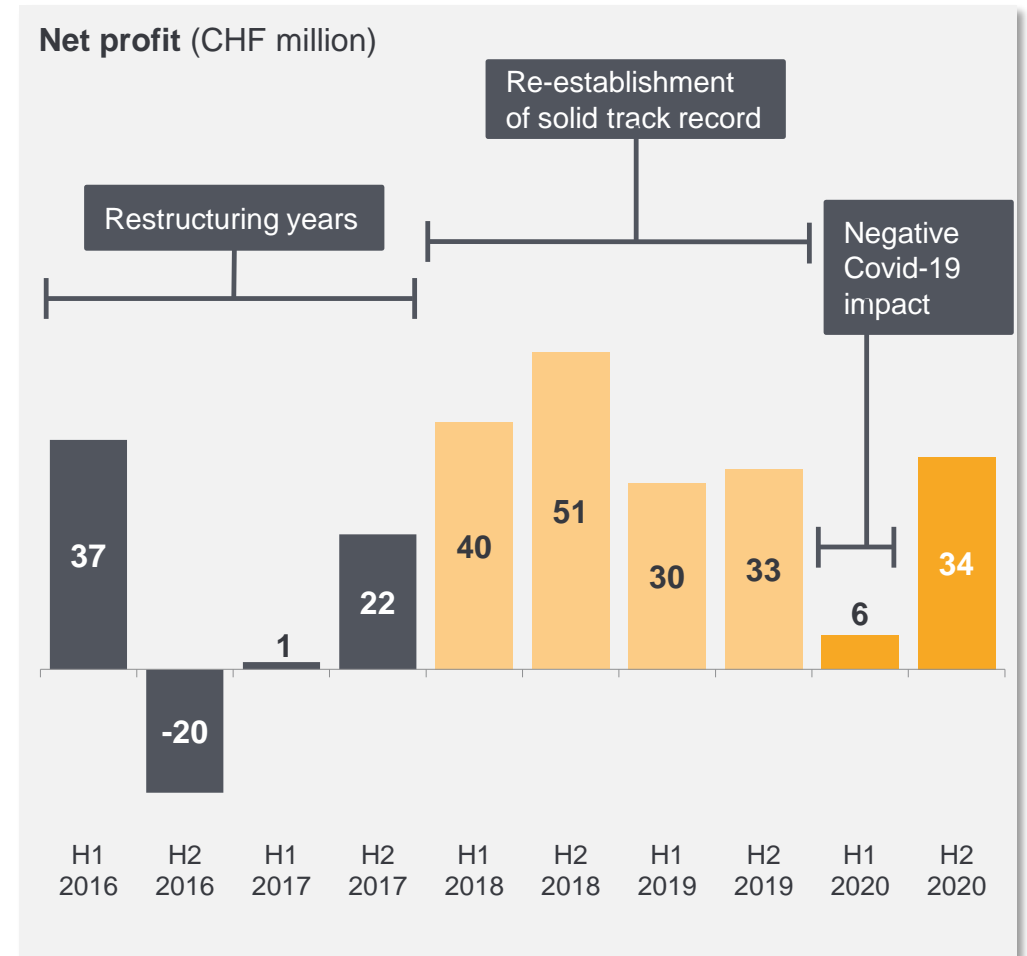
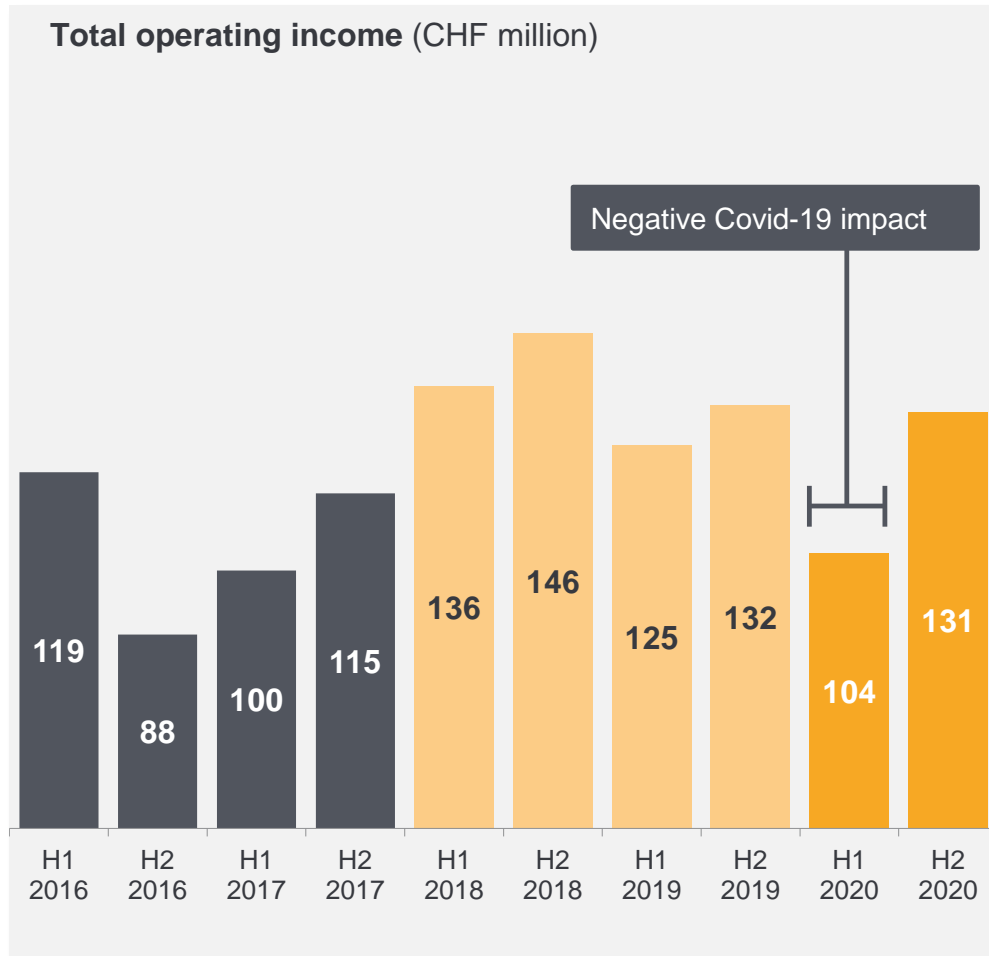
FOUNDED AS AN EXPERT IN STRUCTURED PRODUCTS IN 2007, LEONTEQ DEVELOPED INTO



