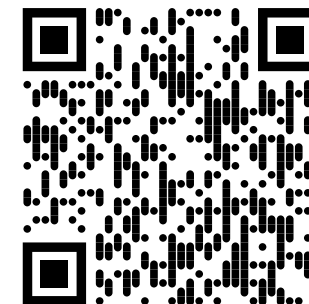




2024
Annual Report

About the Annual Report 2024



More in our
2024 online report

The Reporting Suite

The 2024 reporting suite consists of the online report and the complete Annual Report as PDF download. The Annual Report is a detailed presentation of Leonteq's business model, corporate governance, compensation practices, risk management and control framework, and a review of our financial results accompanied by its consolidated financial statements.

For the purposes of this report, unless the context otherwise requires, the terms "Leonteq", the "Group", "we", "us" and "our" mean Leonteq AG and its consolidated subsidiaries. The business of Leonteq Securities AG, the main operating entity of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term "Company" when we are referring only to Leonteq AG.



TABLE OF CONTENTS



4

INTRODUCTION

15

OUR GROUP

39

MANAGEMENT
REPORT

52

CORPORATE
GOVERNANCE

88

COMPENSATION
REPORT

116

RISK MANAGEMENT
& CONTROL

143

FINANCIAL
REPORT

FINANCIAL HIGHLIGHTS

Net fee income
(CHF million)

214.4

2024

213.2

2023

Total operating income
(CHF million)

238.5

2024

260.0

2023

Profit before taxes
(CHF million)

7.9

2024

18.4

2023

Group net profit
(CHF million)

5.8

2024

20.6

2023

Shareholders' equity
(CHF million)

803.8

2024

780.1

2023

Book value per share
(CHF)

46.1

2024

44.4

2023

Dividend per share
(CHF)

0.25

2024

1.00

2023

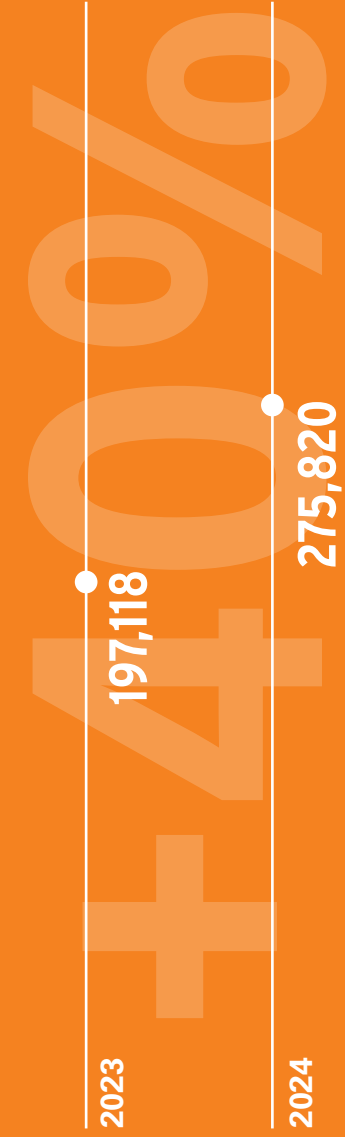
Payout ratio

76%

2024

87%

2023



Number of client transactions



Click'n'trade ratio



Turnover (CHF billion)



Economic revenues from new business activities (CHF million)

At a glance

	2024	2023	Change %
Group results (CHF million)			
Total operating income	238.5	260.0	(8%)
Profit before taxes	7.9	18.4	(57%)
Group net profit	5.8	20.6	(72%)
Key ratios			
Cost/income ratio	97%	93%	4 pp
Return on equity	1%	2%	(1 pp)
Business metrics and KPIs			
Platform assets (CHFbn) ¹	13.4	11.7	15%
of which historic partner business (CHFbn) ¹	4.8	4.8	—
of which new partner business (CHFbn) ¹	3.5	2.3	52%
of which Leonteq business (CHFbn) ¹	5.1	4.6	11%
Turnover (CHFbn)	27.6	21.3	30%
of which historic partner business (CHFbn)	6.9	6.0	15%
of which new partner business (CHFbn)	5.8	4.3	35%
of which Leonteq business (CHFbn)	14.9	11.0	35%
Balance sheet-light turnover (CHFbn)	4.6	2.7	70%
Share of balance sheet-light turnover	17%	13%	4 pp
Number of clients	952	1,021	(7%)
Number of client transactions	275,820	197,118	40%
Number of issued products	46,467	38,206	22%
Number of pension savings contracts ¹	56,036	57,008	(2%)

	2024	2023	Change %
Balance sheet (CHF million)¹			
Total assets	10,667.3	9,256.0	15%
Total shareholders' equity	803.8	780.1	3%
Share information			
Market capitalisation (CHF million) ¹	365	650	(44%)
Number of shares outstanding ¹	18,494,242	18,934,097	(2%)
Book value per share (CHF)	46.10	44.40	4%
Basic earnings per share (CHF)	0.33	1.15	(71%)
Employees			
Number of full-time equivalent employees ¹	583	591	(1%)
Credit rating			
Long-term issuer default rating (Fitch)	BBB/negative	BBB/stable	N/A
Long-term issuer rating (JCR)	BBB+/stable	BBB+/stable	N/A

¹ At the end of the respective period.



Industry recognition in 2024

In 2024, Leonteq received recognition from the industry for its continued innovation in structured investment solutions.

At the Swiss ETF Awards, Leonteq was honoured with the “ETP of the Year” award for its ETP on the Adaptiv Downside Control Bitcoin ETF Index, acknowledging our contribution to the development of exchange-traded products.

At the Swiss Derivative Awards, Leonteq was nominated in six categories and received three awards. For the 14th consecutive year, Leonteq was named the Top Service Provider, reflecting our commitment to customer service and transparency. Additionally, the company won awards for “Best Interest Rate Product” and “Best Product on Alternative Underlyings”.

At the Italian Certificate Awards, Leonteq achieved first place in the categories “Best Capital Protected Certificate – Direct Listing” and “Best Conditional Capital Protected Certificate – Direct Listing”, demonstrating our expertise in meeting the needs of investors in the Italian market.

Finally, at the Zertifikate Awards Austria, Leonteq earned 3rd place in the Index and Participation Certificates category, further solidifying our position as a key player in the European structured investment landscape.



Best interest rate product

Best product on alternative underlyings

Top Service



SWISS ETF
AWARDS

ETP of the Year (ETP on the Adaptiv
Downside Control Bitcoin ETF Index)



Index and Participation Certificates
(3rd place)



1st place in Best Capital Protected
Certificate – direct listing

1st place in Best Conditional Capital
Protected – direct listing

The Leonteq share

The registered shares of Leonteq AG have been traded on the main standard of SIX Swiss Exchange (Ticker: LEON) in Zurich since 2012.

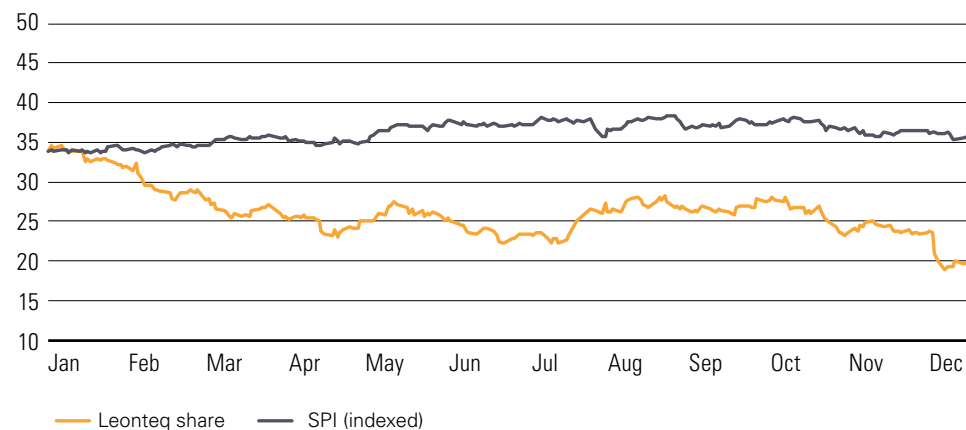
Share price development in 2024

Leonteq's share price opened the trading year 2024 at CHF 35.15 on 3 January 2024 and recorded its year-high at CHF 34.70 on 8 January 2024. Thereafter, the Leonteq share price declined driven by a series of negatively perceived news, including the publication of disappointing full-year 2023 results, the departure of CFO Antoine Boubilil and certain allegations that were made through media concerning Leonteq issued products distributed by third-parties. The share price reached an interim low of CHF 23.25 on 25 June 2024.

Following the publication of our half-year 2024 results, the share price recovered to CHF 28.25 by 29 August 2024. It subsequently declined to CHF 18.88 on 16 December 2024, marking the year-low in 2024, on the back of the FINMA announcement on 12 December 2024 regarding the completion of proceedings against Leonteq and the related profit disgorgement.

The share price closed at CHF 19.74 on the last trading day in 2024, corresponding to a decrease of 43% year on year (closing price of CHF 34.35 on the last trading day in 2023). Leonteq's market capitalisation amounted to CHF 365 million at the end of 2024.

LEON share price (CHF) performance in 2024 compared to the Swiss stock market (indexed)



LEON share price (CHF) performance 2020 – 2024 compared to the Swiss stock market (indexed)



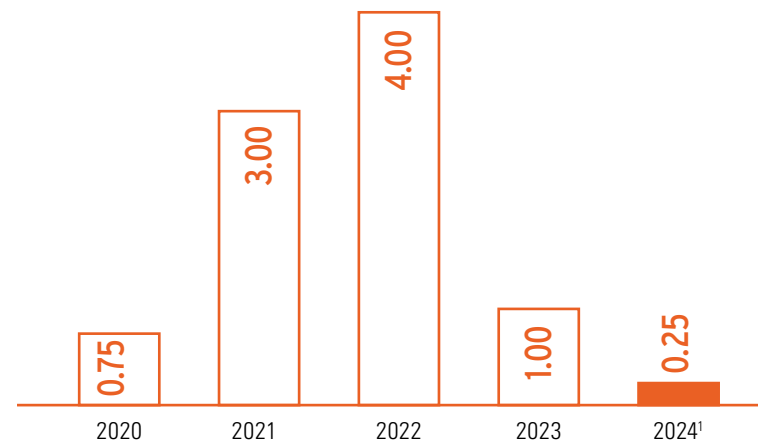
Capital return policy

Leonteq targets a payout ratio of more than 50% of Group net profits, including the potential launch of annual share buyback programmes if financial results permit.

For the financial year 2024, the Board of Directors will propose a dividend of CHF 0.25 (2023: 1.00) per share at the Annual General Meeting on 27 March 2025, which is to be paid in equal amounts out of retained earnings and capital contribution reserves. This corresponds to a payout ratio of 76% of Group net profits.

Dividend per share

(CHF)



¹ Board of Directors' proposal to the Annual General Meeting.

Key figures per share	2024	2023	2022	2021	2020
Book value (CHF)	46.1	44.4	48.0	43.6	35.0
Tangible book value (CHF)	42.7	41.1	45.0	40.8	32.4
Basic earnings (CHF)	0.33	1.15	8.58	8.47	2.15
Diluted earnings (CHF)	0.32	1.11	8.28	8.33	2.12
Dividend (CHF) ¹	0.25	1.00	4.00	3.00	0.75
Dividend yield ¹	1.3%	2.9%	9.2%	4.3%	2.1%
Payout ratio ¹	75.8%	87.0%	46.6%	35.4%	34.9%
Share price at year-end (CHF)	19.74	34.35	43.70	69.30	35.05
Full-year high (CHF)	34.70	55.50	76.90	70.60	47.74
Full-year low (CHF)	18.88	31.50	36.45	34.80	30.20

¹ 2024 dividend: Board of Directors' proposal to the Annual General Meeting.

Alternative performance measures

On 20 March 2018, SIX Exchange Regulation issued the Directive of Alternative Performance Measures (“APMs”) which entered into force on 1 January 2019. In the application of the Directive, any ratio and/or key performance indicator derived from IFRS income statement or balance sheet line items are considered as APMs.

The below list provides definitions of APMs used by Leonteq in this report.

APM	Definition
Book value per share	Calculated as shareholders’ equity divided by the number of shares outstanding (excluding treasury shares)
Economic revenues	Sales and trading income earned and considered to be recognised at trade date without applying IFRS revenue recognition rules; economic revenues do not include certain other income components such as rental income or project cost reimbursements by third parties
New business	New business comprises revenues from growth initiatives and activities with lower balance sheet intensity (including AMC business, crypto assets, fund derivatives, balance sheet-light business, treasury income, pension savings and retail flow business)
AMC business	Comprises revenues from actively managed certificates, tracker certificates, exchange traded products, and other open-end products
Traditional business	Traditional business comprises revenues from traditional structured products (e.g. BRCs/Autocallables) predominantly on equity and equity indices as underlying assets
Hedging contributions	Net result of hedging activities and revenues from market making of equity securities and ETFs
Treasury result	Net funding costs related to Leonteq’s own issued products
Click ‘n’ trade ratio	Number of products initiated via LYNOS as a percentage of total issued products
Cost/income ratio	Total operating expenses as a percentage of total operating income
Return on equity	Group net profit as a percentage of average shareholders’ equity at the beginning and at the end of the respective period
Large ticket transactions	Single primary or secondary transaction on a single product with a single client where Leonteq earns a fee of CHF 0.5 million or more
Platform assets	The outstanding volume of products issued and traded through Leonteq’s platform
Turnover	Aggregate notional amount of structured products issued (by Leonteq and its platform partners) through Leonteq’s platform plus the aggregate notional amount of structured products (issued by Leonteq and its platform partners) traded through Leonteq’s platform
Turnover from historic partners	Historic partners include EFG International and Raiffeisen
Turnover from new partners	New partners include all white-labelling (and third-party issuers) excluding historic partners
Balance sheet-light turnover	Aggregate amount of turnover of structured products where the underlying option is hedged by an external counterparty (through Leonteq’s Smart Hedging Issuance Platform or through a back-to-back hedging transaction) and of the turnover of structured products issued by third-parties

Shareholders' letter

2024 marks another challenging year for Leonteq and our results are clearly disappointing. At the same time, thanks to our loyal clients and partners, we saw record-high transactions and issued products on our platform. We are confident about the outlook for Leonteq as the new regulatory framework will further increase opportunities that our team will be able to leverage.

Strong client franchise in a challenging environment

Leonteq recorded very high platform activity throughout 2024. We issued 46,467 products and processed 275,820 client transactions – both record figures. Total turnover increased by 30% to CHF 27.6 billion whilst the competitive market environment led to a further reduction in net fee margins to 70 basis points.

Net fee income increased slightly by 1% to CHF 214.4 million in 2024 and our net trading result recorded limited but positive contributions from both hedging and treasury activities totaling CHF 21.5 million. In preparation for the new regulatory regime, Leonteq extended available credit facilities, which negatively impacted our 2024 net interest result.

Total operating expenses (excluding provisions) declined by 6% to CHF 219.6 million in 2024 mainly reflecting a further reduction in discretionary compensation, a stricter approach to new hires and replacements, as well as a reduction in the number of contractors. Provisions increased to CHF 11.0 million mainly in connection with the conclusion of regulatory matters.

Leonteq reported Group net profit of CHF 5.8 million in 2024, compared to CHF 20.6 million in the prior year.

Shareholders' equity remained strong at CHF 803.8 million as of 31 December 2024, compared to CHF 780.1 million as of 31 December 2023. Similarly, book value per share increased by 4% to CHF 46.10.



**Christopher
M. Chambers**

Chairman of the Board of Directors



Lukas T. Ruffin

Chief Executive Officer

New business initiatives with notable growth

In 2024, Leonteq continued to focus on key investments which are aimed at further diversifying revenue sources.

The company advanced its retail flow business initiative, which represents its single biggest investment in recent years. Following its acquisition of a 10% stake in BX Swiss from Boerse Stuttgart Group in December 2023, Leonteq assumed the role of exclusive market maker for equity securities and ETFs on BX Swiss in April 2024. In the period from April to December 2024, turnover on the exchange increased by more than 70%, compared to the same period of 2023.

Leonteq also continued advancing its digital investing platform, LYNQS. The number of products initiated via LYNQS increased by 96% to 10,915 products in 2024. The company's ecosystem of white-labelling issuance partners was further expanded by new agreements with Saxo Bank and Bergos. Reflecting the continued efforts to diversify revenues across issuers, turnover from products issued by new partners increased by 35% to CHF 5.8 billion year on year.

Overall, revenues from new business initiatives grew by 22% to CHF 130.8 million and contributed 59% of Group economic revenues in 2024. In particular the Group's fund derivatives business, balance sheet-light business, crypto business and treasury initiative recorded strong performances with double digit growth rates versus 2023.

Dividend of CHF 0.25 per share proposed for 2024

In line with our capital return policy, the Board of Directors will propose a dividend of CHF 0.25 (2023: CHF 1.00) per share for the financial year 2024 at the Annual General Meeting on 27 March 2025, which is to be paid in equal amounts out of retained earnings and capital contribution reserves. This corresponds to a payout ratio of 76% compared to the announced target of more than 50%.

New enhanced regulatory regime

As of 1 January 2025, Leonteq will be subject to capital and large exposure requirements as defined by the Swiss Capital Adequacy Ordinance. Today, Leonteq fully meets the current capital and large exposure requirements thanks to its strong capital position it built up over the last years.

As a result of our successful expansion, we have outgrown our previous regulation and welcome the enhanced regulatory regime as both a logical and important next step in our development. This enhanced regulatory regime reflects Leonteq's growth in size and the evolution of its business model since its foundation in 2007 and takes into account the significance that Leonteq has gained for the Swiss financial system.

The newly applicable framework further enhances our risk and credit profile for our banking counterparties, white-labelling partners and clients, while opening up further development opportunities in the years to come.

Outlook

The enhanced regulatory framework is expected to support our strategic ambitions to further increase recurring revenue streams and to intensify our activity addressing self-directed investors in the mid-term. We will become a more focused and profitable business with a further diversified client and revenue base as the company capitalises on new opportunities.

Following the full phase-in of the enhanced regime as well as the completion of the cost saving programme by mid-2026, we expect to free up capital which we plan to return to our shareholders.

We also wish to thank our clients, partners and you, our shareholders, for the trust you have placed in Leonteq.



Christopher M. Chambers
Chairman of the Board of Directors



Lukas T. Ruffin
Chief Executive Officer

Interview with the Chairman and the CEO

Christopher M. Chambers

Chairman of the Board of Directors

Lukas T. Ruffin

Chief Executive Officer

Leonteq ended 2024 with a lower profit than in 2023. What were the reasons for this?

CEO: Our 2024 financial results were clearly disappointing. The year presented several challenges, including volatility levels that had not recovered as seen in the past, a continued competitive environment that impacted our margins and the conclusion of regulatory matters that weighted on our cost base.

However, our client franchise proved once more its resilience – we were able to increase our market share in key markets, saw record activity on our platform and recorded revenue growth from new business initiatives. The latter was absolutely critical given the subdued performance in our traditional business.

Speaking of business diversification – as part of its retail flow business initiative Leonteq became exclusive market maker at BX Swiss and recently launched its first listed leverage product. What are your expectations in terms of revenue contribution for this business going forward?

CEO: We have built a platform that is capable of market-making and issuance of a large number of flow products, including the creation of fully automated and scalable lifecycle processes. This means we leverage the same technology to perform our market making activities on BX Swiss as we do for our listed leverage product offering. Since we became exclusive market maker at BX Swiss, we have seen strong growth in volumes on the exchange and we are pleased with the progress.

CHAIRMAN: The retail flow initiative is our single biggest investment in recent years and we are therefore expecting a significant revenue contribution in the future. We expect to go live with a full market launch of listed leverage products in Switzerland in 2025.

On the other hand, last year's FINMA announcement of a profit disgorgement of CHF 9.3 million in relation to transactions with two former distributors came unexpected to many. What are your learnings?

CHAIRMAN: The deficiencies in our risk management in the face of rapid growth should not have happened. We regret the shortcomings identified and will continue to further strengthen our internal control system. On the positive side, many of the allegations that had been speculated about in the media in recent years turned out to be unfounded.

Leonteq put strong focus on enhancing its compliance and risk management processes. We made significant investments in processes, technology and data analysis, introduced new policies, added additional controls and widened the scope of our monitoring. We also more than doubled headcount in risk control and compliance since 2018 and reduced our target markets.

Let's look ahead and talk about the new regulatory regime effective 1 January 2025. In a nutshell, what has changed?

CEO: Effective 1 January 2025, we are subject to enhanced capital and large exposure requirements which will be fully phased-in by end-2026. Additionally, FINMA will define an enhanced liquidity regime in the coming months. The newly applicable framework further enhances our risk and credit profile for our business partners and clients, while opening up further development opportunities in the years to come.

Has FINMA introduced this regulatory regime as a response to the compliance issues you had?

CHAIRMAN: No. This enhanced regulatory regime reflects Leonteq's growth in size and the evolution of its business model since its foundation in 2007, as well as taking into account the significance that Leonteq has gained for the Swiss financial system. As a result of our successful expansion, we have outgrown our previous regulation and welcome the enhanced regulatory regime as both a logical and important next step in our development.

CEO: The new framework will come with a number of benefits. Among others, Leonteq will be allowed to issue and account for hybrid capital, which increases our flexibility in managing our capital structure in a shareholder-friendly manner. Also, once banking counterparties will be allowed to risk-weight exposure to Leonteq as if it were a bank or account-holding securities firm, their capital charges when working with Leonteq will be reduced.

You mention that your turnover will decrease over time due to the new regulatory framework. How will you grow in the future?

CEO: The new regulatory regime leads to a certain shift in our business activities. For instance, we have decided to introduce hedging exposure limits, so we will likely generate lower turnover with our existing white-labelling partners in the future. We believe this can be compensated over time thanks to the ongoing diversification across our issuer network, which has already led to an increased turnover contribution from new white-labelling partners in recent years. Further, we plan to increase our balance sheet-light business, and we place a strong focus on growing our own issued products business. We will continue to service all our existing white-labelling partners and expect to add additional new partners to our ecosystem.

CHAIRMAN: The new framework is expected to support our strategic ambitions to further increase recurring revenue streams and to intensify our activity addressing self-directed investors in the mid-term. We will become a more focused and profitable business with a further diversified client and revenue base as we capitalise on new opportunities.

You said that you already meet the new capital and large exposure requirements today. Can you tell us what your CET 1 ratio is?

CEO: We are now in a transition phase and by applying the current requirements under the simplified standard approach for market risk, we are meeting the requirements thanks to our strong capital position, which we have built up over the last few years. Going forward, we will implement capital calculations according to the fundamental review of the trading book (FRTB) standardised approach. Leonteq will publish its capital adequacy ratios and related disclosures with its half-year 2025 results.

You mentioned that you will free up capital that you plan to return to shareholders. Can you give an indication of how much that could be?

CHAIRMAN: We are confident that we will be able to free up capital thanks to the strong capital position that we have today and the ability to issue hybrid capital in the future. However, providing a number would be premature. We will first implement the new capital calculations and fully transition to the new regime until mid-2026. In this context, we expect to define target capital ratios that will drive our future capital distribution policy. Until then, Leonteq's capital return policy remains unchanged.

16
At a glance

17
Our products

24
Our clients

28
Our partners

33
Our market

OUR GROUP

At a glance

Leonteq is a Swiss fintech company with a leading marketplace for structured investment solutions. Based on proprietary modern technology, the company offers derivative investment products and services.

It further enables life insurance companies and banks to produce capital-efficient unit-linked savings and pension products with guarantees. We focus on industrialising the production process for these products and offering our clients and partners high standards of service delivered by an international team of experienced industry professionals. We have a strong presence in our home market of Switzerland and in Europe, as well as an established footprint in Asia.

Leonteq focuses on building a unique ecosystem for investment solutions with a highly automated marketplace. It offers B2B and B2B4C services for more than 1,000 financial intermediaries globally. In addition to its headquarters in Zurich, Switzerland, the Group has offices in 13 other locations: Amsterdam, Dubai, Geneva, Guernsey, Frankfurt, Hong Kong, Lisbon, London, Milan, Monaco, Paris, Singapore and Tokyo. Leonteq has a strong shareholders' equity of CHF 803.8 million as of 31 December 2024 and investment grade ratings assigned by renowned rating agencies. Leonteq's shares are listed on SIX Swiss Exchange. 39% of its equity capital is held by a shareholder group comprising the Swiss cooperative bank Raiffeisen Switzerland and founding partners Lukas Rufin and Sandro Dorigo. The remaining 61% is distributed among institutional investors as well as retail shareholders mainly from Switzerland.

Leonteq's workforce consists of 592 experts from more than 50 countries who administer CHF 13.4 billion of assets on the platform and support the continued development of its ecosystem.