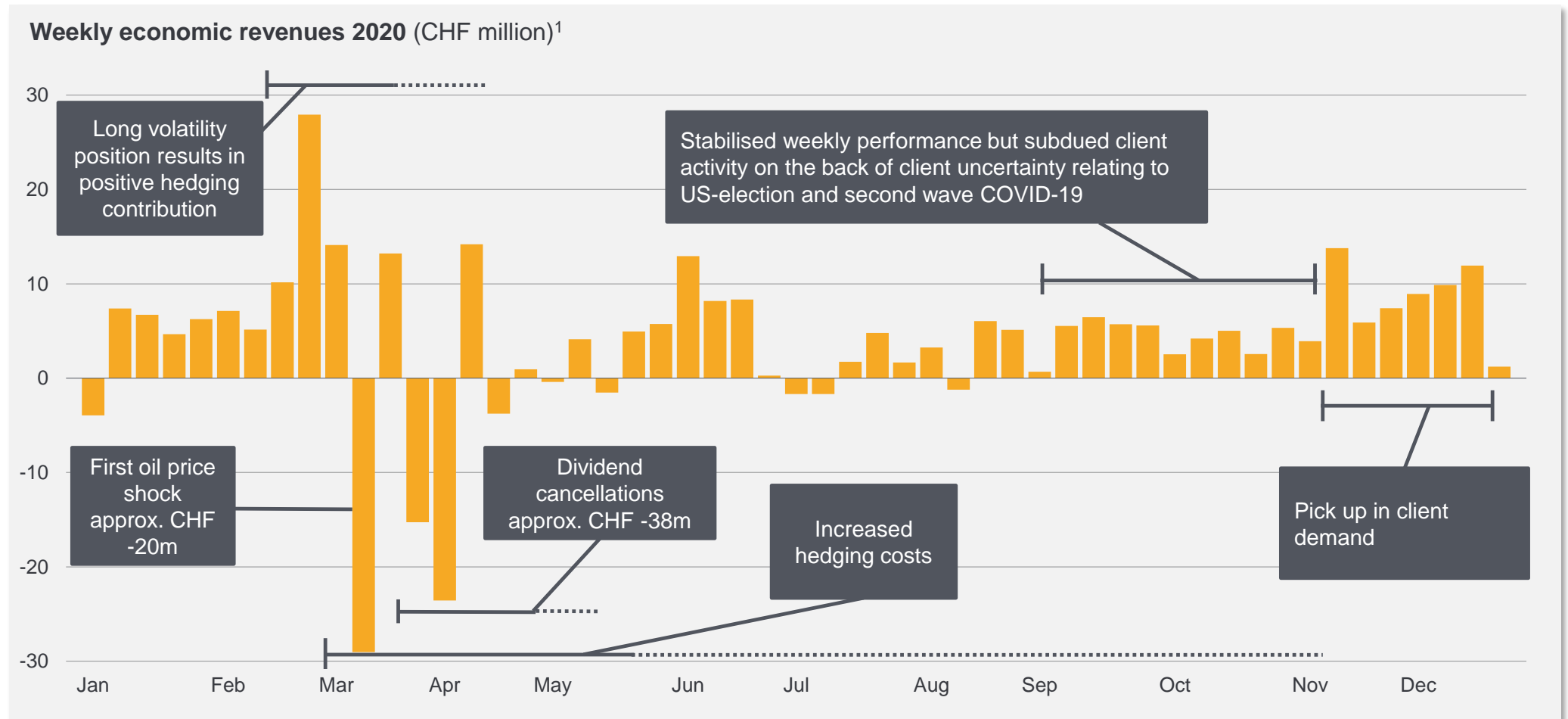
FINANCIAL PERFORMANCE

MARCO AMATO | DEPUTY CEO & CFO

IMPROVED PROFITABILITY IN H2 2020



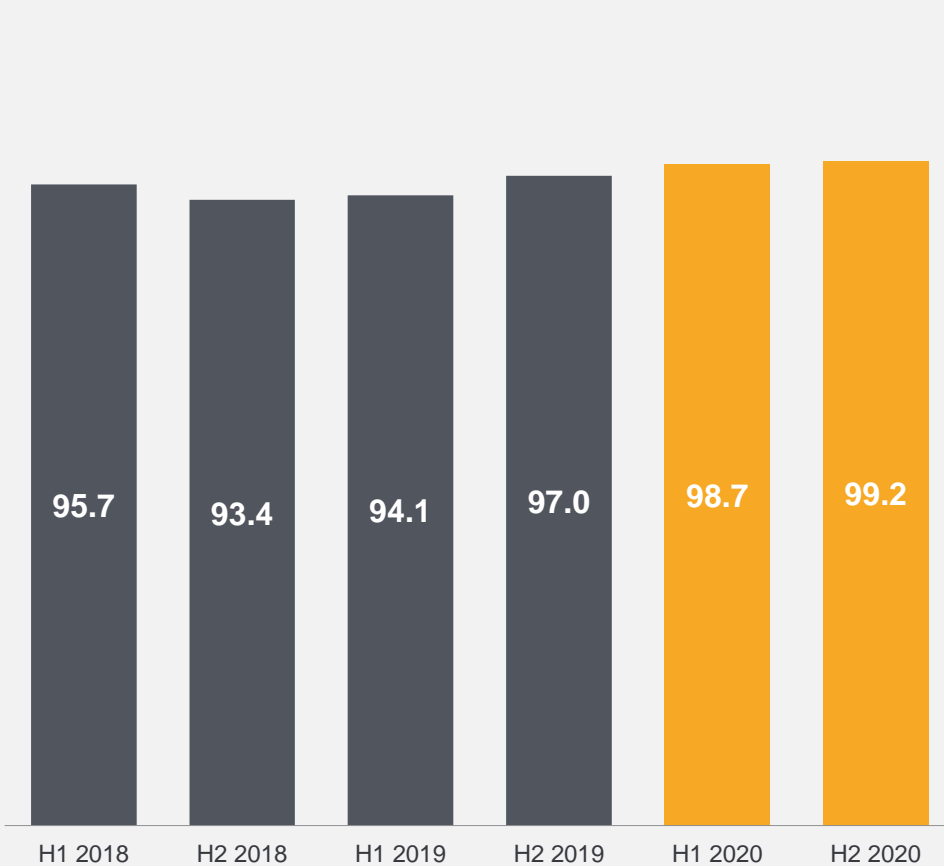
STABILISED REVENUE DEVELOPMENT IN H2 2020 WITH INCREASED CLIENT ACTIVITY FOLLOWING US ELECTIONS



¹ Economic revenues are defined as sales and trading income earned and are considered as recognized at trade date without applying IFRS revenue recognition rules; economic revenues do not include certain other income components such as partner project cost reimbursements

SIGNIFICANT INVESTMENTS IN KEY INITIATIVES AND HEADCOUNT WHILST KEEPING COST BASE UNDER CONTROL

Total operating expenses (CHF million)

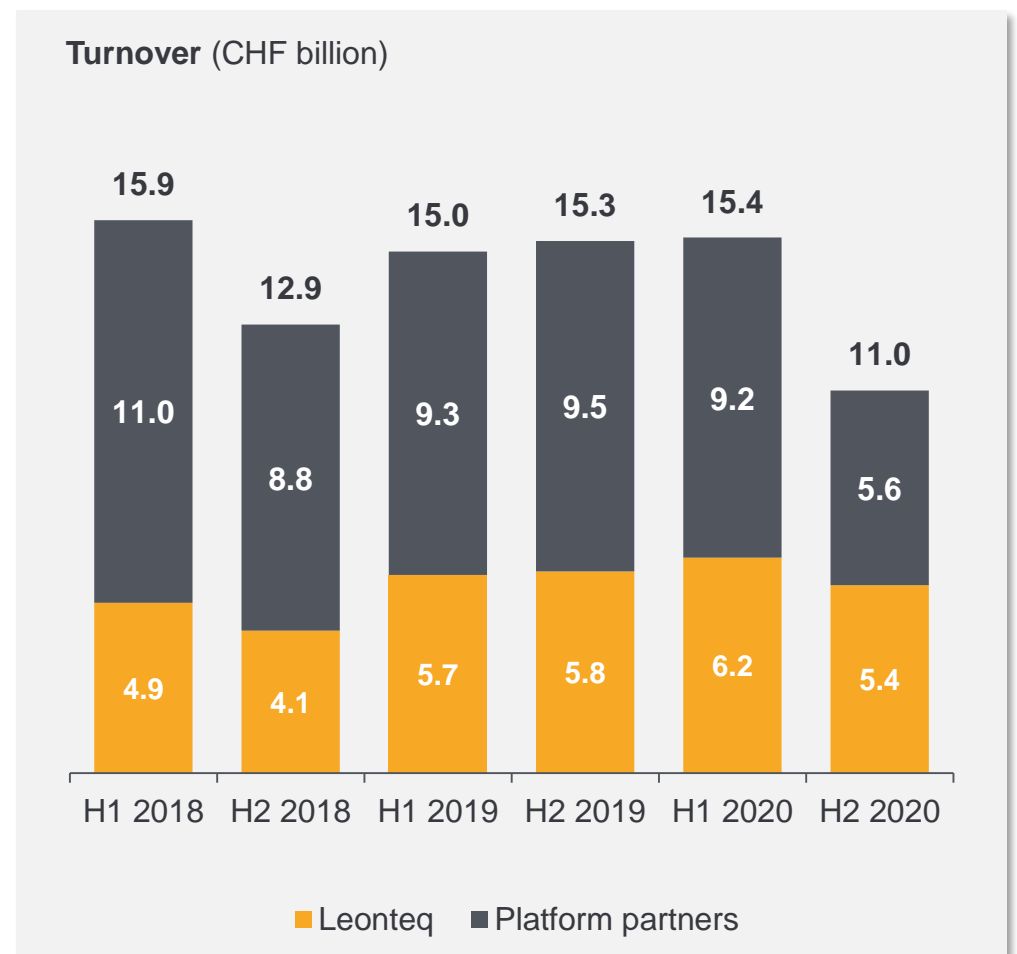
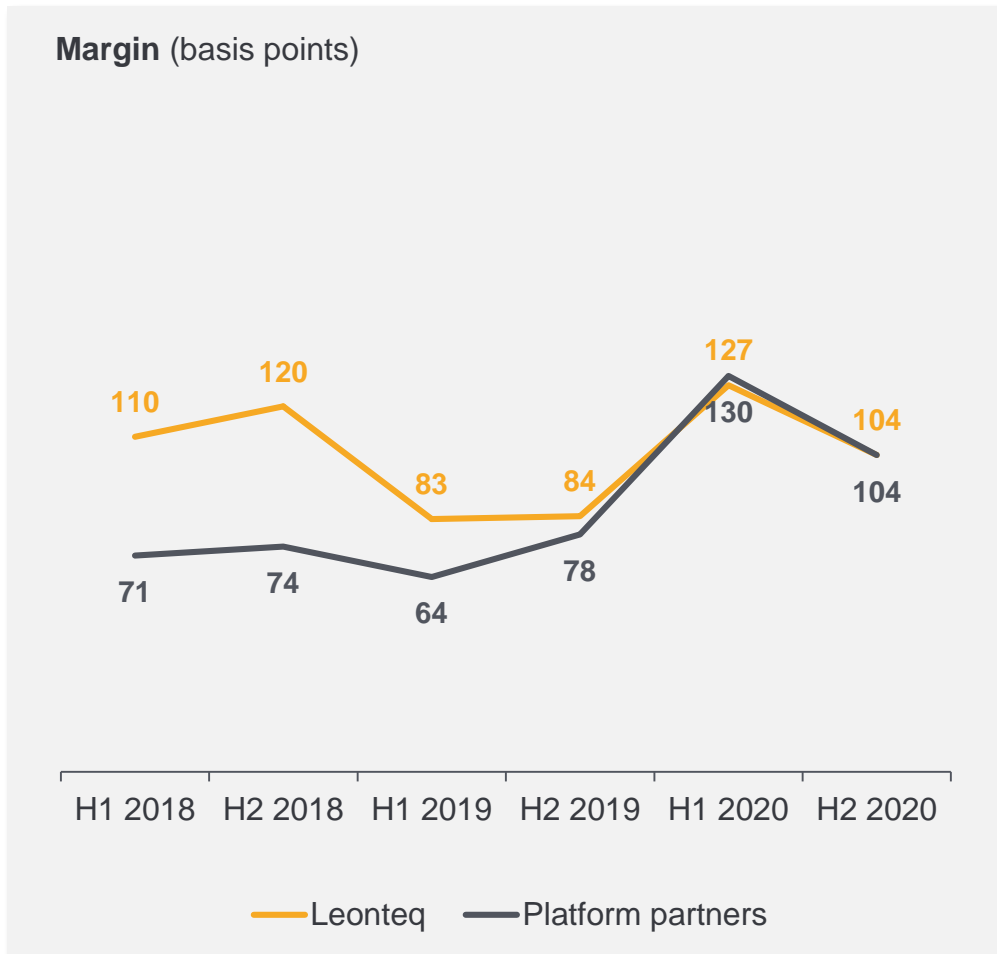