Our products

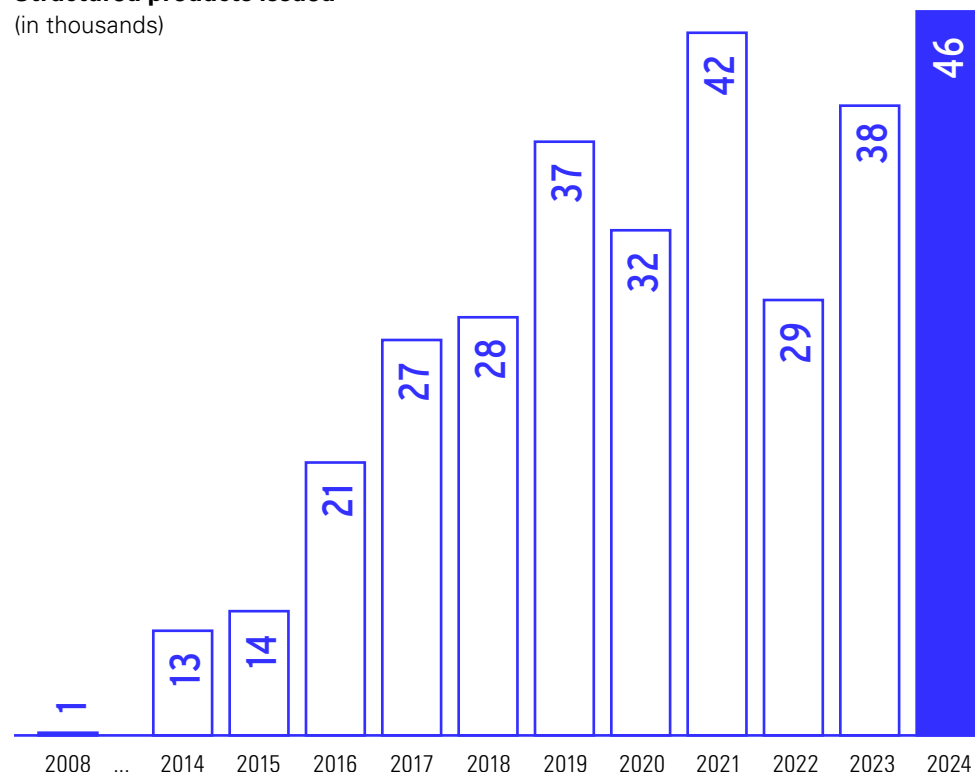
Leonteq offers one of the largest universes of structured products with its leading technology platform, as well as a comprehensive range of pension products.

Structured products

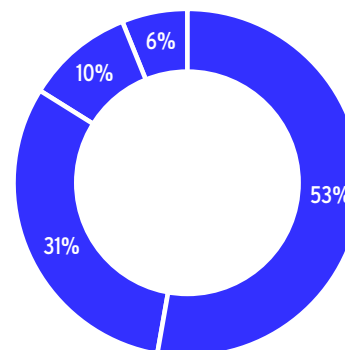
Structured products generally comprise pre-packaged, securitised investment solutions based on a single security, a basket of securities, options, indices, exchange-traded funds, currencies, crypto assets, commodities, interest rates, credit, debt issuance, and, to a lesser extent, swaps.

While we offer a broad range of structured products, our focus is on products resulting from our service offering for issuance partners, as well as on products that we offer in our own name. We differentiate between structured investment products and leverage products. Structured investment products include capital protection, yield enhancement, and participation products. Leverage products are often exchange-listed and have short-term maturities. The most popular products on Leonteq's platform are yield-enhancement products such as barrier reverse convertibles and autocallables. Currently, the most common underlying assets for structured investment products are equities, indices, commodities, crypto assets, foreign currencies, and interest rate and credit instruments. Since our Group was founded in 2007, we have launched over 350,000 structured products on our platform.

Structured products issued
(in thousands)



Turnover by product category 2024



Yield Enhancement	53%
Leverage	31%
Participation	10%
Capital Protection	6%

Common underlying assets

Equities

Funds

Interest

Credit

Currencies

Commodities

Crypto assets

Advantages

Every market view

Every risk profile

High degree
of liquidity

Access to all asset
classes

Structured Products

Structured product categories

Capital protection products

Capital protection products have a minimum redemption at expiry equivalent to the capital protection and thus protect against losses from falling prices of the underlying asset. The capital protection is defined as a percentage of the nominal (e.g. 100%) and is guaranteed by the issuer or guarantor of the product. In addition, investors participate in the price increase of the underlying above the strike – which can, however, be limited. During the lifetime, the value of the product may fall below its capital protection level.

Capital protection certificates with participation offer a guaranteed repayment of a predefined percentage of the denomination (usually 100%) as well as the opportunity to participate in price gains of the underlying instrument. However, depending on the capital protection level, the participation rate may vary and therefore be lower or higher than would be the case if the underlying security was owned outright. The investor is exposed to the credit risk of the issuer or the guarantor and is not entitled to receive any dividends on any underlying equity.

Investors in these products expect the underlying to rise, but wish to be protected against significant drops in the price of the underlying.

Capital protection products are typically structured with a zero-coupon bond and the purchase of a call option (long position) with a strike at 100%. At redemption, the investor is entitled to a cash settlement in the respective product currency that equals the capital protection level multiplied by the denomination. In addition, the investor participates in the appreciation of the underlying.

Yield enhancement products

Investors in yield enhancement products expect sideways or slightly rising underlying prices. Reverse convertibles and barrier reverse convertibles are the most common yield enhancement products. The buyer of a reverse convertible gives up the potential upside exposure to the underlying asset in exchange for an enhanced coupon. The holder of the product generally remains exposed to the downside of the underlying asset.

A barrier reverse convertible offers the investor a coupon regardless of the performance of the underlying asset, combined with conditional downside protection. A barrier event occurs if the level of the underlying asset trades at or below the predefined barrier level. Depending on the terms of the product, the barrier event may occur at any time during the life of the product (American barrier) or only on a predefined observation date (European barrier).

If a barrier event does not occur, the investor receives the initial investment amount at maturity. If a barrier event occurs and the underlying asset is at or below its strike level at maturity, the redemption of the product (physical or cash) will depend on the value of the underlying asset. If a barrier event occurs and the underlying asset at maturity is above its strike level, the investor receives a cash amount equal to the initial investment amount.

A typical barrier reverse convertible can combine two components: A fixed income security such as a bond (investment grade), which is due to be repaid at maturity, and an option-like instrument, which provides the specific pay-off in addition to the guaranteed coupon payments. The product is typically structured with a zero-coupon bond and the sale of a put (short position) in the form of a down-and-in put option with a strike at 100% and a barrier of 60%. The remaining capital is used to pay the annual coupons (10%) and the fee as well as commission expenses.

Participation products

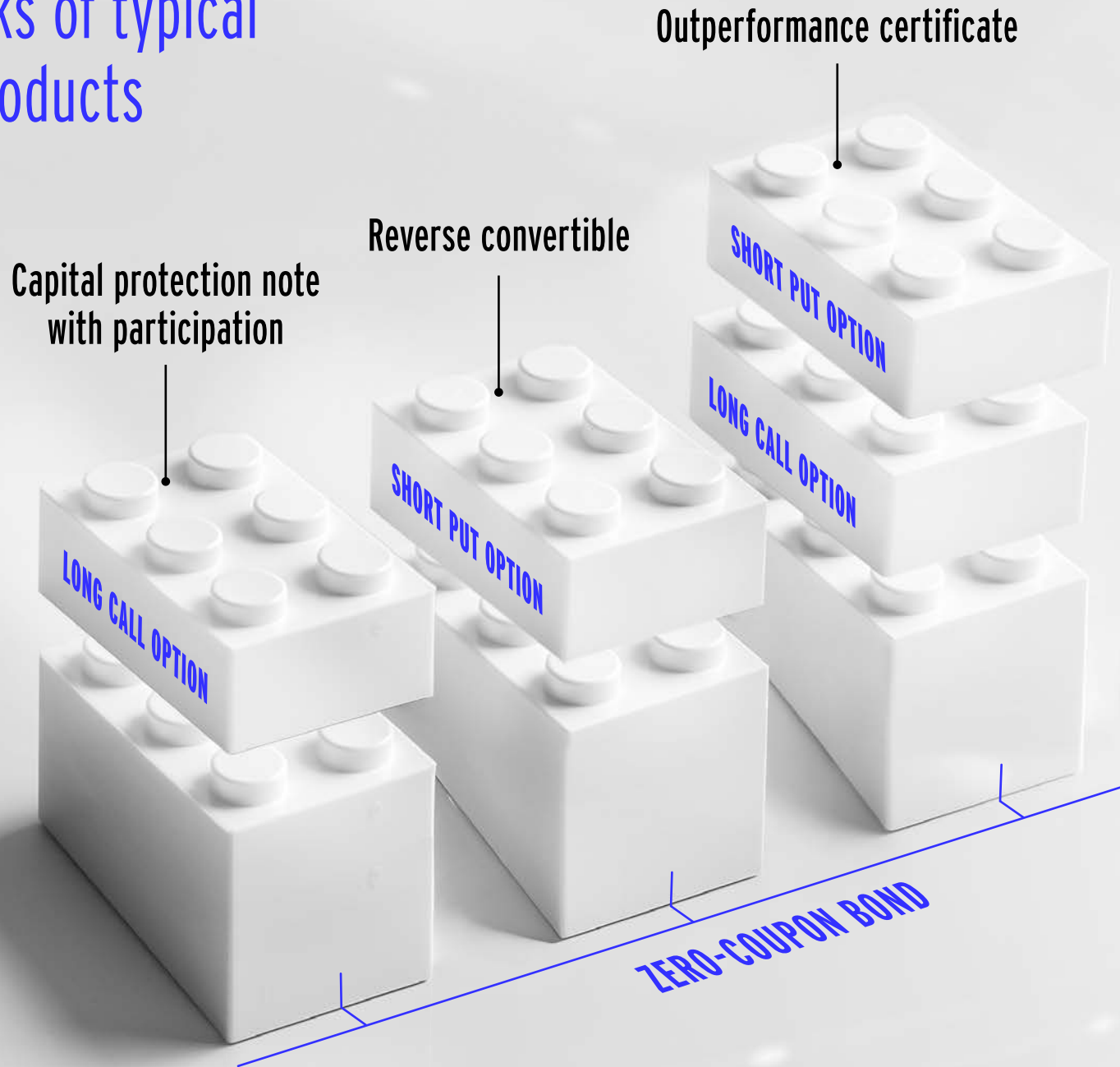
In general, the performance of participation products is closely linked to the underlying asset's price movements, generally with no up or down limitations. Sometimes these products feature conditional capital protection (bonus certificates) or leveraged upside participation (outperformance certificates). The best-known participation products are tracker certificates, which track the performance of the underlying asset on a one-to-one basis.

Investors buying a tracker certificate are typically seeking to broaden their investment spectrum and are looking for investment opportunities outside the traditional asset classes. Tracker certificates have the potential to tap into new markets or strategies that are otherwise difficult for investors to access or that entail high costs. Tracker certificates based on indices or baskets also enable broadly diversified investments with a single transaction.

Leverage products

Leverage products are financial instruments that allow investors to gain greater exposure to the market without increasing their capital investment. This is achieved by using leverage. Leverage products can be categorised in warrants and products with knock-out. Warrants are securitised options on an underlying that exist in the form of call or put warrants. Leverage products with knock-out have a barrier. If this barrier is reached, the product expires prematurely. These products include knock-out warrants and mini futures with which an investor can participate in the price development of an underlying, similar to tracker certificates. The investor can either buy a long product in order to participate in rising markets or a short product in order to benefit from falling markets. Unlike tracker certificates, however, the investor only has to finance part of the market exposure. The main part of the investment is provided by the issuer. This creates a leverage effect. The difference compared to normal futures is the built-in stop-loss level; if that level is reached, the mini future expires early. However, the investor does not have to meet additional margin requirements as it is the case for futures.

Building blocks of typical structured products



Structured product underlyings and product types

Leonteq provides a large universe of structured products with thousands of underlyings, which include equities and equity indices, as well as commodities, interest rates, credit and currencies. Leonteq also has one of the largest offerings of crypto asset investments in a securitised format and has dedicated expertise on fund derivatives as well as on quantitative investment strategies. It also offers a range of special instruments that offer for example enhanced protection for investors or Shari'a-compliant products.

Equities and equity indices

Equities and equity indices are the most popular underlyings embedded in structured products. Leonteq offers more than 2,000 individual stocks and indices across the globe.

Currencies

The Leonteq platform can offer up to 20 different currencies, including all major currencies, such as the US dollar, the euro, the Japanese yen, the British pound, the Swiss franc or the Hong Kong dollar.

Crypto assets

With 37 different crypto assets available, Leonteq offers one of the largest universes that can be securitised – representing more than 80% in terms of the capitalisation of the entire crypto asset market (excluding stable coins). In addition, Leonteq offers investor access to crypto asset indices, enabling them to structure their own individualised, rule-based or actively managed indices. Leonteq currently supports three product ranges in the crypto asset space:

- **Delta 1:** Delta 1 trackers provide access to the crypto asset class. These products are ideal for investors who have an interest in crypto assets but do not wish to manage a wallet infrastructure or are unable to trade directly in crypto assets.
- **Actively Managed Certificates (AMCs):** AMCs are increasingly becoming the wrapper of choice for asset managers. Using an AMC, asset managers can offer their discretionary and proprietary strategies to a wider investor audience. AMCs also offer the opportunity to dynamically combine crypto assets with traditional asset classes.

Investing in crypto assets via Leonteq structured products provides several advantages compared to direct investments:

- Investors benefit from the fact that Leonteq is a fully regulated issuer with an investment-grade rating and robust shareholders' equity of CHF 803.8 million as of 31 December 2024.
- Structured products are easily modified to meet specific client requirements.
- Investors do not have to manage cryptographic keys using their own storage infrastructure.
- By virtue of being "bankable", structured products are more easily traded in the conventional way, similar to shares, bonds or ETFs.

Fund derivatives

Leonteq's fund derivatives desk provides dedicated trading and structuring expertise on mutual funds, working closely with a wide range of fund management companies to deliver innovative solutions and competitive pricing. With its structured products expertise, Leonteq is able to offer clients capital protection, leveraged exposure and dynamic allocation on mutual funds. Leonteq's structuring team designs a wide variety of payoffs and indices linked to single name or basket of mutual funds, delivered in the client's preferred format including certificates, warrants and OTC.

Quantitative Investment Strategies

Leonteq's range of Quantitative Investment Strategies (QIS), wrapped in an Index format, have opened up a new type of underlying for our clients. These include the option to customise strategies to suit investor preferences: Leonteq's QIS offer strategies tailored around geographies, management styles, sectors and asset classes alongside systematic algorithms such as volatility control or fixed dividends.

In addition, our QIS offer access to external expertise via actively managed portfolios and research-backed dynamic equity indices. Meanwhile, their transparent operational methodology, regulatory compliance, and ease to launch make them attractive to investors.

Leonteq is also recognised as a third-country administrator under the EU Benchmark Regulation (BMR), a policy framework designed to measure and monitor the integrity of benchmarks. Through this accreditation, Leonteq is able to offer investment opportunities referencing a range of indices that qualify as benchmarks under the BMR. Under the aegis of this regulatory framework, an index committee is in place – with representation from Leonteq's front office, operations and control functions – that provides oversight and governance of the Leonteq Systematic Indices. This committee helps to ensure consistent integration of activities into our overall corporate governance and management framework. A dedicated website offers professional and qualified investors access to our proprietary strategies, complete with up-to-date descriptions, valuations, track records and key metrics, as well as downloadable, daily updated factsheets and times series.

ETP+

Exchange traded products (ETPs) represent a category of listed financial instruments, which can vary in meaning depending on the listing jurisdiction. In most countries, ETP serves as a generic term encompassing collateralised or uncollateralised exchange trade notes (ETNs), exchange traded commodities (ETCs), and exchange traded funds (ETFs).

ETPs typically aim to replicate the performance of a specific basket or index, representing a particular theme or asset class. This focused approach enables investors to gain exposure to a wide range of investment opportunities in a single trade. Whether it is tracking a specific sector, geographic region, or investment strategy, ETPs offer a simplified way to access desired market segments.

Leonteq actively participates in the ETP world through its label "ETP+". ETP+ are issued by Leonteq Securities AG as collateralised debt instruments (collateralised ETNs). By choosing ETP+, investors gain access to a range of unique features designed to enhance safety and reliability. Notably, ETP+ offers the assurance of a reliable Swiss-based collateral custodian and agent, effectively minimising issuer risk. Additionally, the issuer is a licensed and rated securities firm, making ETP+ an attractive investment option for investors.

Shari'a-compliant offering

Islamic banking and finance is an important way of offering financial services across much of the Gulf region as well as in Africa, South Asia and South East Asia. This approach to the provision of financial services is aligned with the rules of Shari'a (principles of the Islamic faith). Islamic banking and financial products are also available in some European countries, such as Switzerland and the UK.

Leonteq launched a Shari'a-compliant structured certificate programme in 2022 to make our product offering available to clients seeking Shari'a-compliant solutions for their asset portfolios.

The issuer of certificates in the context of this offering is IBDA Certificate Issuer Ltd, a standalone special purpose vehicle based in Guernsey. Leonteq Securities AG acts as lead manager, calculation agent, paying agent and has other roles under the programme.

Through these certificates, investors benefit from a competitive minimum subscription size. Through the applicable Shari'a structure adopted, they can obtain exposure to a wide range of asset classes, in addition to currencies and payoffs, including yield enhancement, capital protection, participation, warrants and FX payoffs.

Based on the asset class and payoff chosen, the certificates are structured to generate financial returns that are similar to those of equivalent traditional structured securities and expose the investor to the same risks as those positively or negatively affecting an investor in equivalent traditional structured securities.

Savings and pension products

Leonteq covers an extensive range of product types for every lifecycle stage (savings, investment and drawdown products).

Our product offerings support periodic premiums and one-off contributions across a broad range of tenors, risk profiles and participations on chosen underlyings. In addition, we have developed a new approach that supports fully flexible savings solutions where end-clients can freely choose to contribute how much they want at any point in time.

Insurance companies can implement innovative and flexible product features and also give advisors and clients the option of tailoring product characteristics to their individual needs (e.g. guarantee levels or capital market participation). In addition, insurance companies can incorporate different guarantee providers for their products, giving clients the choice between guarantees provided by a third-party or the insurer itself.

The principal features of our products include:

- Policy holders receive a minimum guaranteed redemption at maturity combined with upside potential through market participation;
- A market-oriented, unit-linked design provides guarantees that are generated directly through instruments booked to the account of the policy holder at market conditions;
- Our digital technology platform enables scalable and efficient processing while preserving the policy holders' flexibility for numerous lifecycle events throughout the tenor of the policy.

Leonteq currently provides three types of insurance solutions and one flexible bank savings solution. The offering comprises:

Long-term savings plans

Savings plans that are designed primarily to help retail clients build pension assets based on recurring contributions. In particular, Leonteq's unique solution allows for very long-term durations of up to 50 years, matching the retirement target of end-clients.

Savings plans enabled by Leonteq differ from traditional insurance and bank offerings through the integration of market-based guarantee components within each individual unit-linked contract, capital-efficient upfront hedging of contract liabilities at the individual cashflow level over the full contract duration, very high flexibility in terms of payment patterns and guarantee levels, as well as highly automated scalable investment administration.

Our unit-linked guarantee concepts also allow for third-party guarantees, where the provider of the savings plan and the guarantee provider are different entities.

Drawdown plans

Drawdown plans mainly serve to provide additional income after retirement over a specified period of time. They are typically funded through a one-time contribution. They can be combined with a subsequent life annuity insurance policy.

From Leonteq's perspective, the difference between drawdown and savings solutions simply lies in different cashflow patterns. Consequently, Leonteq-enabled drawdown plans are run on the same platform and benefit from the same advantages as the savings plans.

Combined savings and drawdown plans

Combined savings and drawdown plans are designed as a means of building pension assets over time and a subsequent drawdown plan. With its platform, Leonteq can efficiently combine these stages at individual cashflow level, applying the benefits described above in one integrated package.

Flexible savings products

Leonteq developed a flexible savings products that allows retail clients to make flexible contributions to their retirement account, providing a guarantee linked to each client's individual retirement date and upside potential. With an innovative and unique design, it can be distributed digitally via a mobile app.

Our clients

Leonteq's focus is on the manufacturing and distribution of structured investment products, which we offer to a large range of financial intermediaries around the globe.

Such financial intermediaries include private banks, regional banks, universal banks, independent asset managers, independent financial advisors, family offices, as well as institutional investors.

As part of its regulated B2B4C business model, it pays distribution fees and contractually agrees the standards it expects of those intermediaries, including their duties towards their clients. All our distribution partners are regulated financial intermediaries that have to comply with the regulations defined by the respective financial market authority. Our clients are served by an experienced sales force and they can select from a variety of issuers, asset classes and payoffs on the platform.

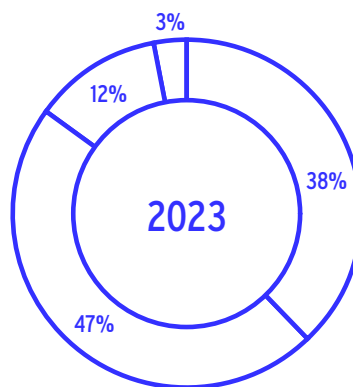
In this context, Leonteq developed LYNQS, a technology that gives clients digital access to our offering as well as applications, services and market and product data to manage their structured products.

The distribution of structured investment products is performed either by Leonteq or by our issuance partners. Our distribution capabilities are complemented by a dedicated in-house ideation, structuring, and trading team and include a digital and automated pricing engine.

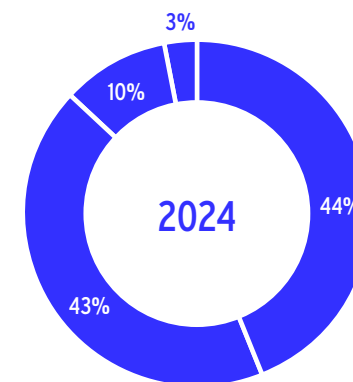
In 2024, a total of 952 Leonteq clients entered into at least one primary or secondary market transaction on the account of their clients or on their own account.

From a geographical perspective, 44% of our economic fee income in 2024 was generated through clients domiciled in Switzerland. In the same period, European clients accounted for 43% of our fee income, while clients domiciled in Asia (including Middle East) and the rest of the world accounted for 10% and 3%, respectively.

Economic fee income by domicile of intermediary



Switzerland	38%
Europe	47%
Asia	12%
Other	3%



Switzerland	44%
Europe	43%
Asia	10%
Other	3%

Our solutions for financial intermediaries

Leonteq empowers intermediaries and gives them cost-effective and efficient access to a large universe of structured products from various issuers, ensures automated lifecycle management across all issuers and remunerates their distribution services with a distribution margin.

Intermediaries benefit from:

- A multi-issuer platform that comprises more than 30 issuers, the best option price from 7 leading investment banks and a wide range of product variations based on thousands of underlyings (including equities, equity indices, exchange traded funds, credits, interest rates, crypto assets and commodities);
- State-of-the-art technology built from the ground up by in-house development teams. Click 'n' trade platform LYNQS with automated lifecycle management;
- Competitive pricing and customised complex structures with a low minimum investment size;
- High security, flexibility, mobility, and quality through Leonteq's strategic collaboration with Google Cloud Computing;
- More than 360 trade ideas per year generated by Leonteq's structuring team.

LYNQS

Leonteq enables clients to issue and distribute products via their own channels through its digital marketplace LYNQS, which was launched in 2019. LYNQS technology, which was developed in-house, gives Leonteq clients digital access to one of the largest structured product universes available. LYNQS is based on Leonteq's analytical library and financial product engine, providing Leonteq's clients with a completely new investment experience. They benefit from unique lifecycle management and investment ideas, and they can invest in a tailor-made and optimised way.

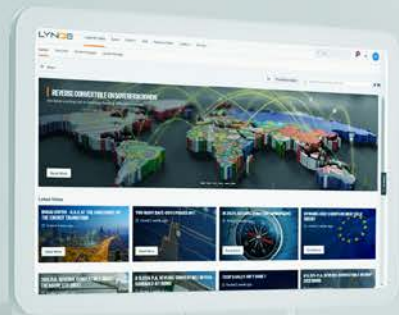
LYNQS uses new application features in a scalable, efficient and modular way and offers open application programming interfaces (API) as well as an innovative white-labelling model for Leonteq's issuance partners and private banking clients. The white-labelling model is a ready-to-use solution that enables the client or partner to integrate LYNQS into its wealth management activity under its own corporate identity (B2B4C), thus avoiding lengthy and expensive IT development processes and reducing the operational burden. As of 31 December 2024, 1,131 clients were onboarded on LYNQS.



LYNQS consists of five distinct modules:

Investment ideas

The latest trends and investment ideas prepared and updated daily by Leonteq's leading structuring team.



Portfolio

A comprehensive overview of structured product portfolios and lifecycle management across all issuers. It also allows users to keep track of fees resulting from different activities.



Academy

Comprehensive education offerings for client relation managers with the IMD/Leonteq online course "Investing in Structured Products".