Nearshoring initiative Lisbon, Portugal

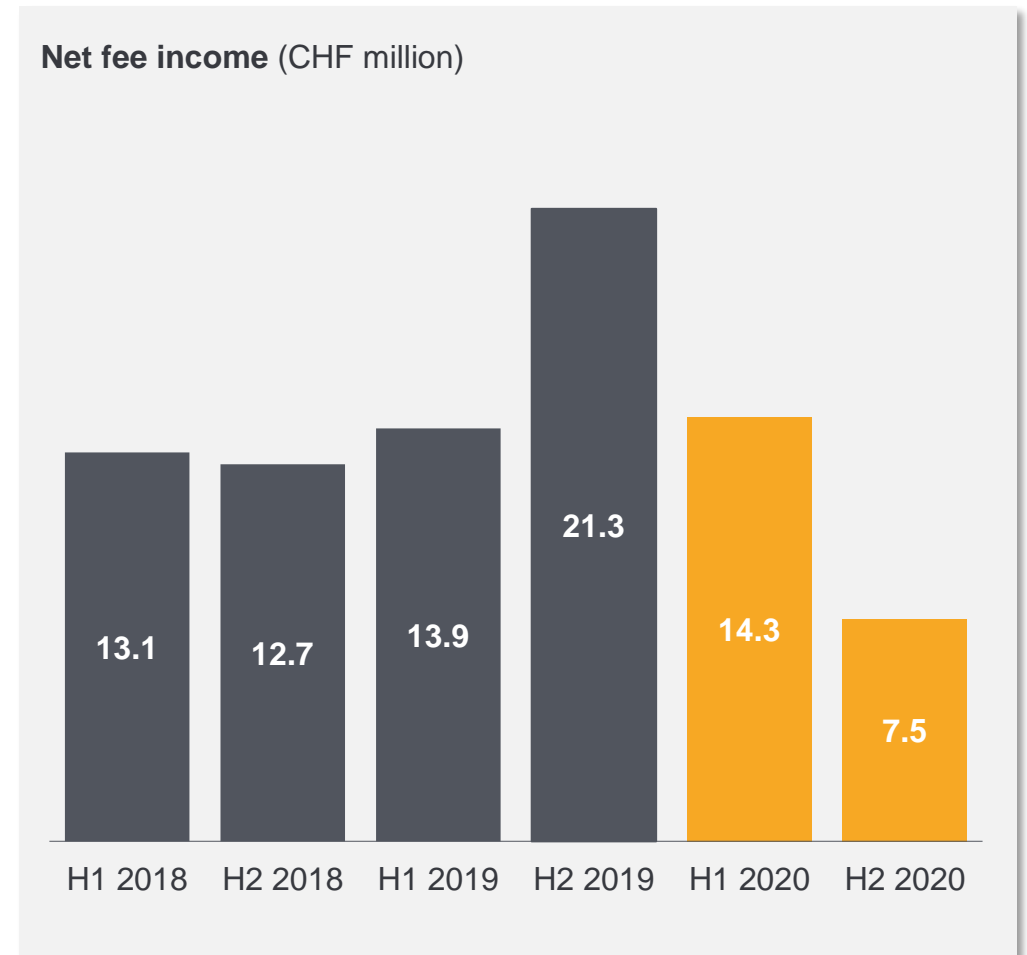
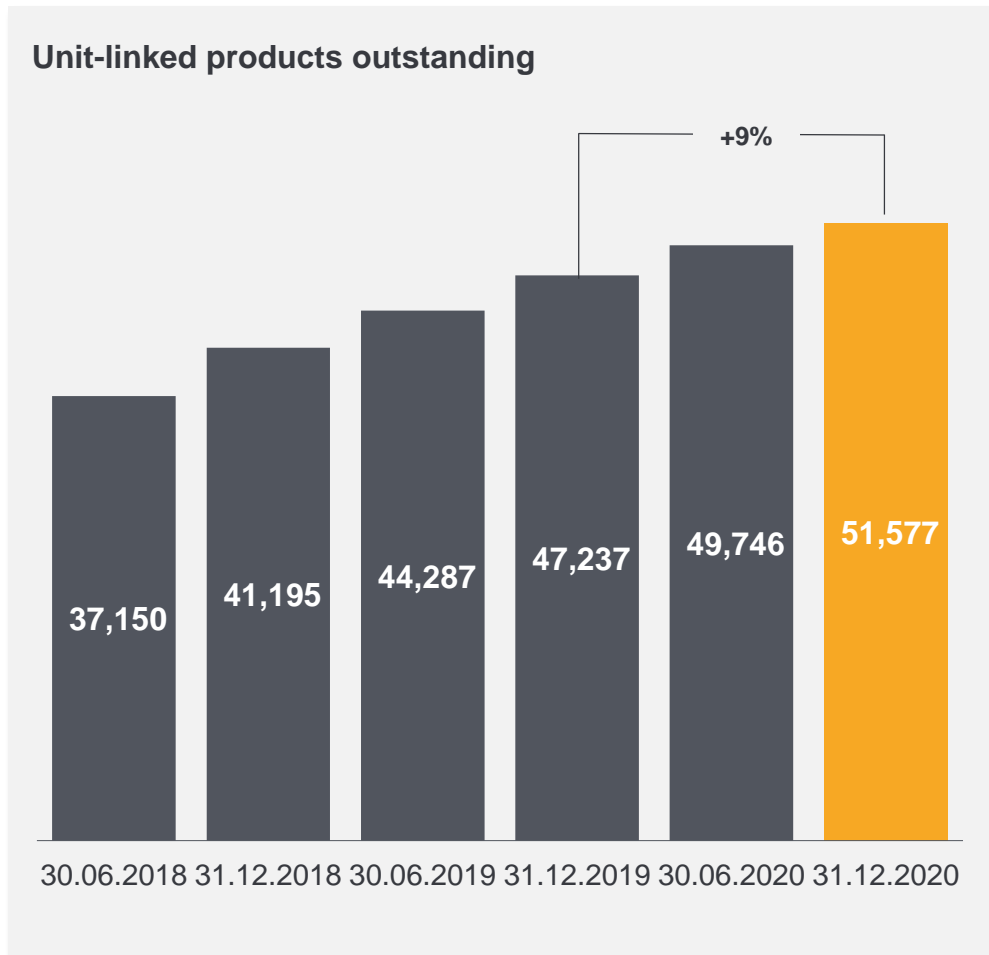


- Good progress in establishment of service centre in Lisbon
- Phase 1 (since H1 2020): serviced office set-up employing a handful of external IT Development personnel and other shared services functions (total of 20 employees hired in 2020)
- Phase 2 (completed by end-2022): set-up of own office with up to 100 designated roles along the entire value chain; new office expected to open in 2021
- Enhanced cost efficiency expected through optimisation of personnel expense cost structure (from 2022 onwards)