Optimise & Quote

Click 'n' trade tailor-made investment products from more than 10 renowned issuers, created in a fully automated manner to meet any investment need. Automated documentation is also available for every price and issuer in several languages, and users can access a pre-trade risk analysis.

AMC

This solution empowers index sponsors to create and manage their own tailor-made index solutions and provides access to thousands of underlyings across different asset classes, including crypto assets, throughout global markets.

AMC offering

Actively Managed Certificates (AMCs) are an innovative solution for index sponsors to customise and implement a proprietary technical or fundamental investment strategy. Compared to conventional wrappers, such as funds or SPVs, they provide greater adjustability, operational efficiency and transparency with no set-up and a predefined administration cost. Index sponsors, such as asset managers, can easily create and manage their index strategies based on almost any asset class.

All types of Leonteq structured products can be used as index components for AMCs, as well as any kind of derivative such as listed options, forwards, futures, swaps and even customised OTCs and FX strategies. Index sponsors can also choose from a broad range of asset classes, including equities and indices, interest rate and fixed income, crypto assets, funds, FX, and money market instruments/cash equivalent.

The Leonteq AMC can encompass a range of investment styles, both active and passive. For discretionary investing, the Index Sponsor or a third-party representative is responsible for asset allocation within the investment strategy. Allocations can be made at regular intervals or on an ad-hoc basis. When the index sponsor or its representative choose to make an allocation, they can simply send instruction to Leonteq via e-mail or input the instruction through the AMC Module on LYNQS.

870+

Number of active portfolios managed through Leonteq AMC

240+

Number of active Index Advisors using Leonteq AMC to implement their strategies

CHFbn 2.4+

AMC valuation as of end-2024

SHIP

As a marketplace for structured products, Leonteq acts as both an issuer of its own products and as a distributor of the products issued on the balance sheet of other financial institutions. Through SHIP's functionalities, Leonteq aims to reduce its hedging exposures by outsourcing option components to external counterparties while giving its clients and issuance partners access to a range of additional external hedging counterparties. Eight leading investment banks are connected to the platform, of which seven actively quote and execute trades. Before SHIP was launched, the Leonteq platform allowed clients to select their desired credit risk from 10 different issuers via the multi-issuer platform. However, the option component was mainly provided by Leonteq and hedged on an aggregated macro level, resulting in risks that had to be backed by capital. With SHIP, we are outsourcing the option component to third-party providers if they offer a better price.

This back-to-back hedging approach on a trade-by-trade basis has always existed in the form of a manual process of price negotiations, confirmations and bookings. With SHIP, Leonteq is extending its platform to enable the automated quoting, trading, and booking of OTC derivative micro hedges through electronic messaging, as well as internal and external automation, providing a low-touch solution.

SHIP extends Leonteq's platform as it is one of the few – if not the only – platform to allow for the automation of both the bond and the option component of third-party providers. This creates benefits for our clients, who thus receive improved execution for the option component and the zero-coupon bond component of a structured product for the same level of service. It also creates benefits for our issuance partners, who are able to diversify their counterparty risk away from Leonteq. Further, it benefits our employees and shareholders by making our business more scalable and profitable.

Our partners

Leonteq partners with banks and insurance companies in its role as a service and technology provider. It creates and manages structured investment products for banks that have become Leonteq platform partners based on a white-labelling model. It also offers life insurance companies support in the area of retirement products to produce capital-efficient, unit-linked savings and drawdown solutions and it enables banks to offer their clients flexible savings products.

Solutions for banks

Through its structured investment service platform, Leonteq offers banks customised services across the entire product life-cycle, depending on their individual needs. Services include: Risk management, hedging, market-making and secondary-market servicing, advice on structuring, establishment of an issuance programme, design of information and marketing materials, production of termsheets and documentation for individual trades, listing and settlement of structured investment products, provision of risk, regulatory and sales reporting related to structured investment products, and provision of corporate centre services (e.g. account posting, book entries and cash flow reports).

The issuance of structured products under a white-labelling cooperation agreement gives our issuance partners access to additional and diversified long-term funding and represents an additional revenue stream. At the same time, issuance partners are able to offer their clients structured products in their own name.

Leonteq upgrades banks to an issuer/product producer via two distinct white-labelling models, while reducing complexity, costs and time-to-market. Banks can become producers either via the Partner model or the Sponsor model, which are explained in detail below.

Partner model

The partner model represents a fully customised set-up, where a partner has full control over the issuance entity and contractually faces all hedgers and service providers needed to issue a structured product. A partner becomes an issuer of structured notes itself and all transactions are reflected on the partner's balance sheet and include all operations in their existing governance structure (accounting, risk management). All documentation, including termsheets, are produced in a tailor-made and white-labelled way. Our services include:

- Risk management, hedging, market-making and secondary-market servicing (e.g. monitoring of corporate actions, valuation, service hotline);

- Advice on structuring, establishment of an issuance programme, and design of information and marketing material;
- Production of termsheets and documentation for individual trades;
- Listing and settlement of structured investment products;
- Provision of risk, regulatory and sales reporting related to structured investment products;
- Provision of corporate centre services (e.g. account postings, book entries and cash flow reports).

Sponsor model

The sponsor model launched in 2022 represents a standardised way to become a producer of structured products. It enables banks to create their own customised and tailor-made investment solutions and provide them directly to their clients. Banks joining Leonteq's ecosystem for investment solutions as a sponsor get access to state-of-the-art services and digital tools.

structuringHUB SA has been established as a standalone securitisation entity in Luxembourg that operates independently from Leonteq. It issues structured products that are guaranteed by the sponsors. Leonteq acts as the arranger, providing its long-standing expertise as well as its full technology platform and a broad range of services along the entire value chain.

Compared to a fully-fledged white-labelling partnership, sponsors gain access to Leonteq's product and service offering while only providing standard commercial banking services in the context of the issuance by structuringHUB. Complexity is reduced because the structured products and related hedging positions are recognised on the balance sheet of structuringHUB rather than the balance sheet of the sponsors. At the same time, all documents and processes are standardised.

structuringHUB SA is a CSSF-regulated standalone securitisation entity in Luxembourg, independently from Leonteq and its prudential supervision and governance framework. The structuringHUB issuance platform was conceived, designed and launched by Leonteq. structuringHUB is audited by PricewaterhouseCoopers, Luxembourg and the corporate service provider is a subsidiary of BDO Luxembourg (CF Fund Services SA).

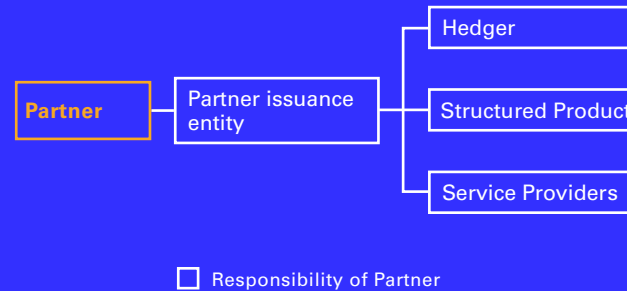
Irrespective of the model an intermediary uses, there are several benefits of becoming a producer of structured products.

Benefits of becoming a manufacturer of structured products:

- Increasing revenues**
 Being a producer enables banks to receive a greater portion of the margin as production margin, rather than a lower distribution remuneration.
- Getting stable funding**
 Residual issuance proceeds can be used internally as diversified funding to potentially generate additional core banking revenues.
- Improving product customisation**
 Banks get tailor-made products to enhance client experience, improve service quality and reduce operational risks.
- Applying best execution**
 Instead of buying a securitised derivative and bond package, a bank can mix and match the best market price for a derivative with its own bond.
- Reducing own credit risk**
 Credit risk from investment banks can be reduced by replacing structured products with the own credit risk.

Partner Model

Customised Production Platform



Key facts

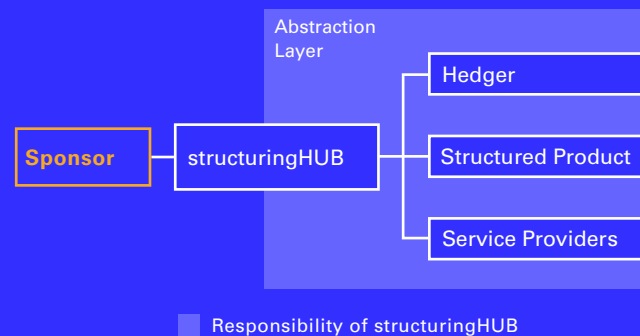
- Partners have full control over the issuance entity and face contractually all hedgers and service providers needed to issue a structured product
- Each transaction, including derivatives, are recognised on the partner's balance sheet
- All services are operated under the Partner's governance

Consequences

- Full issuance competencies
- Own prospectus
- Project costs for Partner
- Funding uplift for Partner

Sponsor Model

Standardised Production Platform



Key facts

- structuringHUB is a CSSF authorised & supervised scalable issuance platform in Luxembourg arranged by Leonteq, and faces as issuer contractually all hedgers and service providers
- Sponsors recognise on their balance sheet only a guarantee as well as collateral
- structuringHUB absorbs the complexity and is as such an abstraction layer for the Sponsor

Consequences

- Short time to market for first issuance
- structuringHUB prospectus
- Limited project costs for Sponsor
- Funding uplift for Sponsor

Since 2012, we have built a network of platform partners in Switzerland, Europe and Asia, and we currently work with more than 10 white-labelling partners and sponsors. In addition to Leonteq's white-labelling partnerships, we offer structured products from more than 20 third-party issuers.

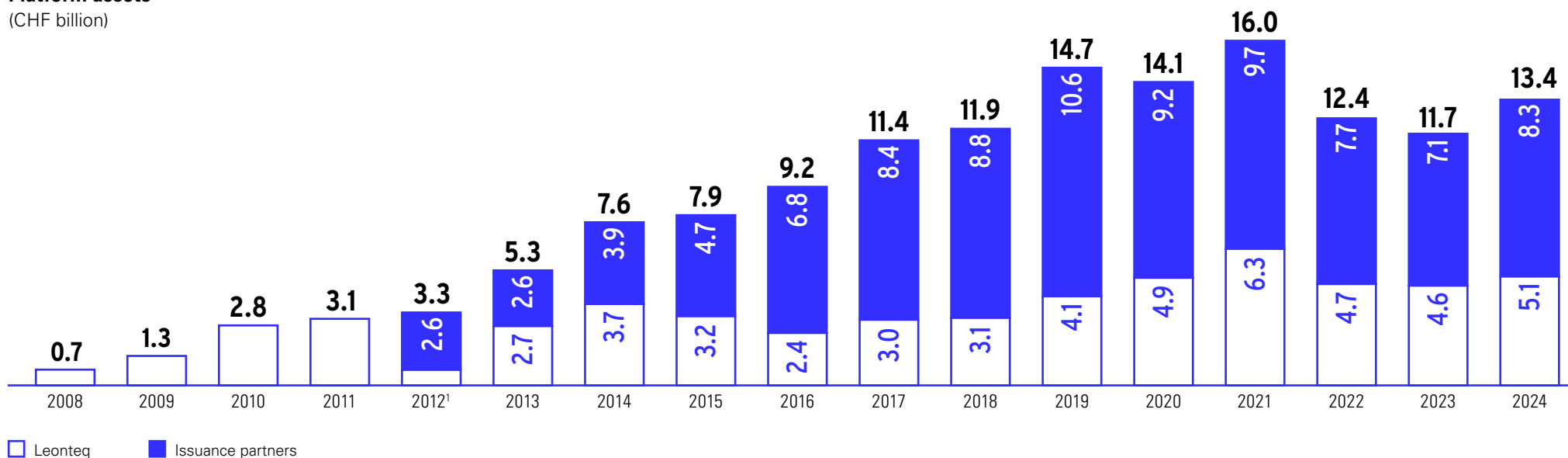
Leonteq continues to offer its own products, which serve as its primary source of funding, while maintaining the flexibility to offer clients the full range of products and payoffs, together with any additional features they require. As of end-2024, the volume outstanding on our platform was CHF 13.4 billion.

Our sponsors and partners



+5 sponsors & partners

Platform assets (CHF billion)



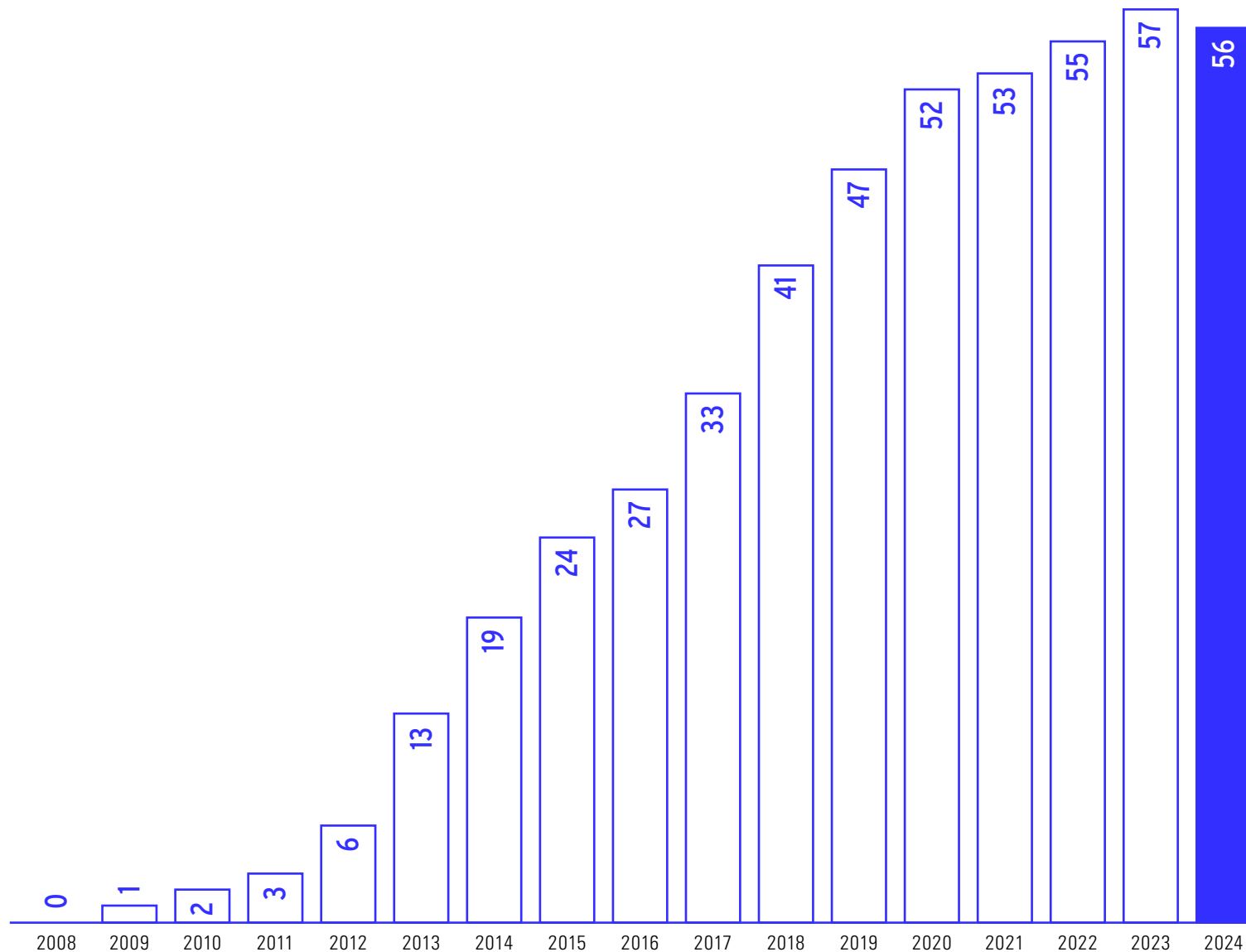
¹ Before 2012, products were issued by EFG Financial Products; at the time of the IPO in 2012, Leonteq sold its Guernsey operations to EFG International; after the rebranding in 2013, Leonteq started issuing products under its own name.

Retirement solutions for life insurance companies and banks

Leonteq enables partners through its digital platform Omega to manufacture capital-protected savings and drawdown solutions, providing their clients attractive and flexible products across all lifecycle stages.

It also supports the pricing of investment components and the automatic processing of portfolio allocations to combine guaranteed investments from banking partners with market instruments in order to exactly match the value proposition for clients across the entire lifecycle of the retirement products. In addition, Leonteq provides services for the hedging of market exposures, particularly long-term interest rate risks, the management of rule-based market participations, and the monitoring and risk management of individual insurance policies and retirement accounts. The retirement products with financial guarantees and upside can either be offered on the insurance side as unit-linked insurance products or by banks as flexible savings products.

Unit-linked insurance policies
(in thousands)



Benefits of life insurance companies using Leonteq's solutions:

- **Attractive client offering**

Clients receive at least a protected amount at maturity and benefit from upside potential through market participation. Leonteq's solution allows clients to directly participate from higher interest rates through increased guarantees and additional upside. At the same time, the product protects clients from falling interest rates.

- **Extensive product range**

The Omega platform supports products with any cash flow pattern (multiple or single contributions and withdrawals) across a broad range of protection tenors and enables life insurance companies to offer highly flexible capital protected savings, investment and drawdown solutions to their clients.

- **Bespoke solutions**

The option to integrate solutions with digital advisory and directly to client front-ends gives advisers and end-clients the possibility to tailor product characteristics, such as protection levels or capital market participation, to individual client needs.

- **Third-party guarantee**

Insurance partners can incorporate different guarantee providers for their solutions, giving clients the choice between guarantees provided by a third-party or the partner itself.

- **High capital efficiency**

Our platform allows to perfectly match assets and liabilities on our partner's balance sheet over the full lifecycle of the client contract.

The Leonteq insurance platform currently enables four products in the Swiss market. Three are offered in partnership with Helvetia Schweizerische Versicherungsgesellschaft AG (Helvetia) and one with Swiss Mobiliar.

The three products offered in partnership with Helvetia include a single premium financed savings plan, a drawdown plan, and a combined savings and drawdown plan with a guarantee provided by Raiffeisen Switzerland.

As part of our cooperation with Swiss Mobiliar, the Group offers a drawdown plan. The product generates a secure income, with the guarantee provided either by Swiss Mobiliar itself or by Bank Cler AG, depending on the client's preference.

We are providing services for more than 56,000 individually managed unit-linked life insurance policies on an automated basis every year, which includes more than 80,000 policy contract changes and over 2,700,000 processed transactions.

Our proprietary Omega insurance platform enables the fully automated digital processing of the entire lifecycle of insurance policies and capitalisation products. A key feature is the Omega Portal, a web-based application that enables our insurance partners to create, administer and track unit-linked life insurance products. Leveraging a convenient web-interface allows the insurer to immediately price and process policy adjustments. It supports a comprehensive set of business transaction events out of the box and thus substantially reduces onboarding costs. In combination with the fully modularised product design, the Omega Portal enables quick time-to-market for new unit-linked insurance solutions.

Based on Omega, Leonteq introduced a digital savings platform, Sigma, that allows banks to offer flexible savings products where clients can make contributions without any fixed prior payment commitments.

Our market

Structured products market

We are primarily active in the structured investment products markets of Switzerland, Europe, Asia and the Middle East.

The global market for structured investment products is fragmented and each region is characterised by different types of investor behaviour and product preferences.

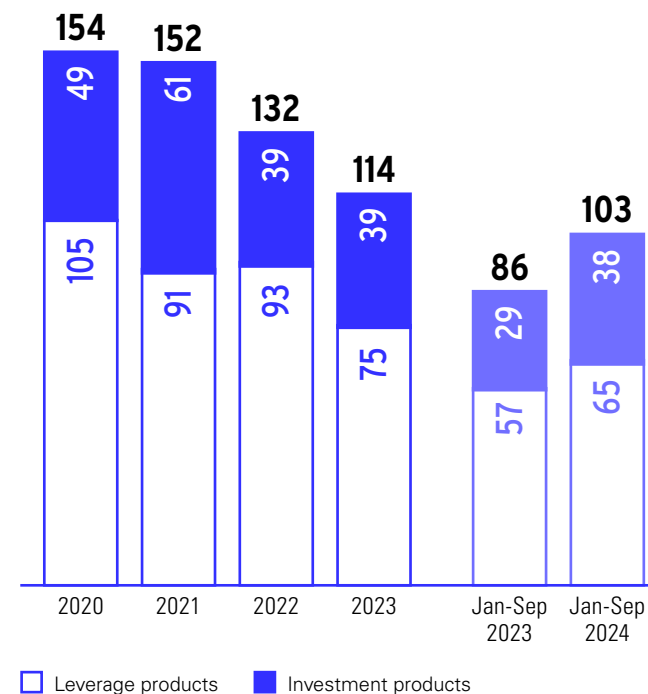
The structured products market tends to be highly competitive and the industry is influenced by various external and macro-economic factors such as regulatory developments, interest rate levels, funding needs, insurance innovations, market volatility of the underlying assets, investors' know-how and perception and demographic trends.

European market

The European Structured Investment Products Association (Eusipa) represents the interests of the European structured investment products business. Its activities are focused on derivative instruments such as structured investment products and warrants. It publishes a quarterly market report with details of the listed turnover and outstanding volumes of the largest structured product exchanges in Europe, including Austria, Belgium, France, Germany, Italy, Luxembourg (since 2022), the Netherlands, Sweden and Switzerland. This report provides an indication of market trends but only reflects a fraction of the total volume traded. This is due to the fact that in Switzerland, for example, only around 30% of total turnover is generated with products listed on the exchange.

Turnover in structured products on European financial markets has recovered and reached EUR 102 billion in the first three quarters of 2024, 20% higher than EUR 85 billion in the same period of 2023. The increase was driven by higher turnover in both product categories, Leverage (+14%, or EUR +7.9 billion) and Investment products (+31%, or EUR +8.9 billion) for the first three quarters of 2024.

Eusipa listed market turnover
(EUR billion)



Source: European Structured Investment Products Association

Swiss Market

The Swiss market can be assessed by looking at statistics published by the Swiss Structured Products Association (SSPA), taking into account both listed and unlisted products created in or for Switzerland and sold nationally and internationally, as well as listed turnover published on a monthly basis by SIX Swiss Exchange.

SSPA has changed its reporting methodology in 2022. The definition of the products taken into account was amended and thus the product coverage was narrowed. Due to this optimisation, the reported statistics are not directly comparable to preceding reports anymore.

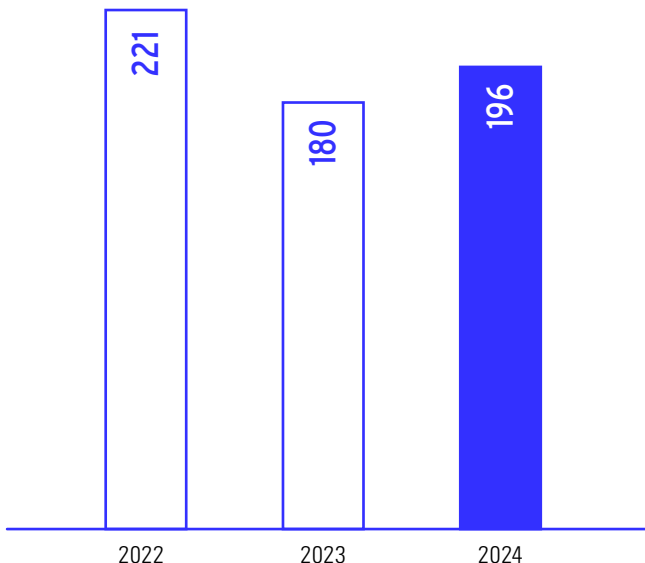
Total turnover with structured products reported by SSPA in 2024, increased by 9% to CHF 196.0 billion, compared to CHF 180.3 billion in 2023. This was predominantly driven by higher turnover in leverage products.

Yield enhancement products again represented the largest product category with a total volume of CHF 91.6 billion in 2024, up 4% from the prior year (2023: CHF 88.5 billion), representing a share of 47% (2023: 49%). Leverage constituted the second largest product type with a turnover of 54.2 billion (2023: CHF 35.5 billion) and a share of 28% (2023: 20%) Capital protection products turnover decreased year on year by 25% to CHF 19.8 billion (2023: CHF 26.5 billion) and represented a share of 10% (2023: 15%), while turnover with participation products amounted to CHF 22.1 billion (2023: CHF 18.9 billion), corresponding to a share of 11% (2023: 10%).

Equities were the most important asset class, accounting for 53% of turnover in 2024 (2023: 50%), followed by foreign exchange and fixed income at 25% (2023: 26%) and 12% (2023: 16%), respectively. With a contribution of 65%, OTC products accounted for the majority of turnover in 2024 (2023: 71%), but turnover remained stable at CHF 128.3 billion year on year. At the same time, turnover in listed products increased by 30% to CHF 67.6 billion, representing a share of 35% (2023: 29%).

With a share of 41%, the US dollar was the dominant currency traded in 2024 (2023: 41%), followed by the euro which accounted for 35% of total turnover (2023: 32%). The Swiss franc accounted for 14% of total turnover (2023: 15%).

SSPA market turnover (CHF billion)



Source: Swiss Structured Products Association

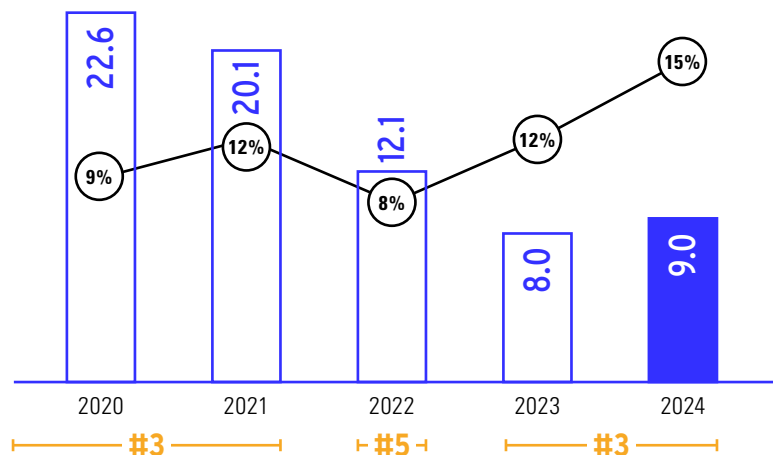
Exchange-listed product statistics are published on a monthly basis by SIX Swiss Exchange. Listed products at the SIX Swiss Exchange contribute typically less than 10% to the overall Leonteq platform turnover.

Leonteq is predominantly listing yield enhancement, participation, capital protection and investment products with reference entities at the SIX Swiss Exchange (that is, investment products). As part of its retail flow business initiative, Leonteq has listed its first leverage products in Switzerland in the second half of 2024.

Total turnover with listed products on SIX Swiss Exchange increased by CHF 1.0 billion, or 13% to CHF 9.0 billion in 2024, compared to CHF 8.0 billion in 2023. This was mainly driven by a growth in turnover with participation products by CHF 0.8 billion to CHF 3.7 billion and with leverage products by CHF 0.6 billion to CHF 3.3 billion. At the same time, turnover with yield enhancement was CHF 0.3 billion lower than in the prior year. The Leonteq platform, including products issued by Leonteq and its partners Basler Kantonalbank (since April 2020), Banque Internationale à Luxembourg (since 2021), Cornèr Bank, EFG International, Raiffeisen, and Swissquote (since January 2022) grew by CHF 0.5 billion to CHF 1.4 billion (+46% year on year) in turnover in 2024, compared to 2023. As a result, the Leonteq platform increased its market share to 16% in 2024, compared to 12% in 2023 and ranked third amongst all issuers on SIX Swiss Exchange for listed products.

SIX total listed market turnover

(CHF billion)



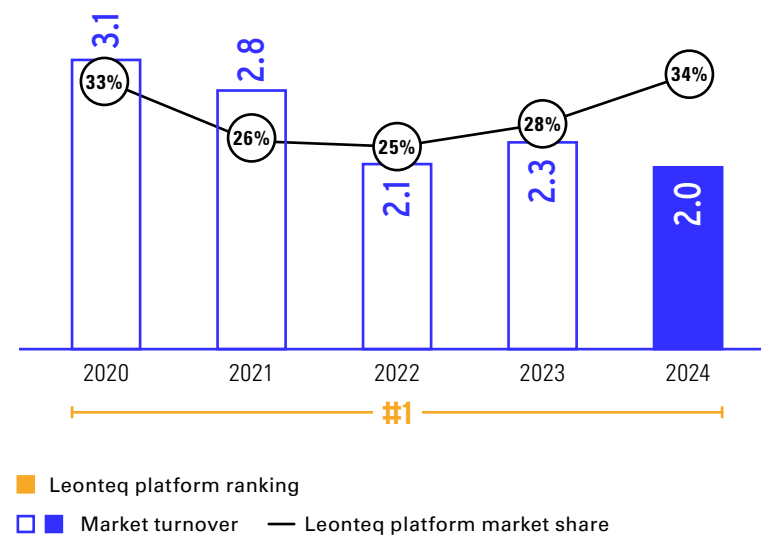
■ Leonteq platform ranking
■ Market turnover — Leonteq platform market share

Source: SIX Swiss Exchange

In the yield enhancement product category, market turnover amounted to CHF 2.0 billion in 2024, compared to CHF 2.3 billion in the previous year, corresponding to a decrease of 13%. At the same time, the Leonteq platform generated turnover in yield enhancement products of CHF 0.7 billion in 2024, compared to CHF 0.6 billion in 2023 (+7% year on year). This reflects a market share of 34% (vs. 28% in 2023). Leonteq has thus maintained its market-leading position in listed yield enhancement products on SIX Swiss Exchange.

SIX listed market turnover: Yield enhancement products

(CHF billion)

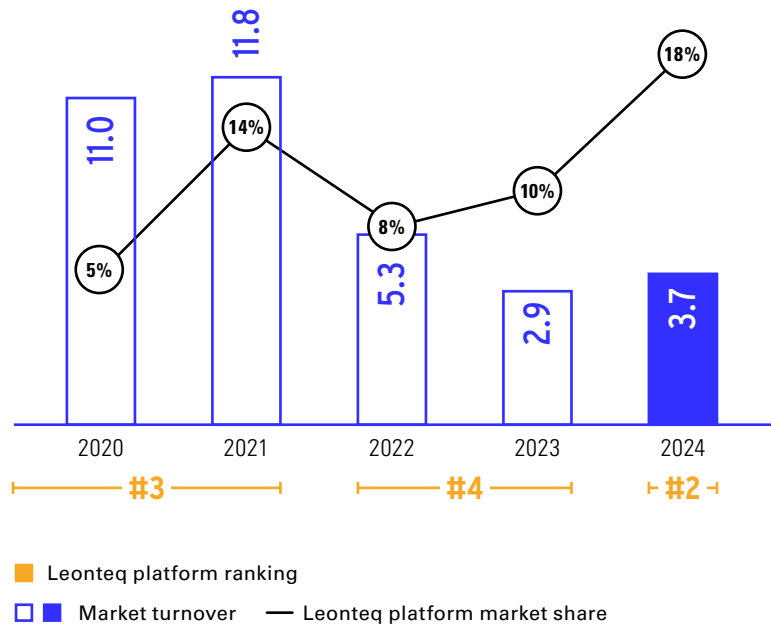


■ Leonteq platform ranking
■ Market turnover — Leonteq platform market share

Source: SIX Swiss Exchange

Listed participation products on SIX Swiss Exchange experienced an increase in demand. Market turnover grew by CHF 0.8 billion in turnover to CHF 3.7 billion in 2024, compared to CHF 2.9 billion in 2023. The Leonteq platform generated turnover in participation products of CHF 0.7 billion in 2024, compared to CHF 0.3 billion in 2023. This corresponds to a market share of 18%, compared to 10% in the prior year.

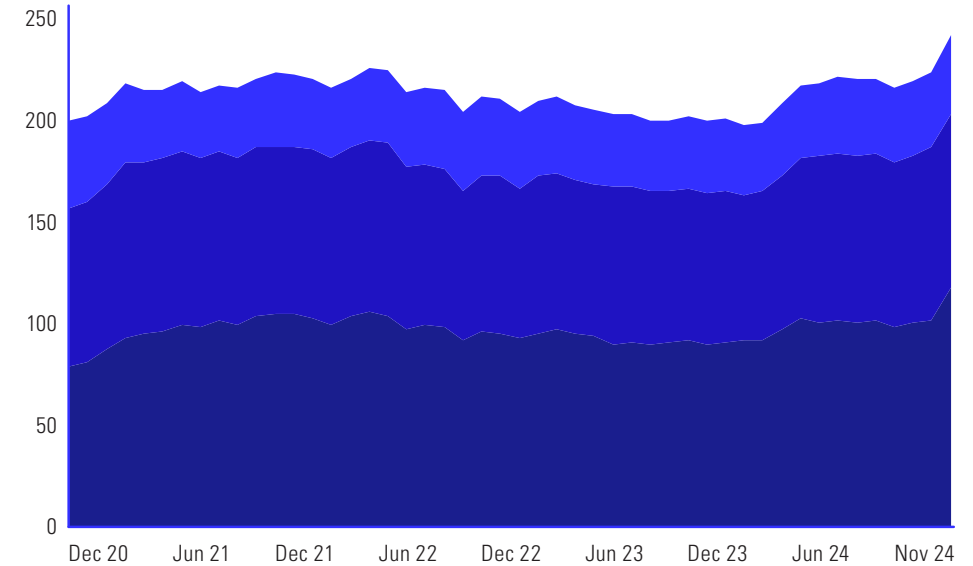
SIX listed market turnover: Participation products
(CHF billion)



Source: SIX Swiss Exchange

The Swiss National Bank publishes data on securities holdings in bank custody accounts for resident and non-resident custody account holders. The custody accounts are comparable to Leonteq's platform assets and represent the volume of structured products outstanding. The numbers show that the amount of money invested in structured investment products (excluding leverage), totalled CHF 237 billion as of end-November 2024, up 22% from CHF 195 billion as of end-December 2023. The share of yield enhancement products remained stable (35% as of end-November 2024, vs. 36% as of end-December 2023).

Swiss National Bank: Securities holdings in bank custody accounts
(CHF billion)



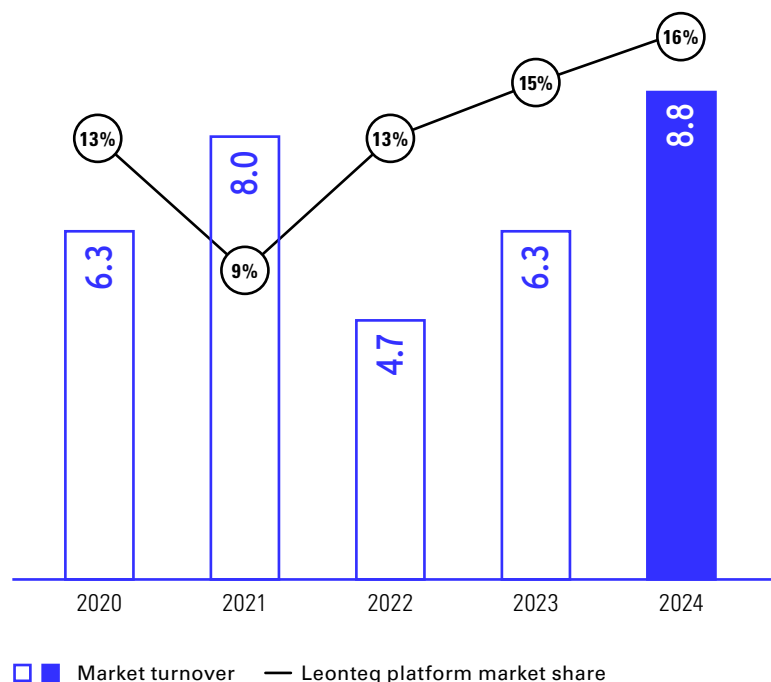
Source: Swiss National Bank

Italian market

Borsa Italiana provides investors with two dedicated markets for trading securitised derivatives: SeDeX and Cert-X. The products listed on SeDeX and Cert-X are primarily aimed at retail customers, while Cert-X also offers products targeted at professional clients. The Italian secondary market is one of the most active in the European landscape for securitised derivatives. Cert-X market has specialised mainly as a trading venue for investment certificates or other structured products listed after a public offer or following a private placement. The Leonteq platform, including products issued by Leonteq Securities AG and its platform partner EFG International, is listing its products predominantly on Cert-X and achieved a market share of 16% in 2024, compared to 15% in 2023.

Cert-X listed market turnover

(EUR billion)



Source: Borsa Italiana

Pension savings market

The long-term savings market is continuing to grow in importance in Switzerland. Several factors are driving this trend, including demographic developments, which mean that an increasing proportion of the population is now beginning to consider building and using pension assets; the low interest rate environment in recent years, and the lack of progress in reforming the pension system are putting pressure on occupational pension planning (Pillar 2), thus increasing the relative importance of private (Pillar 3) pension savings. At the same time, industry standards for investment and savings advisory are increasingly shifting away from “selling outperformance” towards purpose-oriented, goal-based approaches, with pension savings typically being the minimum objective for retail and affluent clients above the age of 35–40 years.

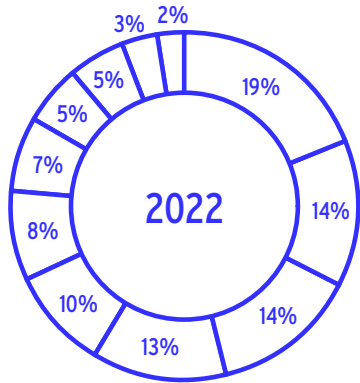
A large share of Pillar 3 savings is held in capital-protected solutions, as many clients are not willing to take investment risks. For banks and insurers, this poses a problem, as their investment solutions are not aligned with their clients’ needs. This has led to a supply gap in the current market for attractive solutions with financial protection. If the additional increased preference for flexibility and transparency is factored in, there is a need for a modern and integrated platform that enables a capital protection proposition similar to traditional offerings, produced in a capital- and cost-efficient manner based on a prudent product design and modern hedging approach.

All supervised insurance companies must submit information and data to FINMA on an annual basis. Among others, the available data covers figures on booked premiums for each insurance company until 2023.

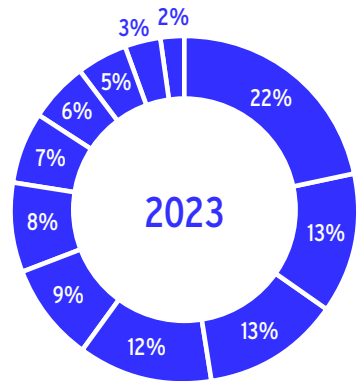
Market shares among the largest life insurance companies have not materially changed from 2022 to 2023. Leonteq’s partners Helvetia and Mobiljar ranked third and fourth, respectively, for gross written premiums on individual life insurance.

From 2019 to 2023, the total booked gross premiums for individual life insurance increased, mainly driven by premiums for unit-linked insurance while the premiums of private endowment life insurers slightly decreased over the same period.

Market share (individual life insurance) 2022-2023



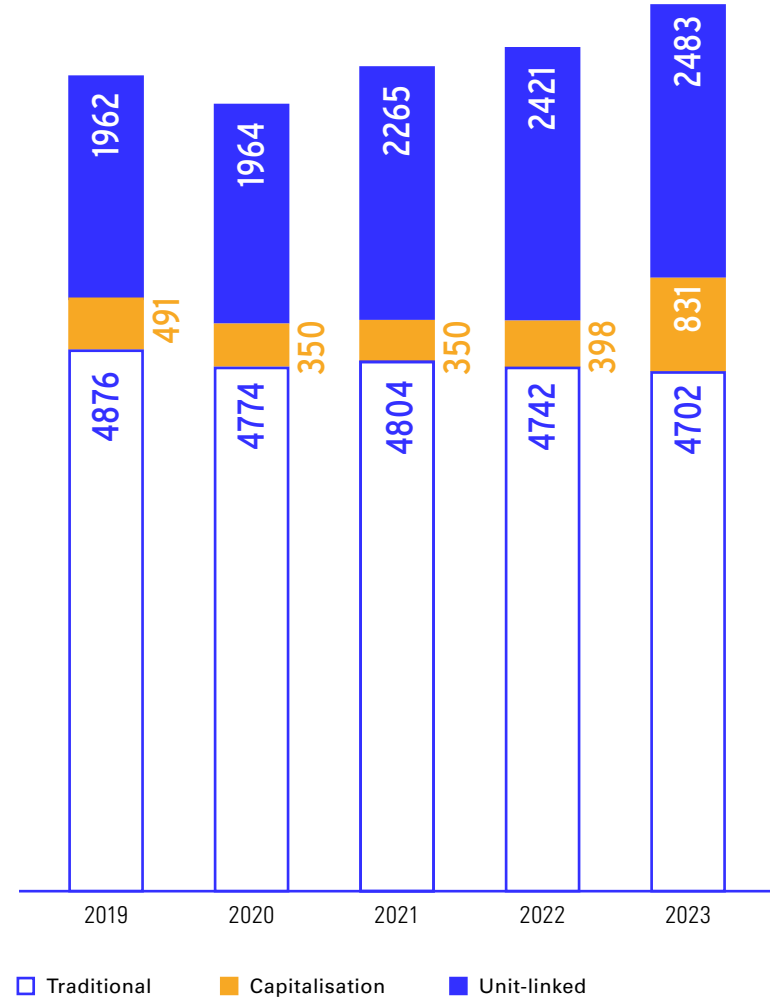
Swiss Life	19%
Generali	14%
AXA	14%
Helvetia	13%
Zürich	10%
Mobiliar	8%
Baloise	7%
Pax	5%
Allianz	5%
Vaudoise	3%
Other	2%



Swiss Life	22%
AXA	13%
Helvetia	13%
Generali	12%
Zürich	9%
Mobiliar	8%
Baloise	7%
Pax	6%
Allianz	5%
Vaudoise	3%
Other	2%

Source: FINMA

Individual life insurance market (Switzerland): Booked gross premiums (CHF million)



Source: FINMA

40

Strategic progress and innovations in 2024

44

Our results

51

New enhanced regulatory regime

MANAGEMENT REPORT

Strategic progress and innovations in 2024

Expansion of offering

- First ETP+ launched on Deutsche Börse
- Successful launch of market-making on BX Swiss
- First leverage products listed in Switzerland under the retail flow business initiative
- Revenue contribution of 59% from new business initiatives (vs. 47% in 2023)
- Balance sheet-light turnover contribution increased to 17% (vs. 13% in 2023)

Partner diversification

- New collaboration agreements announced with Saxo Bank and with Bergos under a standardised white-labelling issuance model
- Turnover contribution from new partners increased to 21% (vs. 20% in 2023)

Platform innovation

- Quote module launched in the mobile version of LYNQS for Singapore and Hong Kong
- Shari'a-compliant structured product offering enabled on LYNQS
- Number of intermediaries on LYNQS grew by 7% to 1,131
- Click'n'trade ratio on LYNQS increased to 23% from 15% year on year

Expansion of offering

Leonteq continued to invest in strategic initiatives to expand its offering for clients and diversify its revenue sources beyond traditional structured products.

In 2024, Leonteq expanded its product range and geographical reach by launching its first exchange traded product (ETP+) on Xetra and Börse Frankfurt, which are two distinct trading segments of Deutsche Börse. The newly launched ETP+ is collateralised and tracks the performance of the Leonteq EUR Overnight Return Index, which is directly linked to the European Short-Term Overnight Rate (ESTRON).

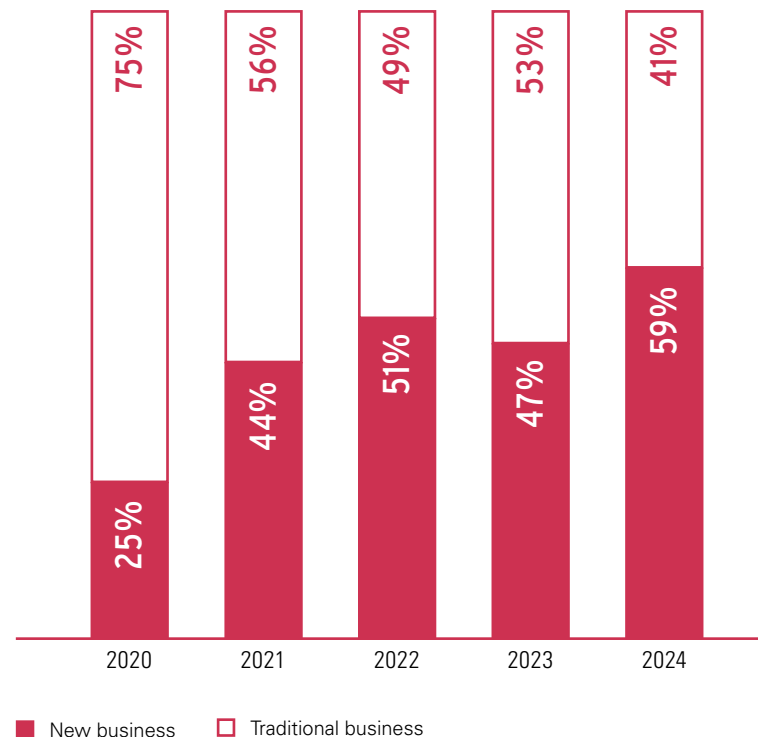
Leonteq also announced a collaboration with neon under which neon is offering the ETP+ on the FuW Swiss 50 Index NTR to its clients as part of the recently launched investment plan without purchase or deposit fees. This collaboration is targeting a new growth market for investment plans in Switzerland.

Leonteq was awarded with “Best ETP of the Year” at the Swiss ETF awards 2024 for its innovative ETP+ concept.

The company also advanced its retail flow business initiative, which represents its single biggest investment in recent years. Following its acquisition of a 10% stake in BX Swiss from Boerse Stuttgart Group in December 2023, Leonteq implemented a phased approach to gradually assume the role of exclusive market maker for equity securities and ETFs on BX Swiss from April 2024. In the period from April to December 2024, turnover on the exchange increased by more than 70%, compared to the same period of 2023. As part of its retail flow business initiative, Leonteq listed its first few leverage products in Switzerland in the second half of 2024 and expects the full market launch in the course of 2025.

Overall revenues from new business activities grew by 22% to CHF 130.8 million and contributed 59% of Group economic revenues (excluding net result of hedging activities) in 2024 (2023: 47%). The Group’s fund derivatives business, balance sheet-light business and treasury initiative recorded strong double-digit growth rates compared to 2023. Leonteq’s crypto assets also attracted high level of demand in 2024, benefitting from increased activity in the crypto area.

Economic revenues by business type¹



¹ Excluding net result of hedging activities.

Balance sheet-light turnover grew to CHF 4.6 billion in 2024, partially driven by a few exceptional transactions in the first half of 2024 with a high notional amount, compared to turnover of CHF 2.7 billion in 2023. This corresponds to a turnover contribution from the balance sheet-light business of 17% in 2024, compared to 13% in the prior year.

Leonteq’s AMC business (including actively managed certificates, tracker certificates, exchange traded products, and other open-end products) generated relatively stable recurring revenues.

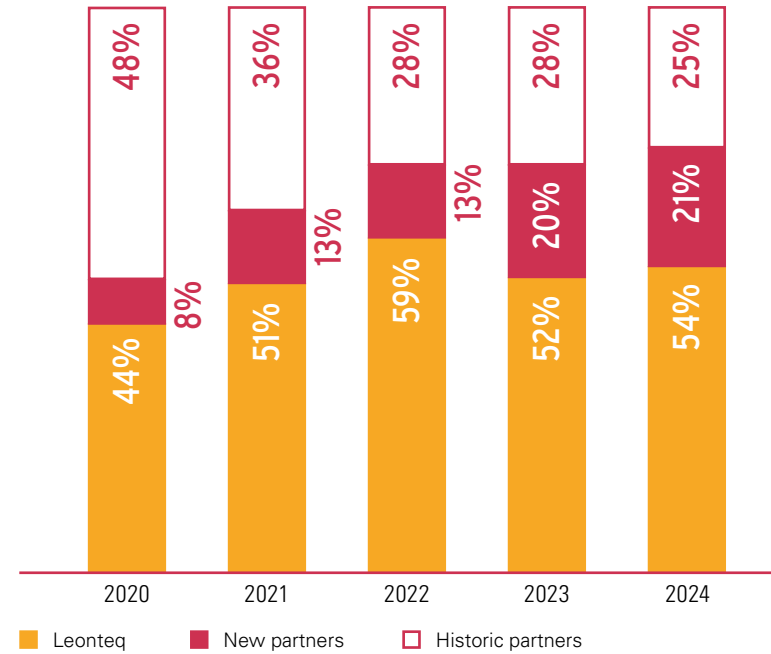
Partner diversification

Leonteq also announced new collaboration agreements with two banking partners that will join the platform. Saxo Bank A/S will become a sponsor under a standardised white-labelling issuance model established by Leonteq and will be responsible for the distribution of Saxo guaranteed structured products to its large client base via its platforms for investors and traders.

Under the same standardised white-labelling issuance model, another cooperation was launched with Bergos AG (Bergos). As part of this cooperation, Bergos will utilise Leonteq’s technology platform to price and trade Bergos guaranteed structured products.

Reflecting continued efforts to diversify revenues across issuers, turnover from products issued by new partners in 2024 increased by 35% to CHF 5.8 billion compared to 2023. Turnover with historic partners increased to CHF 6.9 billion in the reporting period, up by 15%, and turnover from products issued by Leonteq rose to CHF 14.9 billion, compared to CHF 11.0 billion. Total platform assets reached CHF 13.4 billion as of 31 December 2024, compared to CHF 11.7 billion as of 31 December 2023.

Turnover by issuer category



Platform innovation

A major focus in 2024 was the further improvement of Leonteq's digital client solutions, leveraging its scalable technology platform.