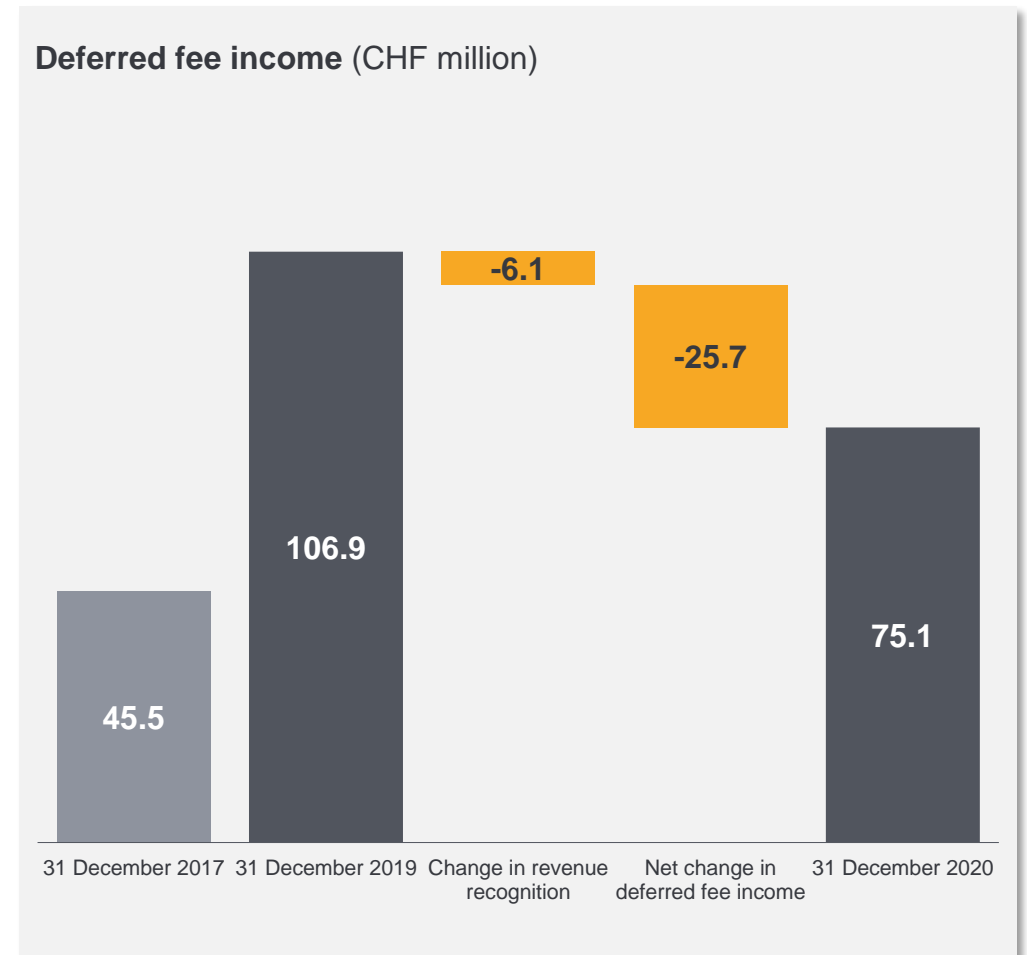
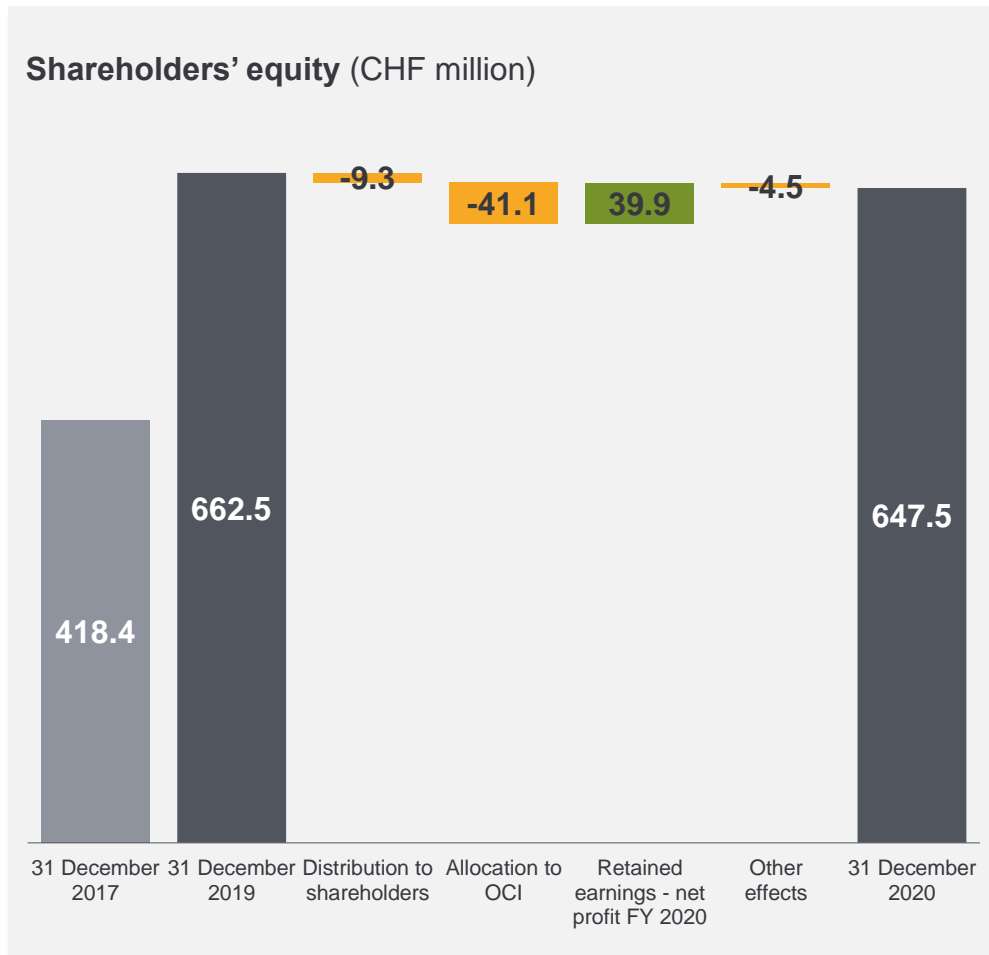
INVESTMENT SOLUTIONS: MANAGEMENT DECISION TO LIMIT HIGH-TURNOVER LOW-MARGIN FLOW BUSINESS DURING COVID-19 PERIOD



IWPS: CONTINUED POLICY GROWTH, FEE INCOME IMPACTED BY EXTRA-ORDINARILY LOW LONG-TERM INTEREST RATE ENVIRONMENT IN 2020



STRONG CAPITAL BASE MAINTAINED WITH SHAREHOLDERS' EQUITY AND DEFERRED FEE INCOME TOGETHER TOTTALLING CHF 723 MILLION



LEONTEQ'S CAPITAL MANAGEMENT AND DIVIDEND POLICY IN CONTEXT

	AGM 2018	AGM 2019	AGM 2020	AGM 2021	AGM 2022	AGM 2023 onwards
Capital base ¹	CHF 464m (at end-2017)	CHF 683m (at end-2018)	CHF 769m (at end-2019)	CHF 723m (at end-2020)	Target to reach CHF 800m area ² (at-end 2021)	Minimum CHF 800m area ²
Dividend policy	No dividend for foreseeable future	No dividend for foreseeable future	Conservative dividend policy	Conservative dividend policy	Transition to progressive dividend policy	Progressive dividend policy
DPS	CHF 0.00 (for 2017)	CHF 0.00 (for 2018)	CHF 0.50 (for 2019)	CHF 0.75 (for 2020)	> CHF 0.75 (for 2021)	Payout >50% of net profits