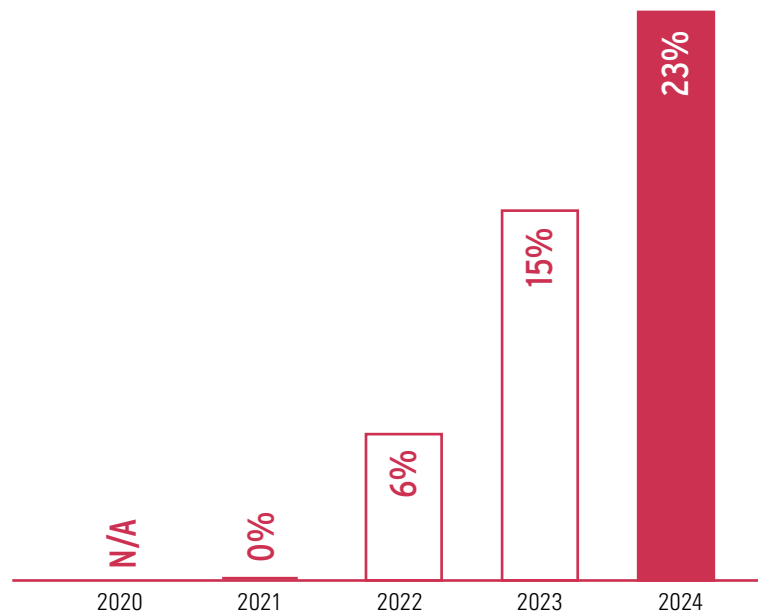
The quote module of LYNQS was launched in the mobile version of LYNQS in Singapore and Hong Kong. This makes Leonteq one of the first platform providers to offer access to a click 'n' trade platform via mobile devices in Asia.

Following the launch of Shari'a-compliant trust certificates in 2022, Leonteq enabled IBDAAs as a new issuer on LYNQS in 2024. IBDAAs are standalone special purpose vehicle companies that issue these trust certificates under the Shari'a-Compliant Trust Certificate Issuance and Offering Programme with Leonteq Securities AG acting as lead manager. In this context, Leonteq has also created a dedicated platform for the Middle East which exclusively offers Shari'a-compliant investment ideas and products issued by IBDAAs.

Further, the number of available third-party issuers for LYNQS users was expanded to include several top-rated, internationally renowned banking groups; including Morgan Stanley and CIBC. For financial intermediaries based in Hong Kong and Singapore, investment products by Oversea-Chinese Banking Corporation Limited (OCBC) are also available on LYNQS. As part of this collaboration, which was launched in 2024, Leonteq supports OCBC in key areas of the structured product value chain, including structuring, distribution, and hedging. As a result, LYNQS users have now access to structured products from up to 15 issuers, depending on their jurisdiction.

In 2024, the number of products initiated via LYNQS increased by 96% to 10,915 products compared to 5,582 in 2023. As a result, its click 'n' trade ratio improved to 23% in 2024, compared to 15% in 2023. The number of intermediaries connected to LYNQS increased to 1,131 (2023: 1,059 intermediaries).

Click 'n' trade ratio



Our results

Leonteq saw very high levels of platform activity throughout 2024. The company issued 46'467 products (up 22% vs. 2023) and processed 275,820 client transactions (up 40% vs. 2023), both of which represent record figures. However, heightened competition, in combination with exceptional transactions with a high notional amount, led to further reduction in fee margins.

Leonteq delivered relatively stable net fee income and recorded a decline in the net trading result. Group net profit was CHF 5.8 million in 2024, compared to CHF 20.6 million in 2023. Earnings per share amounted to CHF 0.33, compared to CHF 1.15 in 2023.

Shareholders' equity remained strong at CHF 803.8 million as of 31 December 2024, compared to CHF 780.1 million as of end-2023.

Income statement

CHF million	FY 2024	FY 2023	Change y-o-y	H2 2024	H1 2024	H2 2023	Change y-o-y
Net fee income	214.4	213.2	1%	96.5	117.9	89.3	8%
Net trading result	21.5	36.6	(41%)	10.3	11.2	18.8	(45%)
Net interest result	(0.4)	6.5	N/A	(3.3)	2.9	3.2	N/A
Other operating income	3.0	3.7	(19%)	1.6	1.4	1.6	0%
Total operating income	238.5	260.0	(8%)	105.1	133.4	112.9	(7%)
Personnel expenses	(123.9)	(138.0)	(10%)	(57.6)	(66.3)	(65.0)	(11%)
Other operating expenses	(59.7)	(60.9)	(2%)	(31.7)	(28.0)	(32.2)	(2%)
Depreciation	(36.0)	(35.3)	2%	(18.0)	(18.0)	(17.7)	2%
Changes to provisions	(11.0)	(7.4)	49%	(2.8)	(8.2)	(4.8)	(42%)
Total operating expenses	(230.6)	(241.6)	(5%)	(110.1)	(120.5)	(119.7)	(8%)
Profit / (loss) before taxes	7.9	18.4	(57%)	(5.0)	12.9	(6.8)	(26%)
Taxes	(2.1)	2.2	N/A	(4.9)	2.8	(1.4)	250%
Group net profit / (loss)	5.8	20.6	(72%)	(9.9)	15.7	(8.2)	21%

Total operating income

Total operating income decreased by 8% to CHF 238.5 million in 2024, compared to CHF 260.0 million in 2023, mainly driven by a lower net trading result and a decrease in the company's net interest result.

Net fee income increased by 1% to CHF 214.4 million, compared to CHF 213.2 million in 2023. Contribution from large ticket transactions amounted to 6%, or CHF 13.9 million, of net fee income, compared to 11%, or CHF 22.5 million, in the prior year.

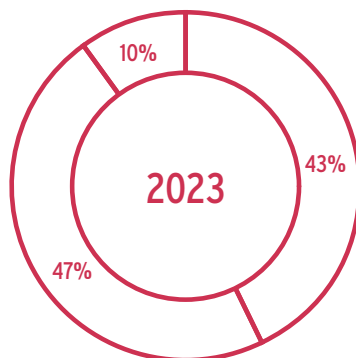
In line with the reported high platform activity, total turnover increased by 30% to CHF 27.6 billion, partially driven by exceptional transactions with a high notional amount of CHF 1.7 billion. However, the competitive market environment and the aforementioned transactions led to a further reduction in net fee margins to 70 basis points (2023: 90 bps).

From a regional perspective, net fee income in Leonteq's Swiss home market grew to CHF 99.7 million in 2024 (2023: CHF 92.3 million). Operations in Europe generated net fee income of CHF 96.1 million, 3% lower than in the prior year. Net fee income in the Asia region (including the Middle East) decreased by 13% to CHF 18.6 million (2023: CHF 21.4 million).

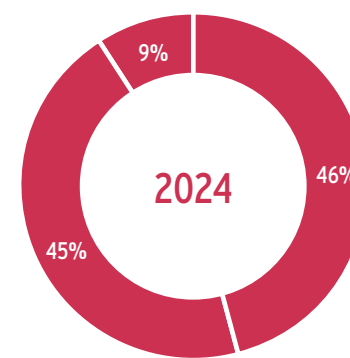
Breakdown of net fee income by region

CHF million	FY 2024	FY 2023	Change y-o-y	H2 2024	H1 2024	H2 2023	Change y-o-y
Switzerland	99.7	92.3	8%	46.7	53.0	44.1	6%
Europe (excl. Switzerland)	96.1	99.5	(3%)	40.2	55.9	36.8	9%
Asia (incl. Middle East)	18.6	21.4	(13%)	9.6	9.0	8.4	14%
Total net fee income	214.4	213.2	1%	96.5	117.9	89.3	8%

Net fee income by regions



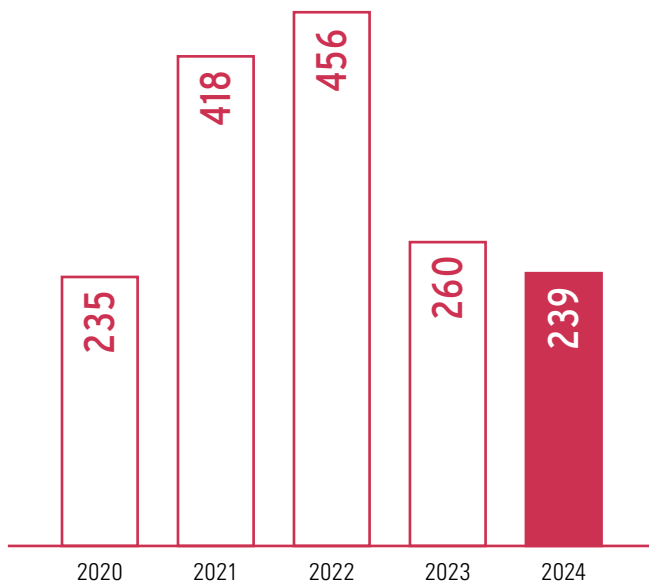
Switzerland	43%
Europe (excl. Switzerland)	47%
Asia (incl. Middle East)	10%



Switzerland	46%
Europe (excl. Switzerland)	45%
Asia (incl. Middle East)	9%

Total operating income

(CHF million)



Positive contributions from hedging activities were recorded on the back of the short-term increase in market volatility in August, while negative hedging contributions resulted from an operational risk event in October as well as a continued reduction in market volatility in November and December 2024 following the US elections. As a result, the **net trading result** decreased to CHF 21.5 million compared to CHF 36.6 million in the prior year.

In preparation for the new regulatory regime, Leonteq extended available credit facilities. This negatively impacted the **net interest result** totalling CHF -0.4 million, compared to CHF 6.5 million in 2023.

Other operating income mainly represents income charged to issuance partners for services not related to fee income, such as onboarding and project-related costs. It also includes rental income from subleases. In 2024, other operating income decreased by 19% to CHF 3.0 million from CHF 3.7 million in 2023, mainly due to the absence of non-recurring income from platform partners for onboarding services.

Total operating income
(CHF million)

238.5

-8%

Platform assets
(CHF billion)

13.4

+15%

Turnover
(CHF billion)

27.6

+30%

Client transactions

275,820

+40%

Total operating expenses

Total operating expenses decreased by 5% to CHF 230.6 million in 2024 compared to CHF 241.6 million in 2023, mainly reflecting a further reduction in discretionary compensation for 2024, and a stricter approach to new hires and replacements as well as a reduction in the number of contractors. The decrease in personnel expenses was partly offset by an increase in provisions.

Personnel expenses are the largest component of total operating expenses and mainly comprise fixed and variable compensation for the Group's employees.

Fixed compensation decreased year on year on the back of a slight reduction in Leonteq's staff base to 583 FTEs, compared to 591 in the prior year. Variable compensation declined by a further 24% compared to the previous year on the back of Leonteq's subdued performance in 2024. As a result, personnel expenses decreased by 10% to CHF 123.9 million in 2024, compared to CHF 138.0 million in 2023.

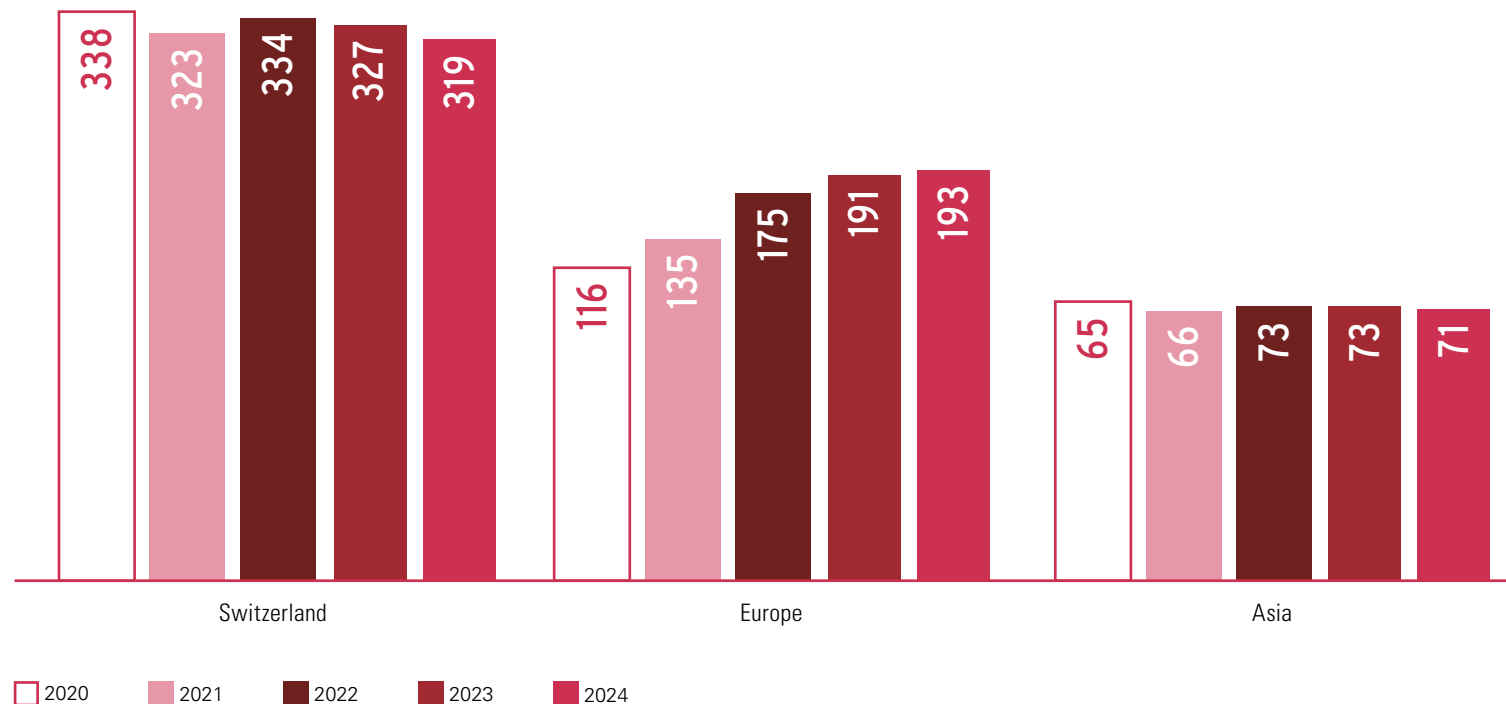
Other operating expenses decreased by 2% to CHF 59.7 million in 2024, compared to CHF 60.9 million in the prior year. The decrease was driven by lower IT-related expenses for network, data centre and market data services, partially offset by higher expenses for professional services primarily related to the new regulatory regime.

Depreciation of tangible and intangible assets rose by 2% to CHF 36.0 million, compared to CHF 35.3 million in 2023.

These expenses are largely driven by Leonteq's investments in information technology equipment, as well as internally development and purchased software. Capital expenditures for these items amounted to CHF 26.3 million (2023: CHF 26.8 million), reflecting investments in Leonteq's major strategic initiatives, such as the retail flow business, LYNQS, and AMC Gateway. In addition, Leonteq continued to invest in its IT infrastructure.

During the reporting period, the Group increased net **provisions** to CHF 11.0 million in connection with the conclusion of regulatory matters. (2023: CHF 7.4 million).

FTE per region



Capital expenditures in information technology equipment and software (CHF million)

26.3

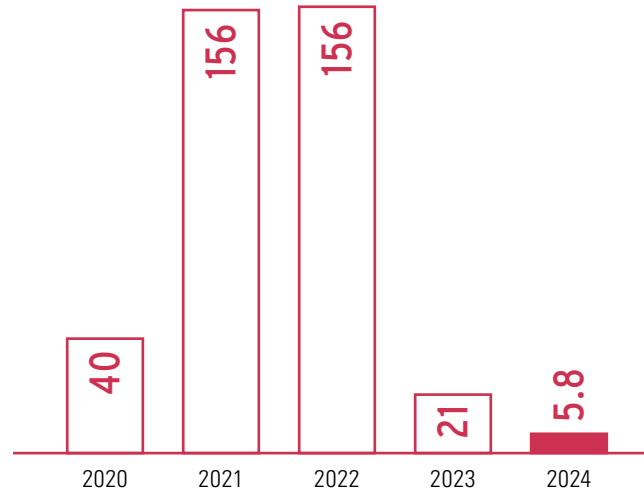
-2%

Profitability

Leonteq reported profit before taxes of CHF 7.9 million in 2024, compared to CHF 18.4 million in 2023. Income tax expenses in 2024 amounted to CHF -2.1 million, whereas in 2023, income taxes were positive at CHF 2.2 million, mainly reflecting prior-year tax adjustments. Group net profit amounted to CHF 5.8 million in 2024, compared to CHF 20.6 million in 2023.

Earnings per share declined to CHF 0.33 from CHF 1.15 in the prior year. Shareholders' equity remained strong at CHF 803.8 million as of 31 December 2024, 3% higher than in the prior year (31 December 2023: CHF 780.1 million). Return on equity was 1% for 2024 (2023: 2%).

Group net profit
(CHF million)



Shareholders' equity
(CHF million)

803.8

+3%

Group net profit
(CHF million)

5.8

-72%

Return on equity
(CHF million)

1%

-1 P.P.

Balance sheet

The composition of Leonteq's balance sheet is driven by outstanding volumes of structured products issued by Leonteq on the one hand, and by hedge positions to offset the exposure from structured products issued by Leonteq as well as by its platform partners on the other.

When distributing own issued products, Leonteq uses part of the cash proceeds to finance hedge positions and part to invest in a high-grade investment portfolio. Proceeds generated through the issuance of a partner's products are recognised on the issuance partner's balance sheet. The market risks arising from partner issuances are mainly hedged by Leonteq as part of its service offering. The risk transfer from the issuance partner back to Leonteq happens through OTC transactions, which are fully collateralised.

Leonteq applies a dynamic hedging approach to offset the market risk exposure induced by the client flow by investing either in listed equity securities (e.g. single stocks) or engaging in derivative transactions (e.g. futures, listed derivatives and OTC transactions) on the corresponding underlyings.

Since Leonteq's core franchise has historically centred on yield enhancement payoffs with equity securities as the underlying asset class, the embedded derivative components in such products are usually put options. The values of these options depend largely on share prices, with rising markets leading to lower replacement values and with decreasing markets leading to higher replacement values. The same also applies for the derivative hedge transactions. Likewise, the collateral placed with or received from hedging counterparties for exchange-traded derivatives as well as the hedging arrangements entered into with Leonteq's partners increase or decrease in the same direction.

Leonteq's total assets increased by CHF 1,411.3 million, or 15%, to CHF 10,667.3 million as of 31 December 2024, compared to CHF 9,256.0 million as of 31 December 2023. Cash and receivables increased by CHF 167.9 million, or 18%, mainly due to higher transaction volumes compared to end-2023. Trading financial assets increased by CHF 1,048.3 million, or 35%, mainly due to an increase in outstanding platform assets with platform partners and growth in Leonteq's fund derivatives business. The increase in outstanding volumes with partners also resulted in an increase in positive

replacement values. Financial assets / investments reflect Leonteq's investment portfolio, which remained relatively stable at CHF 2,622.5 million as of 31 December 2024 (31 December 2023: CHF 2,790.0 million).

Total liabilities increased by CHF 1,387.6 million, or 16%, to CHF 9,863.5 million, driven mainly by the increase in securities financing transactions and higher volumes of derivatives with negative replacement values, in line with the increase in client activity and outstanding volumes with partners and Leonteq's own issuance.

Shareholders' equity totalled CHF 803.8 million as of 31 December 2024, up 3% from CHF 780.1 million as of 31 December 2023. This increase was predominantly due to unrealised income related to debt instruments measured at fair value through other comprehensive income and currency translation adjustments for structural US dollar positions.

Balance sheet

CHF million	31.12.2024	31.12.2023	Change from YE 2023	Change from YE 2023
Cash and receivables	1,085.8	917.9	18%	167.9
Trading financial assets ¹	4,061.3	3,013.0	35%	1,048.3
PRV ² of derivative financial instruments	2,765.5	2,398.7	15%	366.8
Financial assets / investments ³	2,622.5	2,790.0	(6%)	(167.5)
Other assets	132.2	136.4	(3%)	(4.2)
Total assets	10,667.3	9,256.0	15%	1,411.3
Short-term credit and liabilities	1,932.9	1,541.4	25%	391.5
Trading financial liabilities	137.1	54.0	154%	83.1
NRV ⁴ of derivative financial instruments	2,421.3	1,999.6	21%	421.7
Own structured investment products ⁵	5,185.7	4,667.0	11%	518.7
Other liabilities	137.5	156.1	(12%)	(18.6)
Deferred fee income	49.0	57.8	(15%)	(8.8)
Total liabilities	9,863.5	8,475.9	16%	1,387.6
Shareholders' equity	803.8	780.1	3%	23.7
Total liabilities and shareholder's equity	10,667.3	9,256.0	15%	1,411.3

¹ Also includes trading inventories.

² Positive replacement values.

³ Includes other financial assets designated at fair value through profit or loss and financial investments measured at FVOCI.

⁴ Negative replacement values.

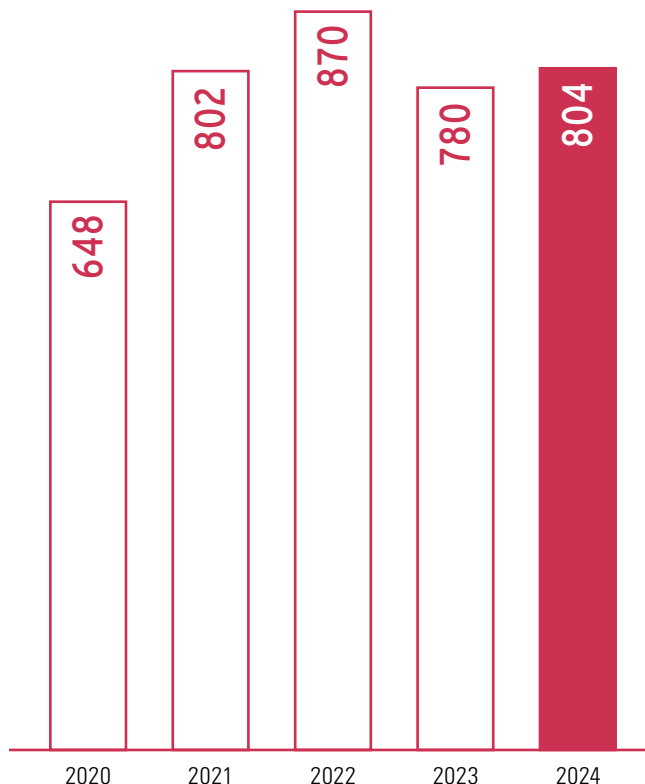
⁵ Other financial liabilities designated at fair value through profit or loss.

Regulatory framework and capital management

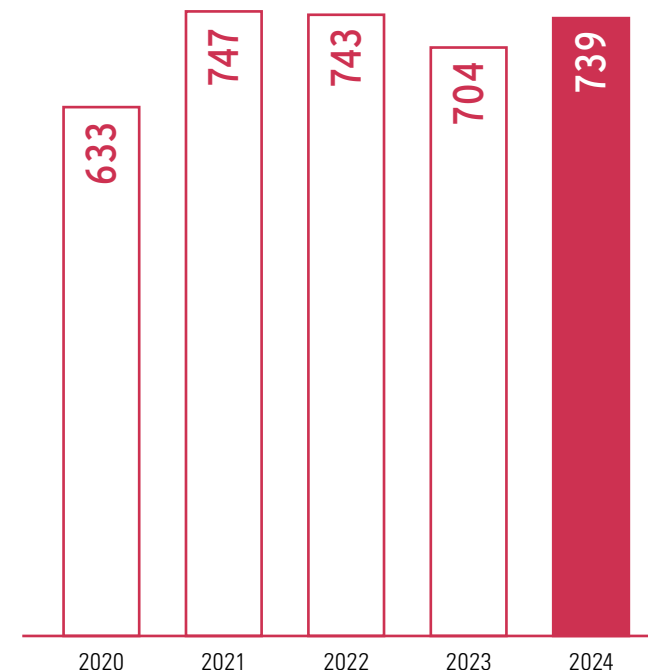
As of 31 December 2024, Leonteq was subject to the Swiss Financial Institutions Act (FinIA) and the Financial Institutions Ordinance (FinIO) that entered into force on 1 January 2020. FinIA regulates the licensing requirements and further organisational rules for certain financial institutions, including securities dealers such as Leonteq, which have since been designated as securities firms. The regime distinguishes between account-holding and non-account-holding securities firms for the application of capital requirements. Securities firms that do not hold accounts for clients are not subject to the Capital Adequacy Ordinance but must permanently hold capital corresponding to at least one-quarter of the fixed costs of the last annual financial statement, up to a maximum of CHF 20 million. FinIA further stipulates that securities firms must have sufficient own funds and liquidity, both individually and on a consolidated basis. Leonteq does not hold client accounts and is thus not subject to the requirements of the Capital Adequacy Ordinance.

Under the regulatory framework for securities firms, Leonteq calculated its eligible capital on the basis of the Group's shareholders' equity less intangible assets and less expected upcoming dividend payments. As of 31 December 2024, Leonteq reported eligible capital of CHF 739.3 million (31 December 2023: CHF 703.5 million).