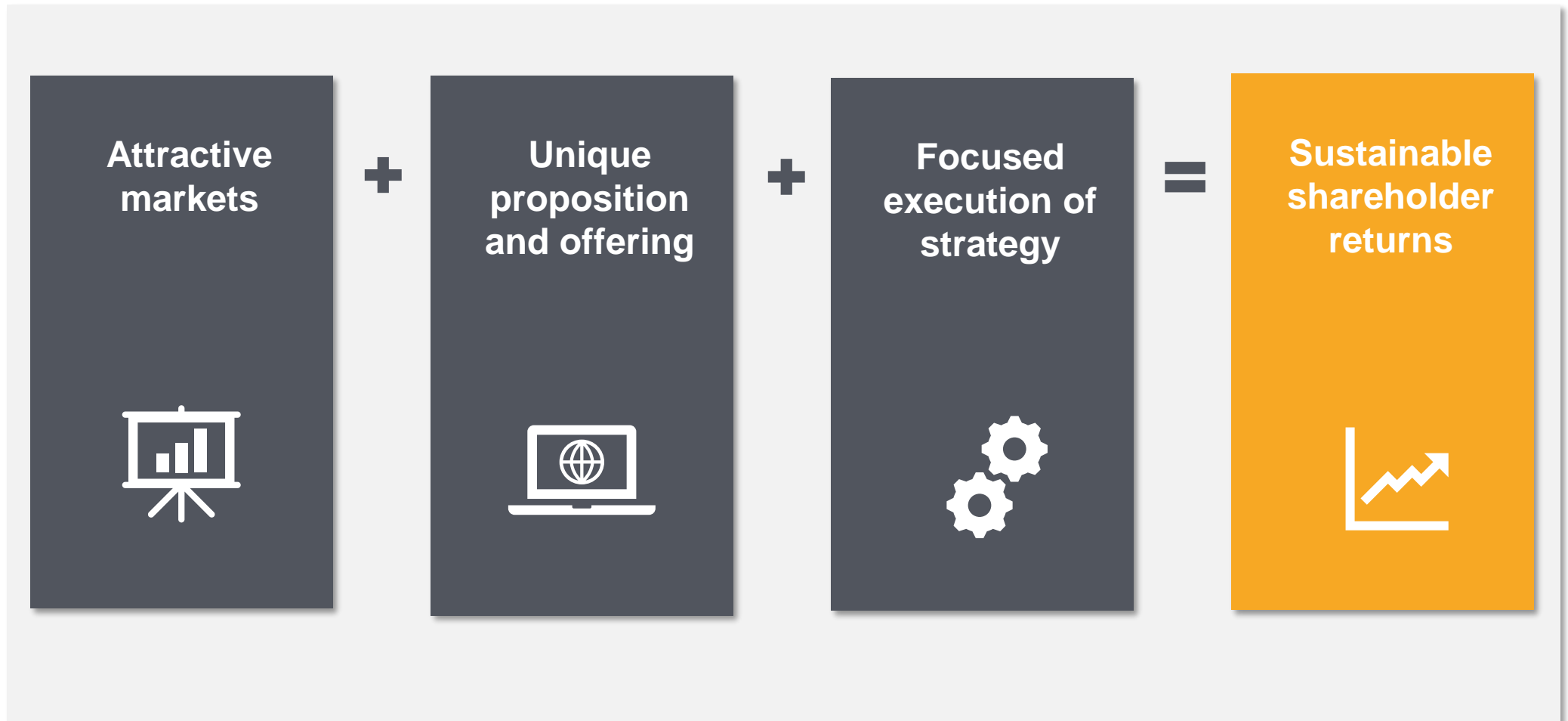
¹ Capital base is defined as the aggregated amount of shareholders' equity and deferred fee income

² Assuming Leonteq's risk profile does not materially change over time; area is defined as a range of +/- 3% of the target indicated

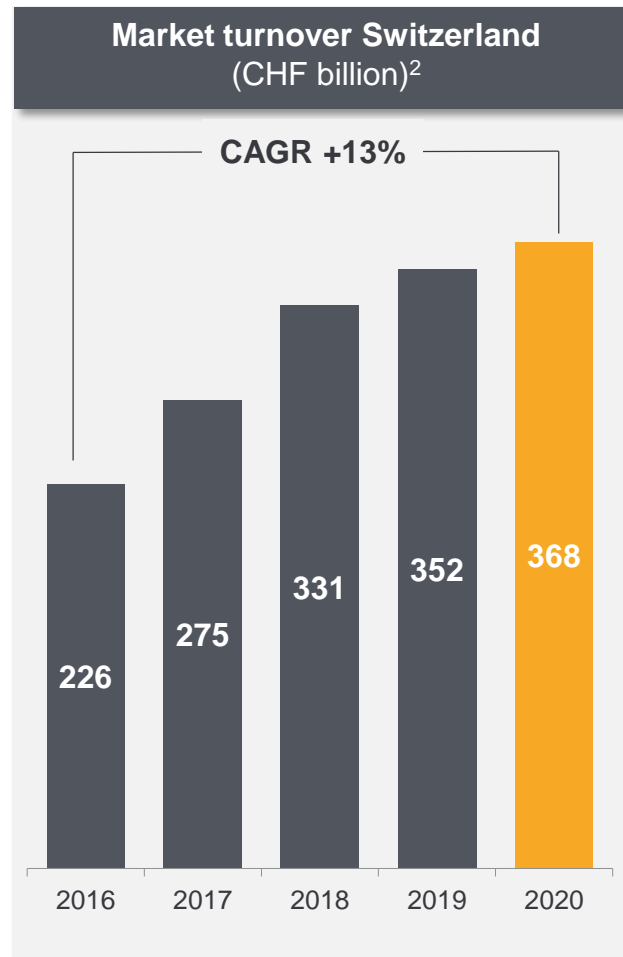
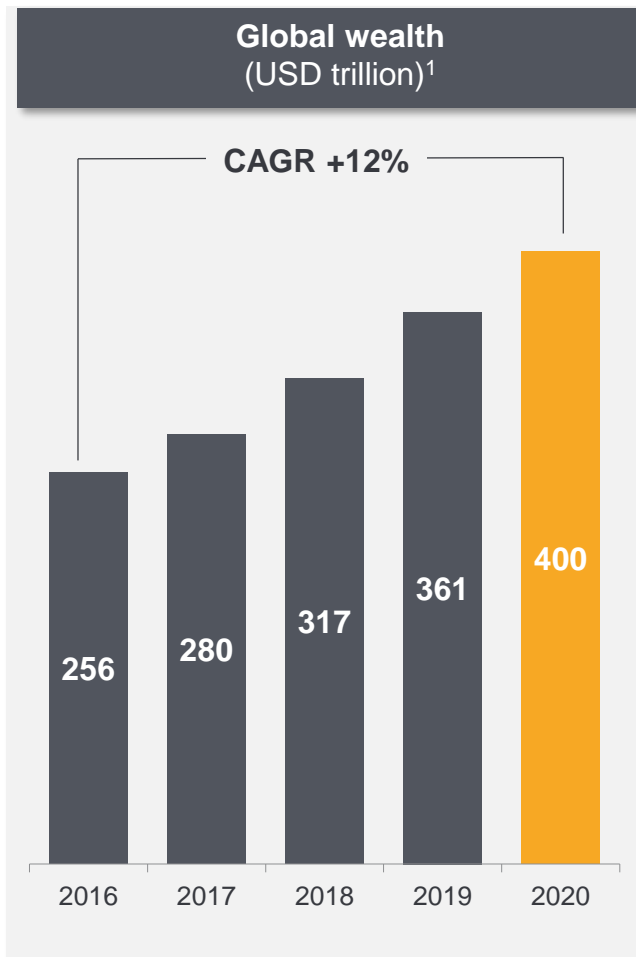
BUSINESS AND STRATEGY UPDATE

LUKAS RUFLIN | CEO

AFTER THREE YEARS OF STRATEGIC INVESTMENTS LEONTEQ IS WELL POSITIONED TO DELIVER SUSTAINABLE SHAREHOLDER RETURNS

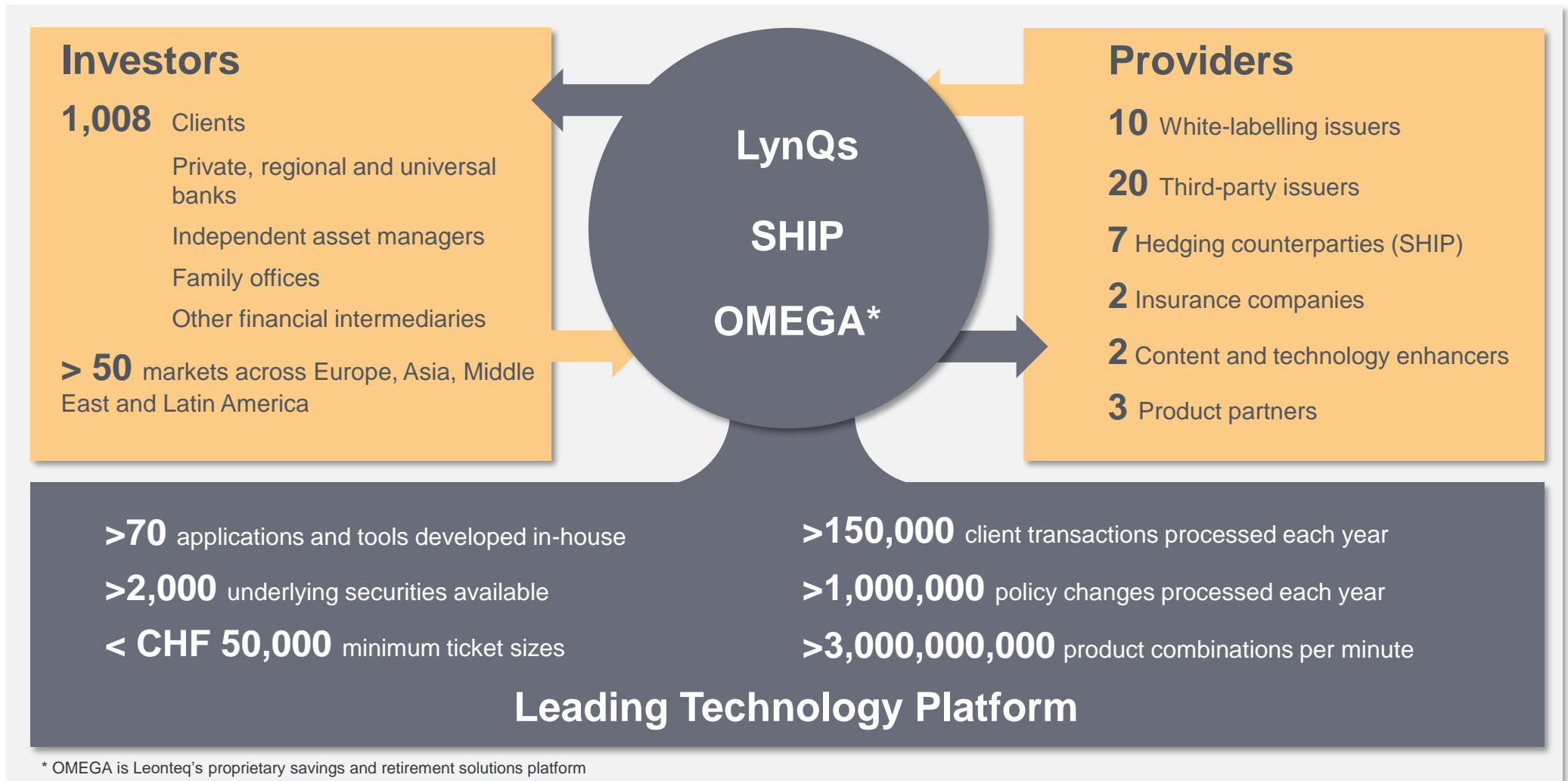


WE ARE ADDRESSING ATTRACTIVE MARKETS WITH A COMPETITIVE POSITION STRUCTURALLY BENEFITTING FROM THE LOW INTEREST RATE ENVIRONMENT



Sources: 1) Credit Suisse, Global wealth report , 2020; 2) Swiss Structured Products Association (SSPA), 2020; 3) SIX Swiss exchange, 2020

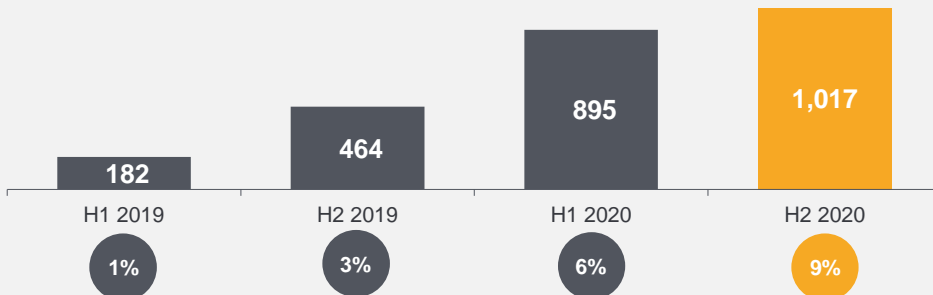
OUR MARKET PLACE CONNECTS AND ENABLES INVESTORS AND PROVIDERS OF INVESTMENT AND RETIREMENT SOLUTIONS



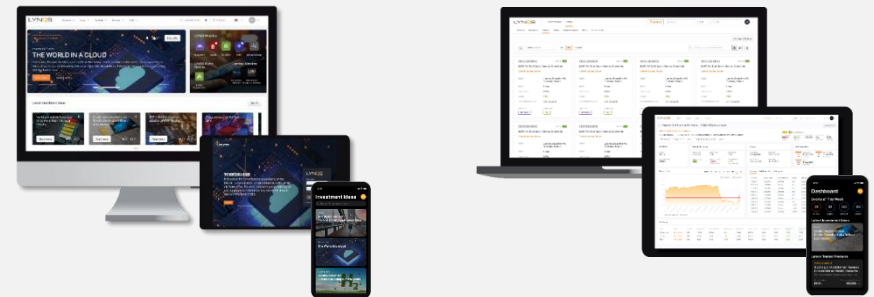
CLEAR AND FOCUSED EXECUTION OF OUR STRATEGY: ACHIEVEMENTS 2020

Smart Hedging Issuance Platform (SHIP) is up and running – 7 investment banks connected

Balance sheet light turnover (CHF million)



LynQs is becoming one-stop-shop for structured products



4 white-labelling agreements signed, and 2 content and technology enhancing projects initiated

White-labelling issuers



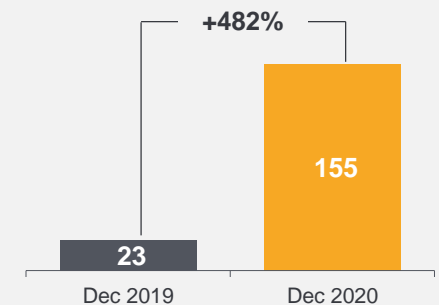
Content and technology enhancers



Expansion of actively managed certificates (AMC) and significant growth of crypto business



Crypto volumes (CHF million)*



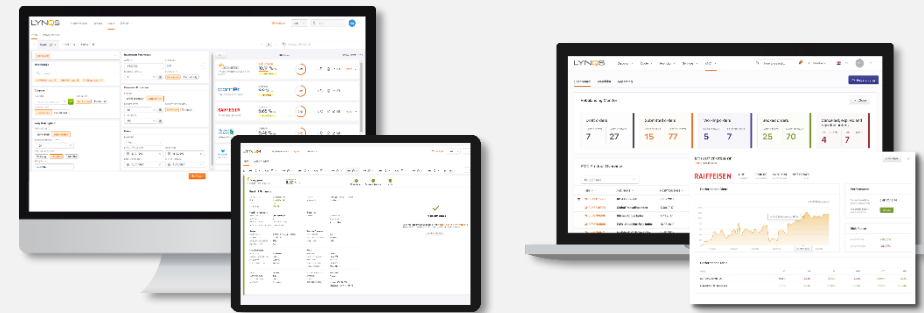
* Outstanding volumes in products with crypto currencies as underlyings

CLEAR AND FOCUSED EXECUTION OF OUR STRATEGY: PRIORITIES FOR 2021

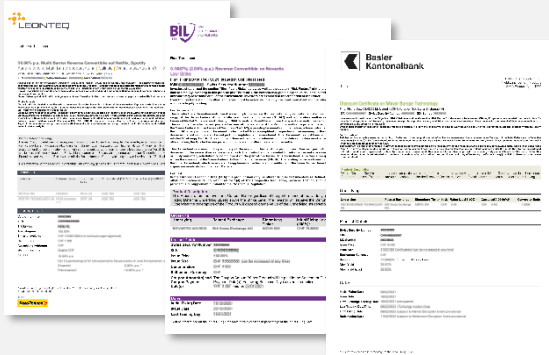
Add new pay-offs and product features and add at least one white-labelling issuer to SHIP

SHIP-enabled payoffs	2019	2020	2021E
Autocallables	✓	✓	✓
Barrier reverse convertibles	X	✓	✓
Fixed coupon notes	X	✓	✓
AMCs	X	X	✓
Softcallables	X	X	✓

Go-live of pricing module, white-labelling features and integration of AMC client portal to LynQs



Issue first products of onboarded white-labelling partners and sign agreements with new one(s)



Further build-out of product offering and launch of sustainability initiative



- Further build-out of AMCs, systematic indices, quantitative investment strategies, fund derivatives and crypto currencies
- Identify how Leonteq can support its clients and partners in investing responsibly
- Become a leading ESG provider for structured products
- Publish sustainability report next year

SUMMARY

LUKAS RUFLIN | CEO

SUMMARY & OUTLOOK

Summary

- Significant strategic progress achieved in 2020, profitability improved in H2 2020 reflecting record revenues in Q4 2020
- Shareholder distribution of CHF 0.75 per share (+50%) proposed at AGM 2021 (in line with conservative dividend policy)