Shareholders' equity
(CHF million)



Eligible Capital
(CHF million)



New enhanced regulatory regime

Effective 1 January 2025, Leonteq is subject to enhanced capital and large exposure requirements. This regulatory regime takes into account Leonteq's growth in size and evolution of its business model and will be fully phased-in by end-2026. The Group fully meets the current capital and large exposure requirements thanks to its strong capital position it built up over the last years. FINMA will additionally define final details of enhanced liquidity requirements in the coming months. Leonteq welcomes this regime as it provides a widely understood regulatory framework and further strengthens Leonteq's risk profile for its clients, white-labelling partners and hedging counterparties.

As a Swiss category 5 non-account holding securities firm, Leonteq was required to hold capital of CHF 20 million until 31 December 2024. Nonetheless, Leonteq consistently chose in recent years to operate with significantly higher capital levels (shareholders' equity of CHF 804 million and eligible capital of CHF 740 million as of 31 December 2024), in alignment with its prudent internal capital framework.

Under the enhanced framework applicable to Leonteq since 1 January 2025, Leonteq is subject to capital and large exposure requirements as defined by the Swiss Capital Adequacy Ordinance. The Swiss Financial Market Supervisory Authority (FINMA) will additionally define final details of an enhanced liquidity regime in the coming months. Leonteq will also be allowed to issue and account for hybrid capital and, once the liquidity regime has been finalised and subject to regulatory approval, banking counterparties will be allowed to risk-weight exposures to Leonteq as if it were a bank or account-holding securities firm counterparty (versus a corporate counterparty which carries higher risk weighting charges).

This enhanced regulatory regime reflects Leonteq's growth in size and the evolution of its business model since its foundation in 2007. In particular, it takes into account the significance that Leonteq has gained for the Swiss financial system, having processed more than 275,000 client transactions and generated turnover in investment products of approx. CHF 28 billion in 2024. Through its proprietary technology and service platform, Leonteq also acts as an important outsourcing partner for structured investment products to numerous large and mid-sized banks in Switzerland and abroad, which includes the offering of hedging services for products issued by its white-labelling partners. These hedging services create exposure for Leonteq towards its white-labelling partners and require Leonteq to provide liquidity for hedges.

In response to the current regulatory requirements and in order to achieve an appropriate return on risk weighted assets, Leonteq will reduce business activities on own product offerings which carry higher risk weightings. Where required, it will also introduce minimum margin requirements. From a liquidity and large exposure regulation perspective, Leonteq will introduce hedging exposure limits per white-labelling partner.

Leonteq will continue to service all its existing partners and expects to further diversify its ecosystem through the addition of new partners.

Leonteq fully meets the newly applicable capital and large exposure requirements thanks to its strong capital position it built up over the last few years. Leonteq is currently implementing the transition to capital calculations according to the fundamental review of the trading book (FRTB) standardised approach. This implementation will take time and Leonteq expects to publish its capital ratios and related disclosures with its half-year 2025 results. Leonteq will also consider in due course the issuance of a hybrid capital bond to optimise its capital structure.

The enhanced regulatory framework will further strengthen Leonteq's standing as a counterparty, product issuer and service provider while enhancing its risk, credit and liquidity profile. At the same time, the adjustment to business activities in the context of the new regime is expected to reduce platform turnover with existing white-labelling partners over time. To address these impacts, Leonteq plans to increase its balance sheet-light business with its existing white-labelling partners (which will reduce market risk exposure from its hedging activities) and will focus on increasing turnover from its own issued products as well as turnover generated with products issued by new white-labelling partners.

The enhanced regulatory framework is expected to support Leonteq's strategic ambitions to further increase recurring revenue streams and to intensify its activity addressing self-directed investors in the mid-term. Leonteq will become a more focused and profitable business with a further diversified client and revenue base as the company capitalises on new opportunities.

53
Corporate
governance

57
Shareholders

64
Board of directors

78
Biographies
of the Board
members

81
Executive
Committee

83
Biographies of
the Executive
Committee

86
Additional
Information

CORPORATE GOVERNANCE

Corporate Governance

Leonteq's corporate governance complies with Swiss law and regulations as well as internationally accepted standards, and the Group recognises the importance of good corporate governance. Leonteq provides transparent disclosures about its governance to help stakeholders assess the quality of the Group's corporate governance and to assist investors in their investment decisions.

Corporate governance is a fundamental aspect of business management and ensures that a company is managed efficiently and effectively in the interests of all its stakeholders. In recognition of the importance of good corporate governance, Leonteq's Board of Directors has continuously improved the Group's governance framework and strengthened the independence, skills and diversity of the Board of Directors and its Committees.

Corporate governance developments at Leonteq in 2024 included:

- The election of all members of the Board of Directors proposed for re-election at the Annual General Meeting (AGM) 2024 for a term of one year;
- The continuation of efforts to identify suitable female candidates for nomination to the Board of Directors in order to enhance the Board's skill set, especially with regard to technology, digitalisation and innovation;
- The appointment of Hans Widler as CFO and a member of the Executive Committee, effective 18 April 2024;
- The appointment of Jasmin Koelbl-Vogt as General Counsel and a member of the Executive Committee, effective 1 October 2024;

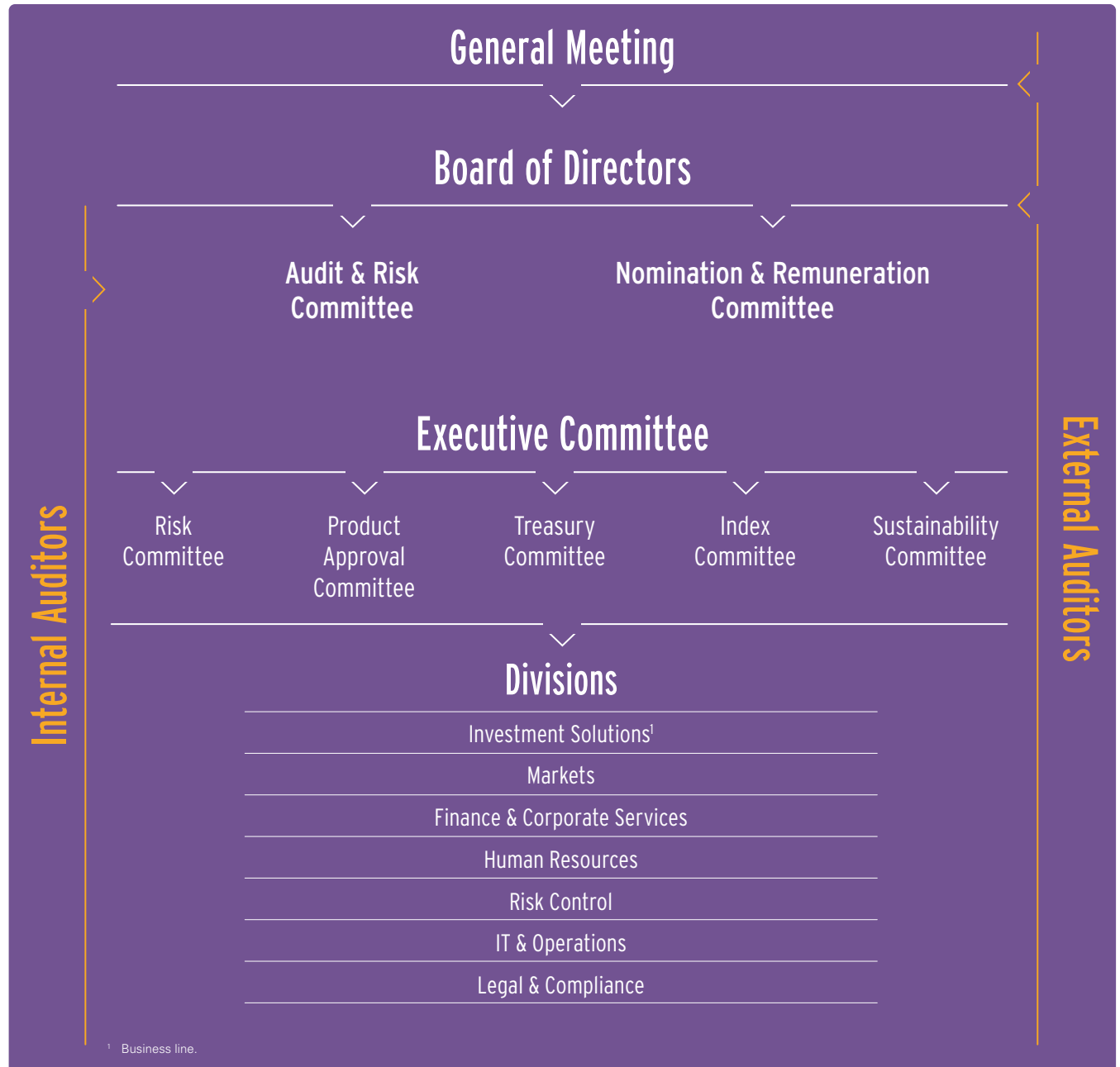
- The search for a new CEO in the second half of 2024 following the announcement of CEO Lukas Ruffin's intention to step down once a successor has been appointed;
- The introduction of new global policies addressing a Group-wide standard for third-party risk management, as well as anti-bribery and corruption;
- The implementation of enhanced internal control systems, including additional controls and the expansion of monitoring activities;
- Introduction of a capital band in line with the revised provisions in the Swiss Corporate law that entered into force on 1 January 2023.

Corporate governance framework

Leonteq's corporate governance framework comprises its governing bodies and its corporate governance policies, which define the competencies of the governing bodies and other corporate governance rules and procedures. Leonteq's governing bodies are the General Meeting, the Board of Directors and the external auditors.

Shareholders elect the members of the Board of Directors and the independent external auditors on an annual basis and approve statutory resolutions at the Annual General Meeting. Those statutory resolutions include the approval of the consolidated financial statements, amendments to the Articles of Association (if applicable), the approval of the total compensation of members of the Board of Directors and the Executive Committee as well as the advisory vote on the sustainability report. The Board is responsible for the overall strategic direction, supervision and control of the Group and appoints the members of the Executive Committee. The Executive Committee is responsible for the day-to-day operations and for implementing the overall strategy of the Group.

Leonteq's corporate governance policies comprise the Articles of Association, the Organisational Management Regulations and the Code of Conduct & Ethics. The Articles of Association define the purpose of the business, the capital structure and the basic organisational framework. The Organisational Management Regulations define the organisational structure of the Group, the responsibilities and areas of authority of the Board of Directors and its Committees, the competencies of the Executive Committee and its Committees, and the relevant reporting procedures. The Code of Conduct & Ethics defines the Group's standards of business conduct and the ethical values that the Board of Directors and all employees are required to follow, including adherence with applicable laws and regulations.



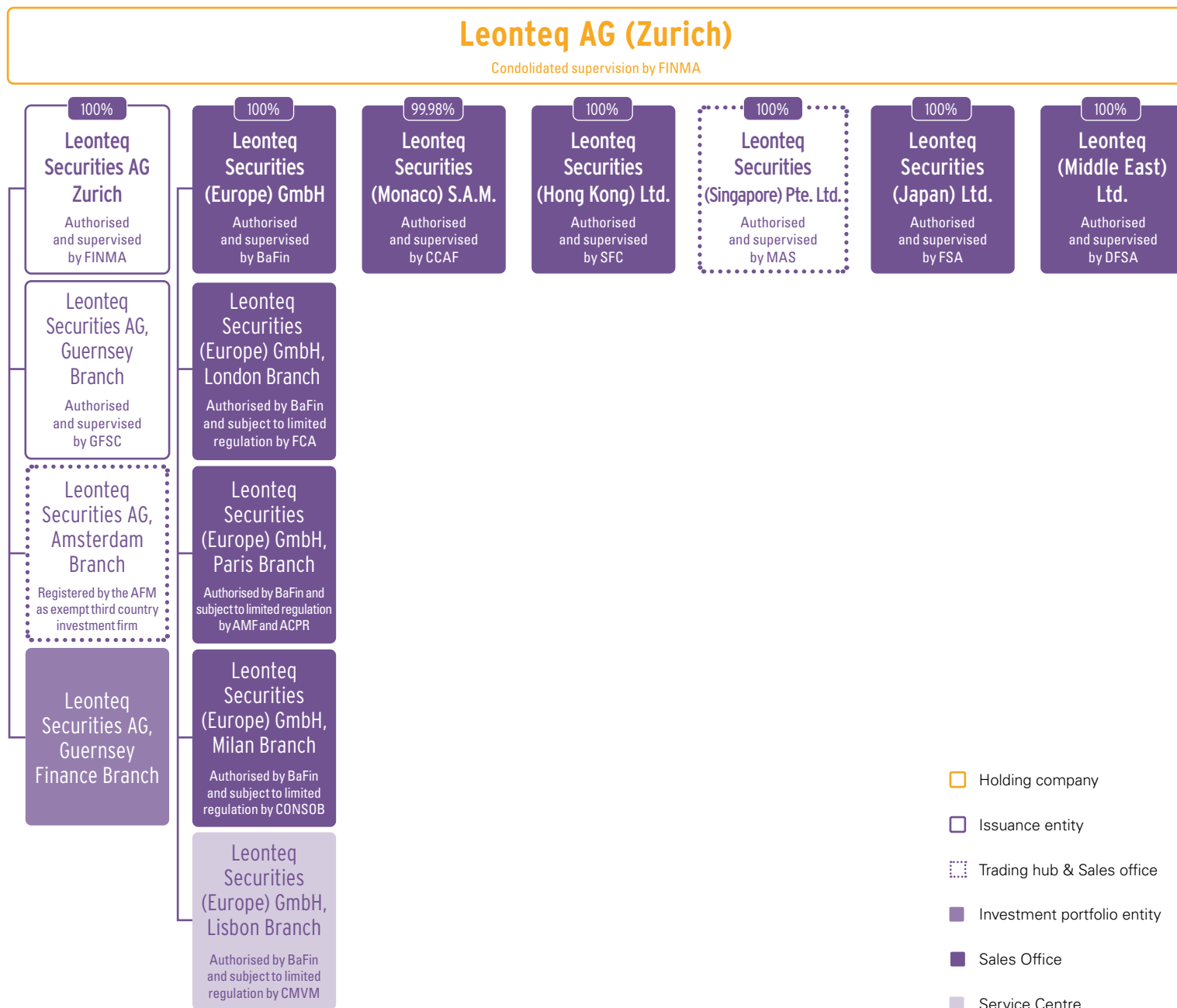
¹ Business line.

Leonteq is a Swiss fintech company with a leading marketplace for structured investment products. The Group comprises seven divisions. Investment Solutions is responsible for the provision of financial services within the Group. Markets is responsible for trading, treasury and quantitative analysis. The other divisions comprise Finance & Corporate Services, Human Resources, Risk Control, IT & Operations, and Legal & Compliance.

Leonteq operates in highly regulated markets and complies with strict regulatory standards. The Group's legal entity structure as of 31 December 2024 reflects its business operations and regional footprint. The chart on the right hand side of this page provides an overview of all legal entities and their regulatory authorities.

Leonteq is headquartered in Zurich, Switzerland, and together with its subsidiary Leonteq Securities AG, which has an additional office in Geneva, is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

The Group accesses the European market through Leonteq Securities (Europe) GmbH (referred to hereinafter as Leonteq Europe), a subsidiary of Leonteq, which is domiciled in Germany. Leonteq Europe has exercised passporting rights to access the markets of other countries in the European Economic Area, and has branch offices in Milan, Lisbon, London and Paris. Leonteq also has a subsidiary with a registered office in Monte Carlo, Leonteq Securities (Monaco) SAM. Leonteq accesses the Asian market through its subsidiaries in Hong Kong, Singapore and Tokyo. The Middle East is covered through Leonteq (Middle East) Ltd in Dubai.



Leonteq AG is the Swiss holding company responsible for the overall management of Leonteq Group. The registered shares of Leonteq AG are traded on the main standard of SIX Swiss Exchange in Zurich (security no. 19089118, ISIN CH0190891181, symbol LEON). On 31 December 2024, the company's market capitalisation was CHF 365 million.

Leonteq also has stakes in companies that are not part of the issuer's consolidated group and do not fall within the scope of the company's operational group structure according to the SIX Directive on Information relating to Corporate Governance:

Leonteq has a 50% interest in Bench Services AG, a joint venture involved in servicing a pillar 3a foundation in Switzerland, and a 10% stake in BX Swiss AG, a stock exchange based in Zurich.

The registered office and share capital of each subsidiary as of 31 December 2024 is listed in the table below:

Name	Registered office	Currency	Capital
Leonteq Securities AG ¹	Europaallee 39, 8004 Zurich, Switzerland	CHF	15,000,000
Leonteq Securities (Europe) GmbH ²	Neue Mainzer Strasse 28, 60311 Frankfurt am Main, Germany	EUR	200,000
Leonteq Securities (Hong Kong) Ltd.	Room 2802, 28th floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong	HKD	10,000,000
Leonteq Securities (Japan) Ltd.	ARK Hills South Tower 9F, 1-4-5 Roppongi, Minato-ku, Tokyo, Japan	JPY	312,500,000
Leonteq Securities (Monaco) SAM	Villa Alexandra, 35 Boulevard Princesse Charlotte, MC, 98000 Monaco	EUR	500,000
Leonteq Securities (Singapore) Pte Ltd.	8 Marina View, #31-02, Asia Square Tower 1, Singapore 018960	SGD	1,000,000
Leonteq (Middle East) Ltd.	Gate District Precinct Building 2, Unit 405, Level 4, DIFC, Dubai, United Arab Emirates	USD	3,000,000

¹ Including branches in Guernsey (Block F, Hirzel Court, St Peter Port, Guernsey GY1 2NQ, Channel Islands) and in Amsterdam (ITO Tower, Gustav Mahlerplein 66-A, 1082 MA Amsterdam, Netherlands).

² Including branches in Milan (Via Verziere 11, 20122 Milan, Italy), Lisbon (Rua Castilho 2, 1250-069 Lisbon, Portugal), London (108 Cannon Street, London EC4N 6EU, Great Britain) and Paris (80, avenue Marceau, 75008 Paris, France).

Shareholders

Capital structure

Ordinary capital

Leonteq's total issued share capital as of 31 December 2024 amounted to CHF 18,494,242, divided into 18,494,242 registered shares, with a nominal value of CHF 1.00 each. All registered shares are fully paid-in and entitled to a dividend. Each share carries one vote. No preferential rights or similar rights are attached to the shares. Leonteq does not have any participation certificates outstanding and no profit-sharing certificates are outstanding or have been issued in the past. The registered shares of Leonteq AG (security no. 19089118, ISIN CH0190891181, symbol LEON) are listed on the main standard of SIX Swiss Exchange and are included in the Swiss Performance Index SPI®.

Capital band

The company has a capital band ranging from CHF 17,569,530 (lower limit) to CHF 20,343,666 (upper limit). The Board of Directors is authorised to increase or reduce the share capital once or several times within the capital band and by any amount, or to acquire or dispose of shares directly or indirectly, until 28 March 2029 or an earlier expiry of the capital band. The capital band can be used subject to FINMA's approval and provided the relevant capital requirements are met at all times.

An increase in share capital is only permissible to the extent required to comply with legal or regulatory capital and / or regulatory liquidity requirements. If the share capital is increased from conditional capital, the upper and lower limits of the capital band increase accordingly.

Capital increases within the capital band are carried out by issuing new registered shares with a nominal value of CHF 1.00 each. Capital reductions are executed by cancelling registered shares with a nominal value of CHF 1.00 each.

Conditional capital

The Company's share capital may be increased by a maximum aggregate amount of CHF 1,000,000, corresponding to around 5% of the share capital of Leonteq. The share capital may be increased through the issuance of a maximum of 1,000,000 registered shares, fully paid-in with a nominal value of CHF 1.00 each, upon the exercising of option rights or in connection with similar rights relating to shares (including existing or future Restricted Stock Units, RSU) granted to employees, directors and other officers of the Company or its subsidiaries, according to the regulations prescribed by the Board of Directors. The pre-emptive rights and advance subscription rights of shareholders are excluded. The acquisition of registered shares and every subsequent transfer of those registered shares will be subject to transfer restrictions in accordance with the Articles of Association.

Conditions for the allocation and exercising of option rights and similar rights are determined by the Board of Directors. The shares may be issued at a price below the market price. Further information about the RSU programme is provided in the Compensation Report on page 102.

Changes in capital

On 22 December 2023, the company completed a share buy-back programme that was launched on 3 April 2023. A total of 439,855 own shares, equivalent to 2.3% of the company's share capital, were repurchased via a second trading line on SIX Swiss Exchange for a total purchase value of CHF 18.0 million at an average purchase price of CHF 40.92 per share. On 28 March 2024, the Annual General Meeting approved the cancellation of the repurchased shares. As a result, share capital now amounts to CHF 18,494,242, divided into 18,494,242 registered shares with a nominal value of CHF 1.00 each.

No further changes to Leonteq's capital structure occurred between 2021 and end-2024.

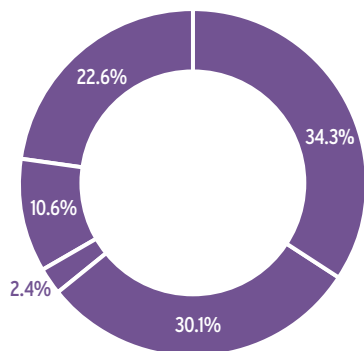
Shareholder structure

Leonteq's shareholder base comprises a total of 5,204 shareholders, who are entered in Leonteq's share register and represent 77% of voting rights. As of 31 December 2024, 4,975 retail shareholders held 34% of total outstanding shares, while 229 legal entities accounted for 43% of the share capital. Legal entities also include shares held by Leonteq. As of 31 December, Leonteq owned 1,041,865, or 5.6%, of its own shares. 23% of voting rights are held by shareholders who are not entered in the share register.

The breakdown of Leonteq shareholdings by investor type, nationality and the size of the holding are shown in the following charts:

Shareholder structure by type of investor

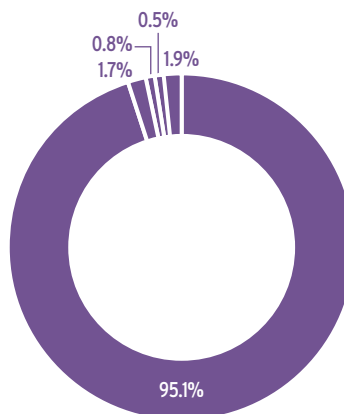
(Total: 18,494,242 shares)



Retail investors	34.3%
Banks	30.1%
Funds	2.4%
Other legal entities	10.6%
Not registered	22.6%

Registered shares by nationality

(Total: 14,318,868 shares)



Switzerland	95.1%
Germany	1.7%
Italy	0.8%
United States	0.5%
Other	1.9%

Registered shareholders by size of holding

(Total: 14,318,868 shares)



Holdings of 1-100	27.7%
101-1,000	58.0%
1,001-10,000	12.9%
10,001-100,000	1.3%
more than 100,000	0.1%

Significant shareholders

Under the Swiss Federal Act on Financial Market Infrastructure and Market Conduct in Securities and Derivative Trading (“FMIA”), anyone holding shares in a company listed on SIX Swiss Exchange is required to notify the company and SIX Exchange Regulation if their shareholding reaches, falls below or exceeds the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% or 66⅔% of the voting rights entered in the commercial register, whether or not the voting rights can be exercised (i.e. notifications must also include certain derivative holdings such as options or similar instruments). Following receipt of such notification, Leonteq publishes each individual report through the Disclosure Office publication platform of SIX Exchange Regulation. In addition, Leonteq has an obligation to inform the public, should such notification contain price-sensitive information. For notifications of significant shareholders received and individual reports of significant shareholders published during 2024, reference is made to the Disclosure Office publication platform of SIX Exchange Regulation: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

The following provides an overview of the holdings of our significant shareholders based on the most recent disclosure notifications. In line with the FMIA requirements, the percentages indicated below were calculated in relation to the share capital reflected in the commercial register at the time of the disclosure notification. As shareholders are only required to notify the company and SIX Exchange Regulation if their holding reaches, falls below or exceeds the thresholds listed above, the percentage holdings of our significant shareholders may vary at any given time compared to the date of submission of the most recent notification for these respective shareholders. Whenever available, Leonteq publishes the shareholdings of its significant shareholders according to the information entered in its share register at the end of each reporting period or confirmations received from shareholders.

Significant shareholders

	31.12.2024		31.12.2023	
	Number of shares held	Voting rights in %	Number of shares held	Voting rights in %
Raiffeisen Switzerland Cooperative	5,494,996	29.71 %	5,494,996	29.02 %
Lukas T. Ruffin ¹	1,631,255	8.82 %	1,608,121	8.49 %
Sandro Dorigo	300,000	1.62 %	300,000	1.58 %
Subtotal shareholders' agreement	7,426,251	40.15 %	7,403,117	39.10 %
Rainer-Marc Frey ²	1,146,620	6.20 %	924,314	4.88 %
Swisscanto Fondsleitung AG ³	N/A	N/A	941,404	4.97 %
Alon Gonen ⁴	602,455	3.26 %	N/A	N/A
Directors and executives ⁵	234,421	1.27 %	185,391	0.98 %
Total significant shareholders	9,409,747	50.88 %	9,454,226	49.93 %

¹ Lukas T. Ruffin holds 462,325 call options issued by Raiffeisen subject to the following conditions: Strike price CHF 210 (adjusted by cumulative dividends per share and effects of corporate actions from 2015 to 2025); subscription ratio 1:1; maturity 19 October 2025; European style.