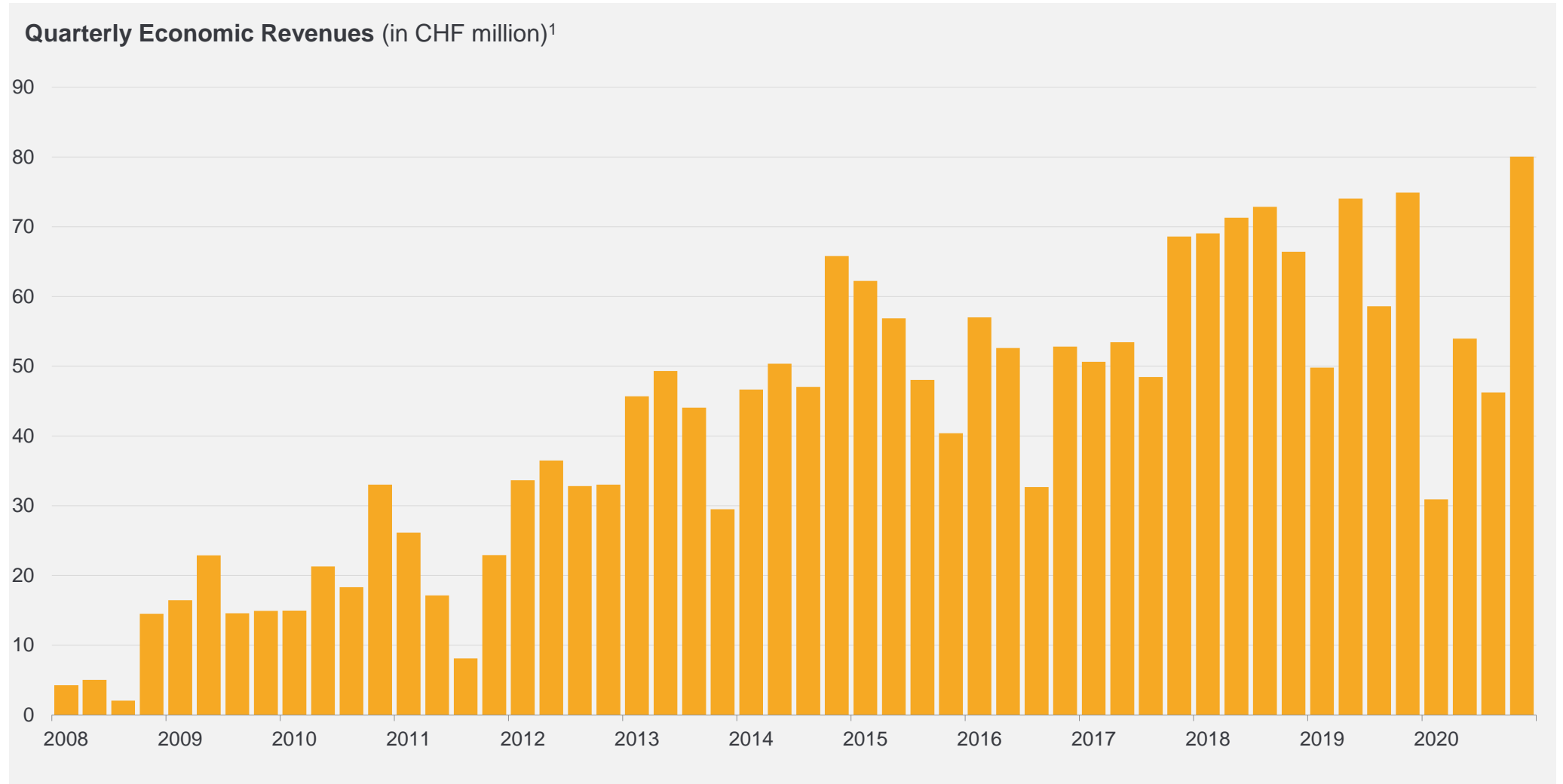
Outlook

- Strong start to 2021
- Total operating expenses of approx. CHF 210 million expected for 2021
- Capital base targeted to reach the CHF 800 million area¹ by-end 2021, following which Leonteq intends to transition from conservative to progressive dividend policy

¹ Area is defined as a range of +/- 3% of the target indicated

APPENDIX

HISTORIC REVENUE DEVELOPMENT SINCE INCEPTION



¹ Economic revenues are defined as sales and trading income earned and are considered as recognized at trade date without applying IFRS revenue recognition rules; economic revenues do not include certain other income components such as partner project cost reimbursements

GROUP RESULTS

Income statement CHFm	H2 2020	H1 2020	H2 2019	Change y-o-y	FY 2020	FY 2019	Change y-o-y
Net fee income	121.6	213.0	144.0	(16%)	334.6	264.9	26%
Net trading result	8.7	(107.1)	(10.7)	N/A	(98.4)	(3.2)	N/A
Net interest result	(1.5)	(5.0)	(3.1)	(52%)	(6.5)	(8.3)	(22%)
Other ordinary income	2.2	2.6	1.4	57%	4.8	2.8	71%
Total operating income	131.0	103.5	131.6	0%	234.5	256.2	(8%)
Personnel expenses	(57.5)	(63.4)	(58.1)	(1%)	(120.9)	(116.9)	3%
Other operating expenses	(23.4)	(23.0)	(21.5)	9%	(46.4)	(40.8)	14%
Depreciation	(16.7)	(16.3)	(15.8)	6%	(33.0)	(30.1)	10%
Changes to provisions	(1.6)	4.0	(1.6)	0%	2.4	(3.3)	N/A
Total operating expenses	(99.2)	(98.7)	(97.0)	2%	(197.9)	(191.1)	4%
Profit before taxes	31.8	4.8	34.6	(8%)	36.6	65.1	(44%)
Taxes	2.6	0.7	(2.1)	N/A	3.3	(2.4)	N/A
Group net profit	34.4	5.5	32.5	6%	39.9	62.7	(36%)
Group KPIs	H2 2020	H1 2020	H2 2019	Change y-o-y	FY 2020	FY 2019	Change y-o-y
Cost-income ratio	76%	95%	74%	2PP	84%	75%	9PP
Return on equity	11%	2%	10%	(1PP)	6%	10%	(4PP)
Earnings per share	1.86	0.29	1.74	0.12	2.15	3.35	(1.20)

SEGMENT RESULTS

Investment Solutions	H2 2020	H1 2020	H2 2019	Change y-o-y	FY 2020	FY 2019	Change y-o-y
Total operating income (CHFm)	121.0	76.8	98.2	23%	197.8	205.5	(4%)
Total operating expenses (CHFm)	(77.1)	(82.3)	(75.1)	3%	(159.4)	(149.5)	7%
Profit before taxes (CHFm)	43.9	(5.5)	23.1	90%	38.4	56.0	(31%)
Platform assets (CHFbn)¹	14.1	13.1	14.7	(4%)	14.1	14.7	(4%)
of which platform partner business (CHFbn) ¹	9.2	9.0	10.6	(13%)	9.2	10.6	(13%)
of which Leonteq business (CHFbn) ¹	4.9	4.1	4.1	20%	4.9	4.1	20%
Turnover (CHFbn)	11.0	15.4	15.3	(28%)	26.4	30.3	(13%)
of which platform partner business (CHFbn)	5.6	9.2	9.5	(41%)	14.8	18.8	(21%)
of which Leonteq business (CHFbn)	5.4	6.2	5.8	(7%)	11.6	11.5	1%
Fee income margin (bps)	104	129	80	24 BPS	118	76	42 BPS
Platform partner margin (bps)	104	130	78	26 BPS	120	71	49 BPS
Leonteq margin (bps)	104	127	84	20 BPS	116	84	32 BPS

Insurance & Wealth Planning Solutions	H2 2020	H1 2020	H1 2019	Change y-o-y	FY 2020	FY 2019	Change y-o-y
Total operating income (CHFm)	8.8	24.7	32.2	(73%)	33.5	48.3	31%
Total operating expenses (CHFm)	(7.0)	(8.5)	(8.0)	(13%)	(15.5)	(15.4)	1%
Profit before taxes (CHFm)	1.8	16.2	24.2	(93%)	18.0	32.9	(45%)
Number of outstanding policies¹	51,577	49,746	47,237	9%	51,577	47,237	9%

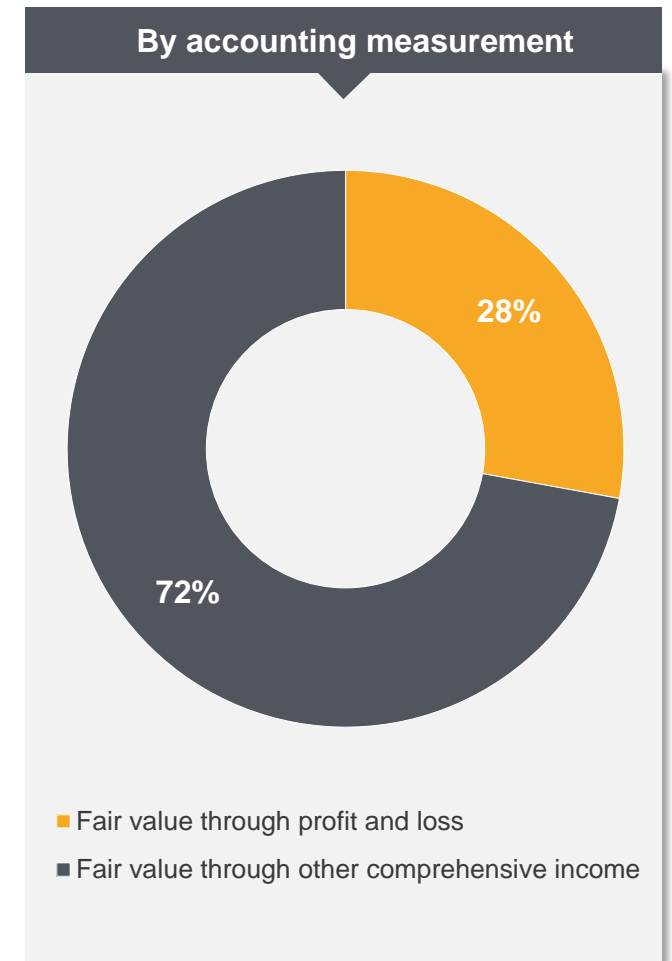
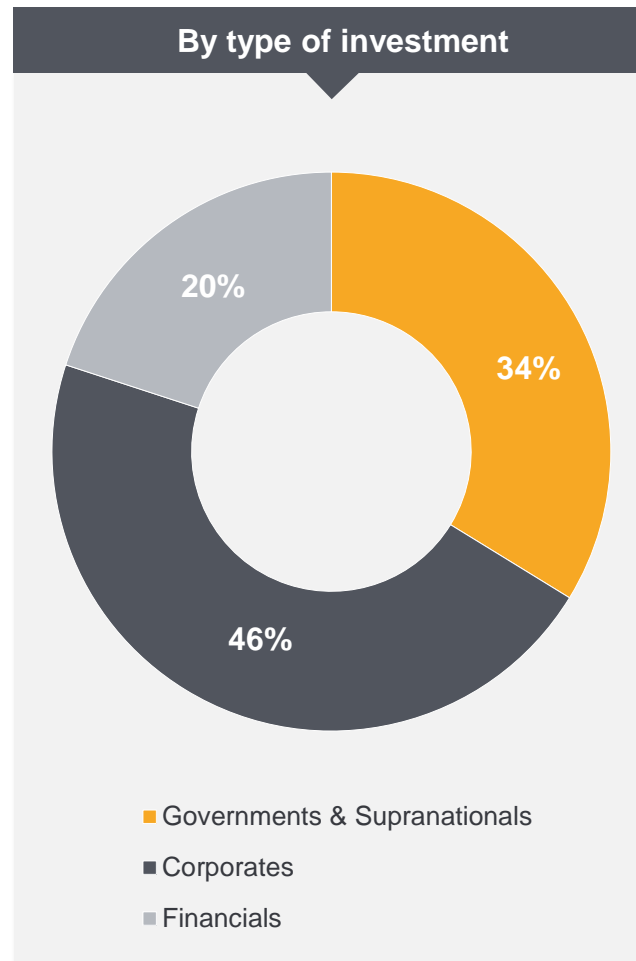
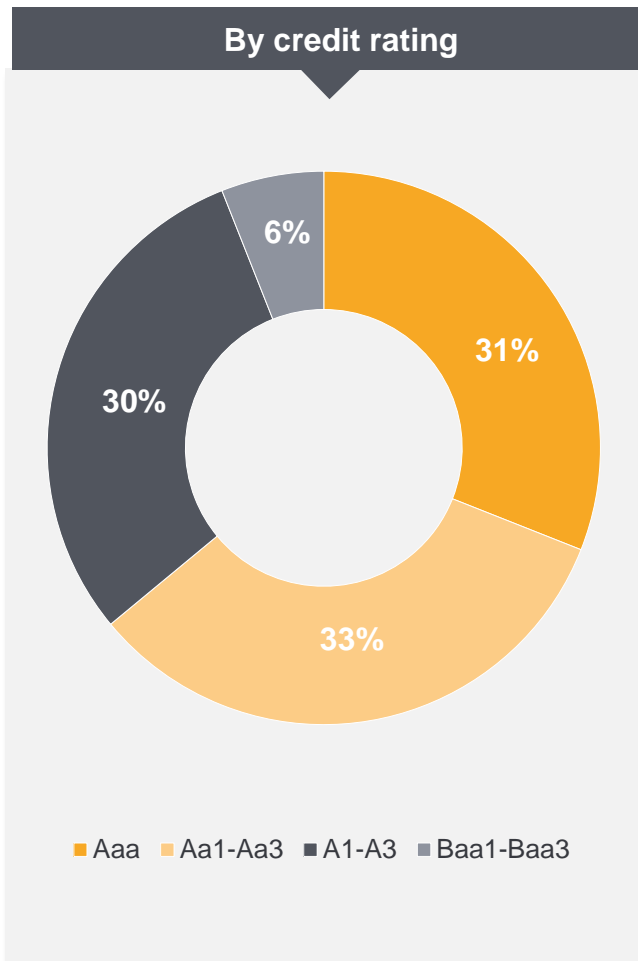
¹ At the end of the respective period

REGIONAL RESULTS

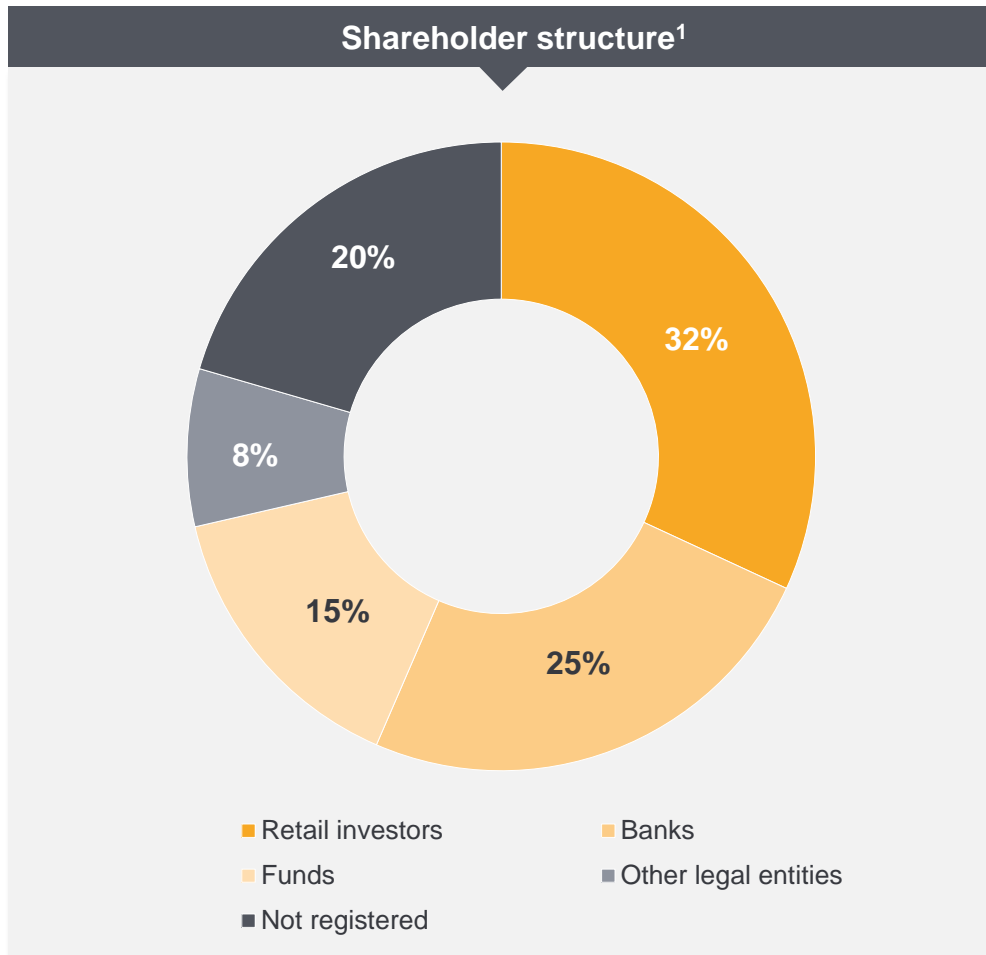
Fee income breakdown CHFm	H2 2020	H1 2020	H2 2019	Change y-o-y	FY 2020	FY 2019	Change y-o-y
Switzerland	46.5	82.0	59.3	(22%)	128.5	111.7	15%
Europe (excl. Switzerland)	59.8	113.2	69.8	(14%)	173.0	125.0	38%
Asia	15.3	17.8	14.9	3%	33.1	28.2	17%
Total net fee income	121.6	213.0	144.0	(16%)	334.6	264.9	26%

Staff breakdown	31.12.2020	30.06.2020	31.12.2019	Change y-o-y	31.12.2020	31.12.2019	Change y-o-y
Switzerland	338	357	350	(3%)	338	350	(3%)
Europe (excl. Switzerland)	106	95	85	25%	106	85	25%
Asia	75	71	73	3%	75	73	3%
Full-time equivalents	519	523	508	2%	519	508	2%
of which Sales	86	91	92	(7%)	86	92	(7%)
of which IT	143	139	138	4%	143	138	4%

HIGH-QUALITY INVESTMENT PORTFOLIO (Ø AA RATING) WITH CHF 2.5 BILLION AT END-2020



SHAREHOLDER STRUCTURE



Significant shareholders^{1,2}

Raiffeisen Switzerland ³	29.02%
Lukas T. Ruffin	8.17%
Sandro Dorigo	2.79%
Subtotal shareholders' agreement	39.98%
Rainer-Marc Frey	10.15%
Credit Suisse Funds AG	4.94%
Swisscanto Fondsleitung AG	3.03%
Directors and Executives ⁴	0.87%
Total	58.97%

¹ As per Leonteq share register on 31 December 2020

² Significant shareholdings disclosures on SIX Swiss Exchange

³ Includes 2.9% of shares subject to call options held by Lukas Ruffin

⁴ Excluding shareholdings of Lukas Ruffin