² Creation of obligation to notify: 12 December 2024; H21 Macro Limited, Cayman Islands, is the direct shareholder of part of these shares.

³ Creation of obligation to notify: 03 December 2024; Swisscanto Fondsleitung AG held <3% in Leonteq shares.

⁴ Creation of obligation to notify: 02 August 2024; Sparta 24 Ltd, Israel is the direct shareholder of these shares.

⁵ Excluding shareholdings of Lukas T. Ruffin.

As of 31 December 2024, the shareholder group, consisting of Raiffeisen Switzerland Cooperative, Lukas Ruffin and Sandro Dorigo, held 7,426,251 shares or 40.15% of the voting rights in Leonteq. The representative of and main contact for this group of shareholders is Raiffeisen.

Cross-shareholdings

Leonteq has not entered into any cross-shareholdings with other joint stock companies that exceed 5% of the capital shareholdings or voting rights of either party.

Shareholder information

Shareholder engagement

The Group engages regularly with its shareholders and proxy advisors. The purpose of such engagements is to understand the perspectives of its shareholders, and to exchange views about the Group's strategy, financial performance, corporate governance and compensation and other matters of importance to the Group or its shareholders. Shareholder engagement meetings may be attended by the Chairman of the Board, the Chairman of the Nomination and Remuneration Committee, the CEO, the CFO and senior management. The Investor Relations department is responsible for Leonteq's engagement activities and aims to ensure that all shareholders receive the relevant information they need to make informed decisions.

Information policy

Leonteq is committed to an open and fair information policy with its shareholders and other stakeholders. The Investor Relations department is responsible for handling all the inquiries it receives. It can be contacted via email at investorrelations@leonteq.com, via telephone at +41 58 800 18 55 or by post at Leonteq AG, Investor Relations, Europaallee 39, 8004 Zurich.

Leonteq provides information to its shareholders and other stakeholders each year by means of the annual and half-year reports, together with press releases, presentations and brochures, as required. Interested parties can subscribe to the e-mail distribution service to receive free and timely notifications of price-sensitive information. The Company maintains a regular updated schedule of important publication and event dates, updated information on matters of corporate governance, such as the current composition of its Board of Directors and its Executive Committee, as well as the latest version of its Articles of Association and the Group's Code of Conduct & Ethics. All these reports and information are accessible to the public on the Investor Relations section of the Company's website at: www.leonteq.com/investors.

Invitations and notices

Invitations and notices to shareholders may, at the discretion of the board of directors, be validly made by publication in the Swiss Official Gazette of Commerce, by letter or e-mail, or in any other form that allows proof by text, to the shareholders' contact details last recorded in the share register. Ad hoc notices required under the listing rules of SIX Exchange Regulation are published on the Company's website and simultaneously distributed via press releases to all interested parties, to at least two Swiss newspapers of national importance, to at least two electronic information systems, and to SIX Exchange Regulation.

Calendar



Please refer to the corporate calendar under www.leonteq.com/investors/events-and-presentations/corporate-calendar for the publication dates of financial statements and further important corporate events.

Shareholder rights

Voting rights

Any person entered in the share register is deemed to be a shareholder. No voting right restrictions apply regarding registered shareholders, and there are no group clauses in the Articles of Association or rules on granting exceptions. Each share carries an entitlement to one vote.

In line with the legal provisions, any shareholder with a voting right may have their share represented at any General Meeting by another person authorised in writing or by corporate bodies, independent proxies or proxies for deposited shares. Such representatives are not required to be shareholders. The statutory rules on participation in General Meetings do not differ from applicable legal provisions.

Each shareholder may be represented by a representative, who shall identify him- or herself by means of a written power of attorney, or by the independent proxy at the General Meeting. The Annual General Meeting elects the independent proxy. Those eligible to act as independent proxy are individuals, legal entities or partnerships. The term of office of the independent proxy is one year. It ends with the completion of the Annual General Meeting following their election. Re-election is possible. In the event that the Company has no independent proxy, the Board of Directors shall appoint one for the next Annual General Meeting.

The Board of Directors ensures that shareholders may tender their proxies and instructions to the independent proxy electronically. The independent proxy is obliged to vote according to the voting instructions received from shareholders. In the absence of instructions, the independent proxy shall abstain from voting.

Transfer of shares

Persons who have acquired registered shares of Leonteq AG will, upon request, be entered in the share register without limitation as shareholders with voting power, provided they expressly declare that (i) they have acquired the shares concerned in their own name and for their own account, (ii) there are no agreements on redemption or return of these registered shares, (iii) they bear the risk associated with the shares, and (iv) the disclosure requirements stipulated by the FMIA have been complied with. Apart from shares subject to a shareholder agreement and/or a lock-up undertaking, Leonteq's shares are freely transferable.

Acquirers of shares who do not expressly provide the confirmations listed above in their request for entry in the share register (referred to hereinafter as "nominees") are entered in the share register with voting rights without further inquiry up to a maximum of 2% of the outstanding share capital available at the time. Beyond this limit, registered shares held by nominees are entered in the share register with voting rights only if the nominee in question discloses the names, addresses and shareholdings of the persons or entities for whose account they are holding 0.5% or more of the outstanding share capital available at the time, and provided this is in compliance with the disclosure requirements stipulated by the FMIA. The Board of Directors has the right to conclude agreements with nominees concerning their disclosure requirements (to the extent permitted by law).

Legal entities, partnerships or other associations or joint ownership arrangements linked through capital ownership or voting rights, through common management or in a similar manner, and individuals, legal entities or partnerships (particularly syndicates) that act in concert with the intention of evading the entry restriction are considered as one nominee.

Leonteq has issued its registered shares as uncertified securities (Wertrechte) and registered them as book-entry securities as defined in the Swiss Act on Book-Entry Securities (Bundesgesetz über Bucheffekten). Shareholders have no right to request conversion of shares from the form in which they are issued into another form. Shareholders may at any time request an attestation from the Company that certifies their current shareholding. Uncertified securities may only be transferred by means of assignment provided they are not issued as book-entry securities. To be valid, the assignment must be reported to the Company, which may refuse to enter the assignee in the share register in accordance with the provisions of the Articles of Association. The transfer of book-entry securities or the granting of security rights on book-entry securities must comply with the Swiss Act on Book-Entry Securities. The transfer of book-entry securities or the granting of security rights on book-entry securities by means of assignment is excluded. The transfer restrictions pursuant to the provisions of the Articles of Association are not affected by this regulation.

General Meetings

Leonteq's Annual General Meeting is held every year within four months of the end of the financial year. In compliance with Swiss law and the provisions of the Articles of Association, the General Meetings are convened at least 20 days before the date of the meeting. Invitations and notices to shareholders may, at the discretion of the board of directors, be validly made by publication in the Swiss Official Gazette of Commerce, by letter or e-mail, or in any other form that allows proof by text, to the shareholders' contact details last recorded in the share register. The notice convening the general meeting shall state:

1. the date, beginning, nature and place of the general meeting;
2. the agenda items;
3. the proposals of the board of directors together with a short statement of reasons;
4. if applicable, the proposals of the shareholders together with a statement of reasons; and
5. the name and the address of the independent proxy.

The Board of Directors shall determine the venue of the general meeting and the form in which it is to be held. The place of meeting may also be abroad or several places of meeting may be determined for one general meeting.

The Board of Directors may provide that shareholders who are not present at the place of the general meeting may exercise their rights by electronic means. Instead, the Board of Directors may also waive the determination of a meeting location and order the holding of a purely virtual general meeting.

The annual report and the auditors' reports shall be made available to the shareholders at least 20 days prior to the general meeting. If the documents are not accessible electronically, each shareholder may request that they be sent to it in due time.

Extraordinary General Meetings are convened whenever necessary. One or more shareholders who collectively represent at least 5% of share capital or the votes may request in writing that a General Meeting be held, stating the item of business for discussion and the motions. The request shall be addressed to the Board of Directors.

At Leonteq's 12th ordinary Annual General Meeting on 28 March 2024, a total of 139 shareholders (including the independent proxy), representing approximately 58% of the shares issued by Leonteq, attended the meeting in Zurich.

All proposals put forward by the Board of Directors were approved by the shareholders.

Inclusion of an item on the agenda

Shareholders representing at least 0.5% of share capital or the votes may request that an item be placed on the agenda or that proposals for items be included in the notice convening the general meeting. Such requests must be submitted in writing to the board of directors at least 40 days before the date of the meeting. Shareholders may submit a brief statement of reasons together with the agenda items or proposals, which must be included in the notice convening the general meeting.

Entry in the share register

No statutory rule applies to the deadline for the registration of shareholders in connection with attendance at the General Meeting. However, for organisational reasons, no shareholders will be entered into the share register for a period of up to ten business days before a General Meeting, ending immediately after the close of the General Meeting. The Board of Directors announces the effective date set prior to a General Meeting in the Organisational Notes section of the respective invitation, which can be found on the Company's website at: www.leonteq.com/generalmeetings.

Statutory quora

Resolutions and elections generally require the approval of an absolute majority of the votes represented at the meeting, unless stipulated otherwise by Swiss law.

Say on pay

In line with the Swiss Code of Obligations, the Group submits the Compensation Report for a consultative vote by shareholders and it seeks binding shareholder approval for the compensation of members of the Board of Directors and the Executive Committee. At the Annual General Meeting 2024, shareholders approved all compensation-related items put forward by the Board of Directors.

Say on sustainability

In accordance with the new provisions of the Swiss Code of Obligations, the Board of Directors submitted the Sustainability Report for an advisory vote by shareholders. Leonteq's Sustainability Report outlines its approach to sustainability and covers environmental, social and governance-related topics. At the Annual General Meeting 2024, shareholders were able to vote for the first time on Leonteq's non-financial matters and approved the Sustainability Report for the financial year 2023 in an advisory vote with a strong majority.

Granting of discharge to the Board of Directors and the Executive Committee

In accordance with Swiss law, the General Meeting has the power to grant discharge to the members of the Board of Directors and the Executive Committee. At the Annual General Meeting 2024, shareholders granted discharge to all members of the Board of Directors and the Executive Committee for the financial year 2023.

Duty to make an offer

The Company's Articles of Association include an "opting out" clause with regard to mandatory public takeover offers, as defined in the FMIA. Hence, the obligation that anyone who, directly or indirectly or acting in concert with third parties, acquires 33 ⅓% or more of the voting rights of Leonteq – whether or not such rights are exercisable – must submit a public takeover offer, is set aside.

Clauses on change of control

No clauses on a change of control exist at Leonteq for members of the Board of Directors or members of the Executive Committee. In particular, there are no protective measures such as:

- Special provisions on the cancellation of contractual arrangements;
- Agreements concerning special notice periods or longer-term contracts exceeding 12 months;
- Waivers of lock-up periods;
- Shorter vesting periods;
- Additional contributions to pension funds that protect the above-mentioned persons based on certain contractual conditions against the consequences of takeovers;
- In accordance with Section Four of the Swiss Code of Obligation: Remuneration in Companies whose Shares are Listed on a Stock Exchange (art. 732 et seq.), severance payments such as golden parachutes are prohibited.

Board of Directors

General information

Board memberships and elections

According to Leonteq's Articles of Association, the Board of Directors consists of five or more members. Each member of the Board is individually elected by the Annual General Meeting for a term of one year. Members of the Board may be re-elected with no limitation on the number of terms served. The term of office ends upon the completion of the Annual General Meeting following their election.

The Annual General Meeting shall elect a member of the Board of Directors to be the Chairman of the Board for a one-year term. In the event of the post of Chairman being vacant, the Board of Directors shall appoint a new Chairman for the remaining term until the next Annual General Meeting. The Board shall elect a Vice-Chairman from among its members. The Chairman or the Vice-Chairman must be domiciled in Switzerland. Furthermore, the Board shall appoint a Secretary who does not need to be a member of the Board.

At the Annual General Meeting 2024, seven of the Board of Directors' eight members were proposed for re-election. To maintain the Board's full independence and to further diversify the skills of its members, Leonteq's anchor shareholder, Raiffeisen Switzerland, has decided to no longer be represented with a dedicated seat on the Board of Directors.

As a result, Dominik Schärer did not stand for re-election. All other members of the Board of Directors proposed for re-election were elected by shareholders with a large majority (between 89.1% and 90.0% of represented shares), for a further term of office of one year.

The Board of Directors currently consists of seven non-executive members. No member of the Board of Directors of Leonteq exercised any operational management functions for the Group or any of its subsidiaries in the year under review. No member of the Board of Directors has held a management position in Leonteq or any of its Group companies in the last three years.

The composition of the Board and its Committees following the Annual General Meeting 2024 is shown in the following table.

Members of the Board of Directors	Member since	Independence	Audit & Risk Committee	Nomination & Remuneration Committee
Christopher M. Chambers (Chairman)	2017	Independent		
Philippe Weber (Vice-Chairman)	2020	Independent		Member
Sylvie Davidson	2021	Independent	Member	
Susana Gomez Smith	2019	Independent	Chair	Member
Richard A. Laxer	2018	Independent		Chair
Philippe Le Baquer	2021	Independent		
Thomas R. Meier	2017	Independent	Member	

Independence

The Board has applied the independence criteria in excess of the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the FINMA Circular on Corporate Governance and the Swiss Code of Best Practice for Corporate Governance. Leonteq's non-executive members of the Board of Directors are deemed independent if they:

- Are not currently, and have not in the previous three years, been employed in some other function within the Company;
- Have not been employed in the previous two years by Leonteq's audit firm as a lead auditor (of the regulatory audit);
- Have no commercial links with the Company which, in view of their nature and scope, would lead to a conflict of interests (including directorships on the Boards of commercial partners);
- Are not significant shareholders of Leonteq (shareholding of 10% or more) and are not representatives of individual shareholders (private or institutional) or a specific group of shareholders.

As of 31 December 2024, all seven members of the Board of Directors of Leonteq met the independence criteria.

Composition of the Board of Directors and succession planning

Diversity in terms of experience, views and culture, as well as gender, are important criteria that are considered in the composition of Leonteq's Board of Directors. The backgrounds, skills and experience of Leonteq's current Board members are diverse and include prior experience in senior executive positions at financial services companies in Switzerland and abroad. The Board is composed of individuals with wide-ranging professional expertise across investment banking, wealth management, specialty finance, and audit and advisory services. The seven-member Board of Directors includes two women, corresponding to female representation of around 30%. Leonteq acknowledges the importance of diversity in fostering innovation and inclusive decision-making. The Board has intensified the process of identifying potential female candidates for election to the Board of Directors, in particular with a view to further enhancing its skill set in the area of technology, digitalisation and innovation. In this context, the Board expects to propose the election of a new member of the Board according to these criteria at the AGM 2025.

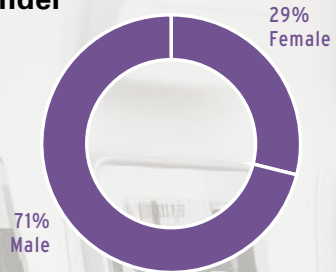
The Board of Directors manages its composition through a formal rotation of its members, as well as through background and skill mapping to achieve an optimal structure over time. The Nomination and Remuneration Committee regularly considers the composition of the Board as a whole and the composition of its Committees. The skill matrix is regularly reviewed and adapted taking into account the development of Leonteq's business model and external factors.

The Nomination and Remuneration Committee takes into account skills, management experience, independence and diversity when recruiting and evaluating candidates for Board membership. It also considers the other activities and commitments of potential candidates to ensure that they can devote sufficient time to a Board position at Leonteq. The Nomination and Remuneration Committee aims to maintain a high level of talent and experience and continues to strive for greater diversity in terms of the skills and background of its members through new nominations.

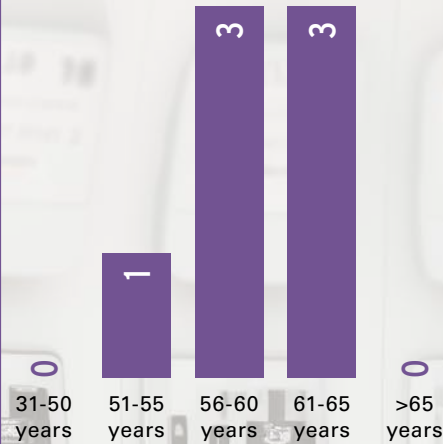
Length of tenure



Gender

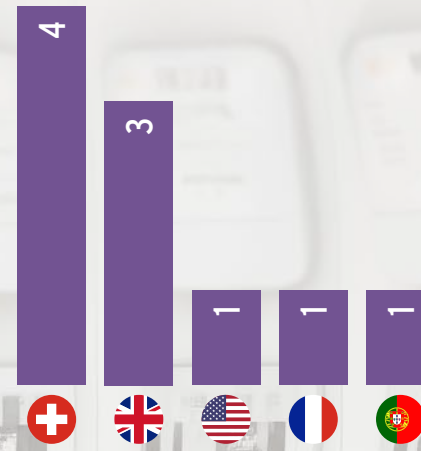


Age



Nationality

Dual citizenships are counted twice



Main board skills

International business experience	100%
Regulatory, Legal & Compliance experience	100%
Investment Banking / Capital markets / Structured products and derivatives experience	86%
Listed company experience	86%
Financial industry experience	71%
Marketing, Customer Services, Sales	71%
Financial management experience	57%
HR and compensation experience	57%
Risk management and control experience	43%
ESG / Sustainability	43%
Technology, digitisation, innovation experience, cybersecurity	0%

Board meetings

The Board of Directors meets as often as required to fulfil its duties and responsibilities but at least once per quarter. The Chairman convenes meetings of the Board of Directors. However, each Board member is entitled to request at any time that the Chairman convene a meeting. In cases where no meeting is convened by the Chairman within a reasonable period of time after such a request is made, the Board member who submitted the request is entitled to convene the meeting him- or herself. Each Board member is entitled to request that items be placed on the agenda of the next Board meeting.

Notice of meetings of the Board of Directors is given at least five days in advance, together with the agenda and the necessary documentation, to enable members to prepare for the meeting. If all Board members are present and agree, deviations from these formal requirements are permitted; in particular, decisions can be taken on items that are not listed on the agenda. In urgent cases, the Chairman may convene a meeting without observing the five-day notice period, and without the need to distribute the agenda or the necessary documentation to prepare for the meeting in advance.

Meetings of the Board of Directors are chaired by the Chairman or, if he is unable to attend, by the Vice-Chairman or another member of the Board of Directors. In exceptional cases, meetings may also be conducted by telephone or video conference or an equivalent means of instant communication. In such cases, the participating members shall be deemed to be present. In general, meetings shall be held in person. A legal counsel at Leonteq serves as Secretary to the Board of Directors. Unless the Chairman decides otherwise, the CEO and the Chief Financial Officer ("CFO") may attend Board meeting from time to time in an advisory capacity. The Chairman determines which other individuals may attend Board meetings as guests. Such individuals do not have any voting rights.

A quorum is constituted when at least two-thirds of the members of the Board of Directors are present. No presence quorum is required for resolutions that need to be recorded in a public deed. A Board member who abstains from voting shall be deemed to be present. The Board of Directors passes its resolutions with the majority of votes cast. In the event of a tied vote, the Chairman of the meeting has the casting vote. All resolutions are recorded in writing. The Secretary is responsible for writing the minutes, which are signed by the member who chaired the meeting and the Secretary and must be approved by the Board of Directors. No member of the Board of Directors shall participate in or vote on any matter that gives rise to a personal conflict of interests.

Resolutions of the Board of Directors may also be taken by means of circular resolutions, provided that no Board member requests oral deliberation within the decision period and at least two-thirds of the Board members vote by means of such circular resolution. The circular resolution, signed by the Board members and the Secretary, serves as the minutes. The Board of Directors passes circular resolutions unanimously.

In 2024, the Board of Directors and its Committees held 45 meetings, which is significantly more than the 31 meetings held in the previous year. The total duration of Board and committee meetings was 118 hours, which is equivalent to 15 meeting days.

Board and Board Committee meetings in 2024

	Ordinary	Extraordinary	Total meetings	Total meeting duration in hours
Board	10	16	26	54:50
Nomination and Remuneration Committee	7	2	9	15:25
Audit and Risk Committee	5	5	10	48:00

Attendance of ordinary Board and Board Committee meetings in 2024

Individual Board members	Attended all meetings
Christopher M. Chambers	●
Philippe Weber	●
Sylvie Davidson	●
Susana Gomez Smith	●
Richard A. Laxer	●
Philippe Le Baquer	●
Thomas R. Meier	●
Dominik Schärer ¹	●

¹ Dominik Schärer did not stand for re-election at the Annual General Meeting on 28 March 2024.

In 2024, a total of 10 ordinary Board meetings were held, including 5 meetings which focused on strategic matters. In addition to these meetings, selected Board members spent noticeable hours in additional business strategy sessions related to the new regulatory regime.

Members of the Board of Directors were also involved in additional discussions and preparatory meetings with different stakeholders throughout the company about a wide range of topics, including, investor relations, regulatory matters or sustainability efforts.

The Audit and Risk Committee and the Nomination and Remuneration Committee held 5 and 6 ordinary meetings, respectively. Philippe Le Baquer attended nine out of ten meetings of the Audit & Risk Committee as a guest and he also participated in some of the NRC meetings as a guest, together with Sylvie Davidson.

Attendance of extraordinary Board and Board Committee meetings in 2024

Individual Board members	Missed three meetings	Missed two meetings	Missed one meeting	Attended all meetings
Christopher M. Chambers				●
Philippe Weber				●
Sylvie Davidson		●		
Susana Gomez Smith		●		
Richard A. Laxer			●	
Philippe Le Baquer				●
Thomas R. Meier	●			
Dominik Schärer ¹			●	

¹ Dominik Schärer did not stand for re-election at the Annual General Meeting on 28 March 2024.

In 2024, extraordinary meetings of the Board of Directors convened 16 times by the Chairman or the Vice-Chairman without observing the five-day notice period required for ordinary meetings. These extraordinary meetings were held in order to discuss and reach decisions on urgent matters, and they usually lasted between 30 minutes and 1 hour.

Extraordinary meetings of the Audit and Risk Committee convened 5 times by the Chair to deep-dive into specific topics such as regulatory and compliance matters and in general facilitate the decision making process during ordinary committee meetings. These extraordinary meetings usually lasted between two to four hours.

Extraordinary meetings of the Nomination and Risk Committee convened 2 times by the Chair, which lasted about an hour.

Mandates

According to the Articles of Association, members of the Board of Directors are not permitted to hold or exercise more than the following number of additional activities in comparable functions at other legal entities with an economic purpose and that are not controlled or held directly or indirectly by the Company:

Type of mandate	Limit
Legal entities ¹	No more than 10 mandates
of which listed companies ¹	No more than 4 mandates
Charitable legal entities ²	No more than 10 mandates

¹ Mandates for which remuneration is received, whereby multiple mandates in various companies that belong to the same group of companies count as one.

² Mandates for which no remuneration is received.

No Board member holds mandates in excess of these restrictions. Mandates exercised by a member of the Board of Directors at the request of the Company are exempt from these restrictions.

Members of the Board shall inform the Chairman of the Board of all external business activities, irrespective of whether or not they are remunerated. Before accepting or committing to new external business activities, approval must be sought from the Chairman of the Board who considers a number of additional factors in excess of the restrictions listed above. Generally, external business activities are prohibited if they create any potential conflicts of interests or adversely impact the Board member's performance or his/her regular work.

Board leadership

Leonteq operates under a strict dual Board structure, as prescribed by Swiss banking law. The functions of the Chairman of the Board of Directors and of the CEO are assigned to different people, thus ensuring the separation of powers. This structure establishes checks and balances, and it ensures the institutional independence of the Board of Directors from the daily running of the Company. Operational responsibility for the business is delegated to the Executive Committee, led by the CEO.

The responsibilities and powers of the Board of Directors are derived from applicable legal and supervisory regulations and the Company's Organisational and Management Regulations. The Board of Directors is responsible for the strategic direction of the Group and for determining and implementing the principles of organisation, management and monitoring. The Board is also responsible for providing the resources required to achieve the defined objectives, and it bears ultimate responsibility for the overall achievement of results. The Board supervises the running of the Group as a whole, and it coordinates and oversees all activities conducted by and in the name of the Group.

Responsibilities of the Board of Directors

The Board of Directors has ultimate oversight of the Company and its subsidiaries, and it is responsible for the overall direction, supervision and monitoring of the business as well as its financial reporting. The Board of Directors generally takes account of the proposals of the Executive Committee when discharging its duties. In particular, the Board of Directors defines the overall direction and strategy of the Company. It determines the organisation of the Company and it issues and amends the Organisational and Management Regulations. It defines the business policies and strategies, issues and annually reviews the necessary directives and regulations, and determines the corporate governance principles.

The Board of Directors approves the organisation and design of accounting, financial controls and financial planning and it issues guidelines for financial reporting, following decisions by the Audit and Risk Committee. It also decides on strategic financial and capital planning and is further responsible for the annual business plan and budget. It approves the overall risk policies and global risk limits, following decisions by the Audit and Risk Committee. It further issues remuneration guidelines and compensation models for the Group at the request of the CEO; the Board of Directors takes account of the recommendations of the Nomination and Remuneration Committee when discharging this duty.

In addition, the Board of Directors determines the composition of the Executive Committee, appoints and dismisses members of the Executive Committee and is responsible for succession planning for the members of the Board of Directors and the Executive Committee, in accordance with the proposals of the Nomination and Remuneration Committee. It supervises the Executive Committee in respect of its compliance with laws and regulations, and the implementation of the Group's corporate governance principles, Articles of Association, directives and resolutions. It also determines and grants signatory powers. The Board further appoints and dismisses members of the Group Internal Audit and determines the organisation and scope of internal audit activities; the Board of Directors takes account of the recommendations of the Audit and Risk Committee when discharging these duties.

The Board of Directors, with support and advice from the Board Committees, is responsible for preparing all topics that fall within the competence of the Annual General Meeting, in particular the preparation, convening and setting of the agenda for the Annual General Meeting, the preparation and submission of the annual financial statements and the annual report, together with the appropriation of net profits available for distribution, as well as proposals for the compensation of the Board of Directors and the Executive Committee. The Board of Directors further prepares and submits amendments to the Articles of Association and to the scope of business for the Annual General Meeting; it assesses, pre-selects and proposes appointments of potential new Board members (and the dismissal of existing members), proposes the appointment of the independent auditors, and is generally in charge of the implementation of resolutions approved by the Annual General Meeting.

The placement and acceptance of binding and non-binding merger and acquisition offers, the conclusion of final contracts, the entry into, dissolution and modification of joint ventures of strategic importance, and the issuance of unlimited guarantees, letters of comfort and similar matters, also fall within the remit of the Board of Directors. It approves capital market transactions involving Leonteq shares of more than 3% of the total share capital of the Company, approves financial commitments in connection with investments and long-term contracts of over CHF 3 million, following decisions by the Executive Committee, and decides on financial commitments in connection with investments and long-term contracts of over CHF 5 million or more if they are not already included in the budget. It also approves the acquisition and encumbrance of real estate. The Board of Directors further decides on the initiation and withdrawal of court proceedings or other legal proceedings of a material nature and the conclusion of settlements if the amount owed exceeds CHF 1,000,000.

The Board is also responsible for notifying the judicial authorities if the Company were to become overindebted.

Finally, the Board is responsible for the overall direction and oversight of the Group's sustainability strategy and monitors the implementation of the sustainability strategy.

Board oversight

To control the business activities of the Group, the Board of Directors has formed the Audit and Risk Committee and the Nomination and Remuneration Committee. The Chairman of each Committee is in regular contact with the Executive Committee and senior management and provides the Board of Directors with regular updates on the current activities of the Committee and important Committee matters. Minutes of Committee meetings are made available to the entire Board of Directors. Regular communication is held in between Board and Committee meetings in order to allow Board members to provide updates on current topics and initiatives, to exchange views and opinions, and to decide upon more urgent matters.

The Board supervises the Executive Committee by conducting Board meetings at least four times a year. The CEO and the CFO attend the Board meetings as guests, update the Board on important issues and are available to answer questions. Other members of the Executive Committee are available on a case-by-case basis upon request. Between meetings, the Board of Directors is informed in writing about current business developments and the Company's financial situation on a monthly basis. Additionally, the Chairman of the Board meets with the CEO on a regular basis to discuss business operations and issues of fundamental importance. The Chairman of the Audit and Risk Committee meets with the CFO and the Chief Risk Officer (CRO) and the Chairman of the Nomination and Remuneration Committee meets with the Chief People Officer (CPO) to hold similar discussions.

In general, each Board member is entitled to request information from the Executive Committee on all matters relating to the Company and to the Group as a whole. The Board is informed about extraordinary items as soon as reasonably practical by way of a circular letter or, if appropriate, by telephone or e-mail. Furthermore, the Board receives recurring business and governance-relevant information on a regular basis, as described below.

On a monthly basis, The Board receives from the CEO the monthly CEO update, which provides summary information on financials, projects, people and other relevant business matters.

At least on a quarterly basis, the Sustainability delegate of the Board of Directors meets with the Chairman of the Sustainability Committee to receive updates on the priorities and project status.

At least once a quarter, the Board receives the following updates and reports:

- From the CFO: The quarterly financial update with information concerning operating income and expenses, income statements with budget vs. actual financial information, periodic forecasts, key performance indicators and additional financial information;

On a regular basis, the Board receives:

- From the CRO: The weekly risk dashboard, which provides high-level information on all risk dimensions, including capital and profit and loss, liquidity, market risk, credit and country risk, operational risk, and updates on Leonteq's balance sheet-light business;
- From the Chairman of the Sustainability Committee: An update on sustainability activities; and
- From the Head of Investor Relations: An update on notable changes in the share price, input from interactions with investors and feedback from conferences and investor roadshows.

At least twice a year, the Board receives:

- From the Head of Investor Relations: An update on investor relations activities, including an overview on stock price performance, short interest, investor and analyst sentiment, and recent events.
- From the CRO: The risk report, which provides in-depth information on risk exposures, profit and loss, the investment portfolio, limit monitoring results, market risk (including sensitivities and stress testing), counterparty risks with the highest exposures, operational risk, and the liquidity and risk profile of the business unit.

At least once annually, the General Counsel shares the compliance risk assessment and compliance activity reports with the entire Board of Directors. The Board also receives documentation that serves as the basis for decision-making on corporate strategy (prepared by the CEO), annual budgets and the three-year financial plan (prepared by the CFO) and strategic capital planning (prepared by the CRO), as well as liquidity planning (prepared by Treasury). Further, the entire Board is provided with the annual risk assessment as well as the operational risk framework review with an update on major operational risks.

Every two months, the Board receives a report from the COO that includes BCM briefings, as well as IT security and cybersecurity updates.

Board members receive ad-hoc reports on new business proposals and other relevant business matters from the CEO, as well as regular reports on litigation prepared by the General Counsel.

The Audit and Risk Committee receive regular updates on Leonteq's interaction with supervisory authorities from the General Counsel.

At least once a quarter, the Audit and Risk Committee receives:

- Reports on internal and external audit activities and updates on the status and resolution of audit items;
- Updates on legal, compliance and tax cases from the General Counsel; and
- Details of the capital base, large exposure risk and the ten largest debtors, as well as the Group's risk status from the CRO.

At least once annually, the Audit and Risk Committee of the Board is informed about the Group's internal control system and receives updates on new accounting standards from the CFO, as well as reports on regulatory and compliance topics from the General Counsel.

Procedures in the event of conflicts of interests

Members of the Board of Directors and members of the Executive Committee shall endeavour to avoid any action, position or interest that conflicts with the interests of the Company, any of the subsidiaries or the Group as a whole, or that give the appearance of such a conflict of interests. If a conflict of interests is believed to exist, the relevant Board member or member of the Executive Committee is obliged to:

Immediately inform the Chairman or, in the event of a conflict of interests concerning the Chairman, the Vice-Chairman;

Refrain from all related discussions (other than issuing a personal statement on the matter and answering questions regarding the matter) and abstain from voting upon all matters involving the interests concerned.

In case of doubt, the Chairman, or in case of a conflict of interests concerning the Chairman, the Vice-Chairman, needs to determine whether a conflict of interest actually exists.

In addition to this general rule, the Board of Directors holds its meetings in accordance with the following principles:

No members of the Executive Committee are present at Board meetings if discussions are held or decisions are made with respect to their performance, compensation, recruitment or any matter of a personal nature relating to the Executive Committee or individual members;

From time to time, parts of Board meetings are held in private sessions without Executive Committee members being present if the Board discusses matters of a fundamental strategic nature for the Company.

Board evaluation

The Board of Directors performs a self-assessment once a year, when it reviews its own performance against the responsibilities listed in the Organisational Management Regulations, including the adequate execution of its monitoring and control function, and the further development of the Group's strategy. Furthermore, it assesses interaction with the Executive Committee as well as with the external auditors and Group Internal Audit.

Board Committees

The Board of Directors has delegated certain resolutions, their preparation and implementation, and the supervision of the business of the Company and the Group to the Board Committees. The Board has two standing committees: The Audit and Risk Committee and the Nomination and Remuneration Committee. The Board Committees inform the Board in a timely manner of their findings and actions. Each Board Committee has the power to retain independent legal, accounting, financial and other advisors and consultants as it may deem necessary, at the expense of the Company and without the need to obtain prior approval of the entire Board of Directors.

The Board Committees meet as often as required to fulfil their duties and responsibilities, but at least once a quarter, usually before an ordinary meeting of the Board of Directors. The Chairman of the relevant Board Committee convenes the meetings. Notice of Board Committee meetings are given at least five days in advance. Each member of a Board Committee is entitled to request at any time that the Chairman of the relevant Board Committee convene a meeting. In cases where no meeting is convened by the Chairman of the Board Committee within a reasonable period of time after such a request is made, the Board Committee member who submitted the request is entitled to convene the meeting. Each Board Committee member is entitled to request that items be placed on the agenda for the next meeting.

Each Board member has the right to attend all Board Committee meetings as a guest without voting rights and to receive all information provided to members of the Board Committees. If Board Committee members conclude that their presence may have an influence on independent decision-making by the Committee, they may decide to deny this right of attendance and to call for the Committee to hold a private session. The Chairman of the Board is not permitted to attend Audit and Risk Committee meetings. The Chairman of each Board Committee shall determine which members of the Executive Committee or other individuals may attend the meetings as guests. Such guests do not have voting rights. The Board Committees may reach their decisions in private meetings. The Board Committees pass resolutions and adopt proposals with the majority of votes cast. In the event of a tied vote, the Chairman of the Board Committee has the casting vote. The Board Committees may take decisions in private meetings.

The term of membership of a Board Committee is one year upon appointment. Re-election is possible. The constitution of the Audit and Risk Committee falls within the remit of the Board of Directors. Members of the Nomination and Remuneration Committee are elected individually by the Annual General Meeting, pursuant to provisions of the Compensation Ordinance.

Audit and Risk Committee

The Audit and Risk Committee consists of a Chairperson and a minimum of one other member of the Board and shall comprise a majority of independent members. On 31 December 2024, the Audit and Risk Committee comprised three Board members: Susana Gomez Smith chaired the Committee, with Sylvie Davidson and Thomas Meier as members. All of them are independent.

The Audit and Risk Committee meets at least four times per year. Meetings are usually attended by the CFO, the CRO and managers responsible for the areas supervised by the Audit and Risk Committee. In addition, the Audit and Risk Committee holds risk workshops, which typically last half a day and focus on topics such as liquidity frameworks, cybersecurity, forthcoming regulatory developments and the impact of the market environment on the risk management of issued structured products.

The Audit and Risk Committee supports the Board of Directors in its Group-wide supervision of the following areas of audit:

- Financial and business reporting processes, including processes related to the preparation of financial reports, financial statements and business reports, together with the monitoring of tax matters;
- The review and evaluation of the efficiency and effectiveness of the internal control system of the Group from an audit perspective;
- Internal and external audit processes, including a review of the activities, adequacy, effectiveness and organisational structure of the Group Internal Audit function, a review of the Group Internal Audit's risk assessment, a discussion and review of the risk profile and the related audit approach with the external auditor, an assessment and appraisal of the audit approach, as well as the evaluation of the performance of the external and Group Internal Auditor;
- Compliance with laws, regulations, policies and best practices throughout the Group;

- The entire Board of Directors approves the organisation and design of accounting, financial control and financial planning, following a decision by the Audit and Risk Committee;
- Furthermore, the Audit and Risk Committee supports the Board of Directors in its Group-wide supervision (including the definition of the risk tolerance and appetite) of the following areas:
 - A wide variety of risks; in particular non-financial, credit (clients, counterparties, bond investment portfolios, countries, large exposures), market, liquidity, correlation, reputational and operational risks;
 - General risks within the policy, framework, rules and risk limits set by the Board or by the Committee itself;
 - The risk management process throughout the Group.

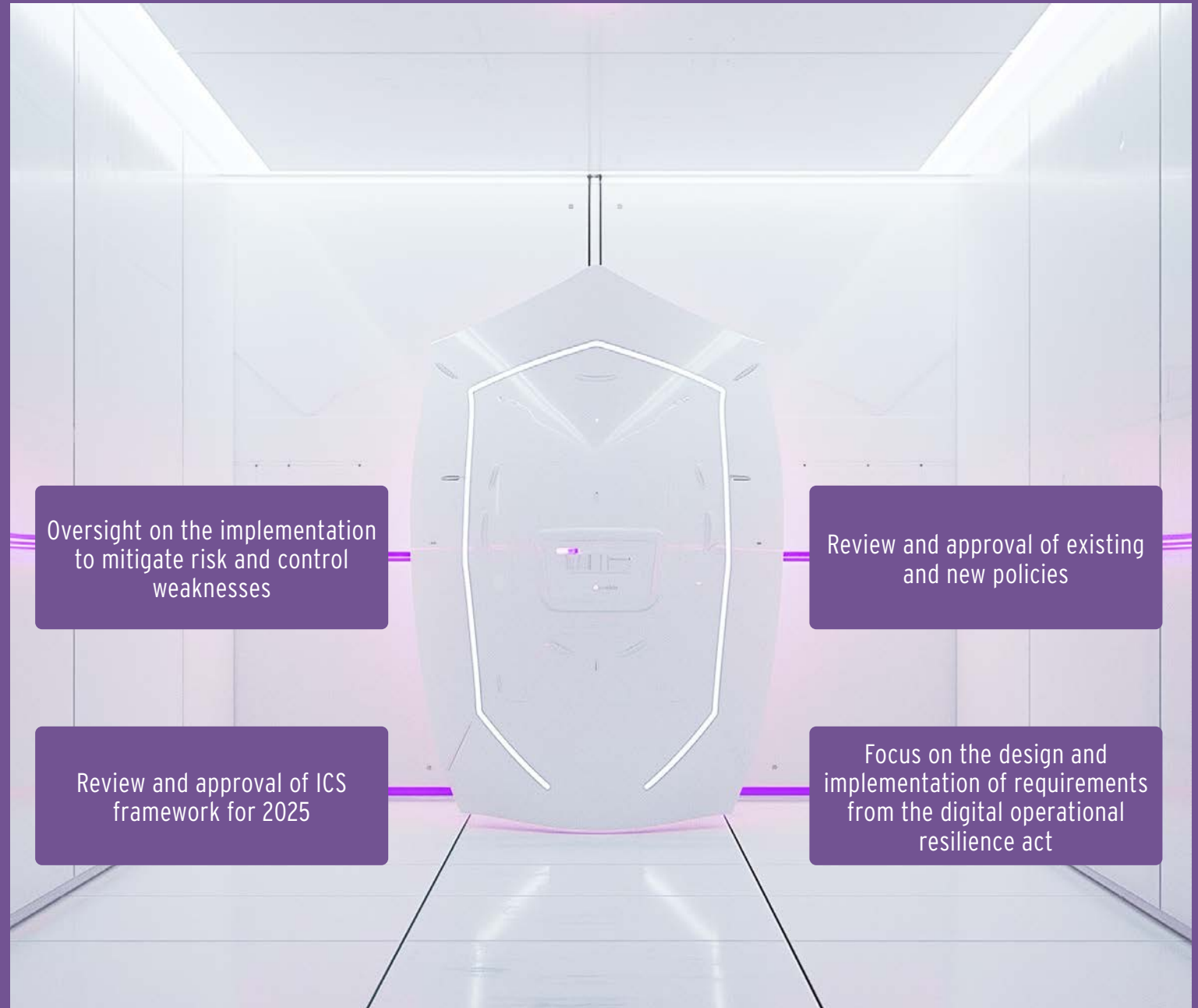
The entire Board of Directors approves the overall risk policies and Board risk limits, following a decision by the Audit and Risk Committee.

Activities of the Audit and Risk Committee in 2024

Susana Gomez Smith



Chairwoman of the Audit and Risk Committee



Oversight on the implementation to mitigate risk and control weaknesses

Review and approval of existing and new policies

Review and approval of ICS framework for 2025

Focus on the design and implementation of requirements from the digital operational resilience act

The Audit and Risk Committee met 10 times in 2024. In addition, members held various meetings to conduct in-depth reviews and discussions, as well as engaging in a regular dialogue with members of the Executive Committee.

Focus areas in 2024 included the new regulatory regime, control development and effectiveness, adequacy of the Internal Control System, operational risk, compliance matters and the compliance framework, and the risk tolerance framework.

Audit-related matters

The members of the Audit and Risk Committee reviewed the internal audits conducted in 2024 and regularly monitored the implementation of closing actions to fully remediate action points raised by Group Internal Audit and the external teams.

In addition, the members of the Audit and Risk Committee performed a comprehensive risk assessment. Based on their findings, the internal audit plan for 2024 was updated with an increase in the number of audits required due to the growing complexity of the business and more frequent updates from the different offices.

They also received reports and updates relating to audits carried out during the year and engaged with the Group Internal Audit regarding the audit it performed with a focus on Anti-Money Laundering (AML) and Know Your Customer (KYC) for Leonteq Europe.

The Audit and Risk Committee also regularly monitored the independence of the audit teams, reviewed internal audit activities and approved additional non-audit services provided by Group Internal Audit and the external auditor.

Further, the Chairwoman of the Audit and Risk Committee met with Group Internal Audit and the external auditor on a monthly basis.

Internal Control

The Audit and Risk Committee performed regular reviews of the design and effectiveness of the internal control system (ICS), including issues that were identified and related follow-up actions. It also assessed the control environment and reviewed and approved the ICS framework for 2025.

They also discussed the ISAE 3402 report received from the external auditor on internal controls in the area of issuance of structured products from platform partners.

The oversight of the development of the control framework with focus on Investment Solutions and Trading was another priority of the Audit and Risk Committee during 2024.

In 2024, the Audit and Risk Committee was part of several Board of Directors' working groups that were established in connection with the FINMA investigation in order to review and discuss inquiries from the regulator. Another area of focus for the Committee was its review and oversight of the implementation of measures defined to address the findings of regulators.

Legal, compliance and regulatory matters

In 2024, the Audit and Risk Committee regularly reviewed legal, tax and compliance cases from across the Group and monitored requests received from and discussions held with regulators, particularly in light of the new regulatory regime. It also monitored progress in implementing the remaining measures required in order to address the findings raised by External Audit ordered by BaFin in Leonteq's subsidiary Leonteq Europe.

The Audit and Risk Committee received regular updates and reports from the Global Head of Compliance and from local compliance officers in 2024. It also closely monitored the implementation of the compliance action plan, including the implementation of organisational designs and changes in personnel.

Financial reporting

The Audit and Risk Committee reviewed significant accounting estimates, approved the financial statements and provided its recommendation on the distribution to shareholders. It also discussed and provided feedback on various components of Leonteq's reporting.

Governance

Further, the Audit and Risk Committee reviewed and approved existing policies, as well as new policies. The third-party risk management (TPRM) policy was created to define a Group-wide minimum standard for TPRM and to provide an overarching framework for managing risks related to the use of third-party services. The newly created anti-bribery and anti-corruption policy formulates Leonteq's zero-tolerance approach to bribery and corruption.

Risk tolerance, monitoring and reporting

The Audit and Risk Committee regularly reviewed the Board risk report in 2024. It further defined the risk framework, including liquidity risk, stress testing and the control framework. It also supervises the defined risks and instructs management to take corrective action if necessary. It reviewed the limit framework in order to align business needs with the Board of Directors' risk appetite and supervised the capital adequacy framework. In addition, it approved the operational risk framework and the liquidity plan for 2025. Leonteq further enhanced and updated its recovery plan and established a resolution framework, demonstrating its readiness in case of a crisis.

Digital operational resilience

In 2024, the Audit and Risk Committee increased its focus on the design and implementation of requirements from the digital operational resilience act (DORA) to meet the regulatory requirements that apply from January 2025.

Group Internal Audit

In 2024, Leonteq's Group Internal Audit function was outsourced to KPMG which took over the related responsibilities from Ernst & Young Ltd., following a detailed due diligence and tender process in 2023. The Group Internal Audit function reports to Leonteq's Audit and Risk Committee. Group Internal Audit delivers independent audits and assessments of the appropriateness and effectiveness of Leonteq's organisational and business processes, particularly with regard to the institution's ICS and risk management. It conducts a comprehensive risk assessment of Leonteq on an annual basis. Together with other auditing requirements, this risk assessment informs the definition of audit objectives and planning for the next audit period. The objectives and planning are approved by the Audit and Risk Committee. Group Internal Audit reports in writing in a timely manner on any material findings to the Board of Directors. Group Internal Audit maintains a regular dialogue with the external auditor to share information about risk issues arising from audits and to coordinate audit activities. The obligations and rights of Group Internal Audit are set out in the Organisational Management Regulations. In accordance with this charter, Group Internal Audit has unrestricted access at all times to accounts, systems, premises, people, information and documents regarding all aspects of Leonteq and its subsidiaries. The Audit and Risk Committee meets the Head of Group Internal Audit on a regular basis.

External Audit

The Audit and Risk Committee monitors the qualification, independence and performance of the Group's external auditor (Deloitte) and the lead partner. The external audit of the financial statements is conducted with the aim to provide an opinion to whether:

- The consolidated financial statements of the Group give a true and fair view of the financial position, the results of the operations and cash flows in accordance with IFRS and comply with Swiss law;
- The statutory financial statements and the proposal on the appropriation of available earnings comply with Swiss law and articles of incorporation; and
- Whether an internal control system exists with regard to the preparation of the financial statements.

The external auditor also performs a regulatory audit with the objective to provide regulatory confirmation to FINMA and the Board of Directors aligned with the FINMA-agreed audit strategy for the period.

The external auditor provides timely reports to the Audit and Risk Committee on critical accounting policies and practices employed, alternative treatments of financial information discussed with management, and other material written communication between the external auditor and management.

The Audit and Risk Committee meets the lead partner of the external auditor on a regular basis. At least once a year, the Chairwoman of the Audit and Risk Committee discusses the audit work performed with the lead partner of the external auditor, together with the main findings and any critical issues that may have arisen during the audit. The Chairwoman of the Audit and Risk Committee reports back to the Board of Directors on the contacts and discussions with the external auditor. The external auditor has direct access to the Audit and Risk Committee at all times.

Additional information on the external auditor can be found on page 86 of this report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of a Chairman and a minimum of one other member of the Board and shall comprise a majority of independent members. On 31 December 2024, the Nomination and Remuneration Committee comprised three members: Richard Laxer (Chairman), Susana Gomez Smith and Philippe Weber. In accordance with Section Four of the Swiss Code of Obligations: Remuneration in Companies whose Shares are Listed on a Stock Exchange (art. 732 et seq.), all members of the Nomination and Remuneration Committee were elected individually for a term of one year by the Annual General Meeting 2024. All three members are independent.

The Nomination and Remuneration Committee meets at least four times per year. Meetings are usually attended by the CEO, the CFO, the CPO and management responsible for compensation reporting and controlling. Any members of the Executive Committee who attend the meeting withdraw when their own compensation, performance or potential promotion are discussed.

The Nomination and Remuneration Committee regularly reviews and oversees the Company's compensation policies and models. It is responsible for conducting a formal evaluation process and prepares the basis for the decisions of the Board of Directors regarding the total compensation of the members of the Board of Directors and the Executive Committee, as well as the overall remuneration of all other Group employees.

In particular, it submits to the Board of Directors proposals for:

- Compensation principles, especially in relation to performance-related compensation and the allocation of equity securities or warrants of and the auditing and compliance with them;
- The individual compensation for the members of the Board of Directors and the Executive Committee and the structure of the corresponding agreements;
- The motion proposed to the Annual General Meeting for approval of the maximum total amounts of compensation of the Board of Directors and the Executive Committee;
- The Compensation Report for subsequent submission to the Annual General Meeting for a consultative vote.

The Nomination and Remuneration Committee is additionally responsible for:

- Reviewing the structure, size and composition of the Board of Directors, appointing members of Board Committees, proposing appointments to the Executive Committee and making recommendations on these matters to the Board;
- Evaluating the experience, knowledge and skills of the Board before an appointment is made and preparing a description of the role and capabilities required for a particular appointment; and
- Succession planning for all Board and Executive Committee members.

For a detailed overview of the activities of the Nomination and Remuneration Committee in 2024, please refer to the Compensation Report 2024 on pages 89 to 90.

Biographies of the Board Members

Christopher
M. Chambers



Philippe
Weber



Susana
Gomez Smith



Sylvie
Davidson



Thomas
R. Meier



Richard
A. Laxer



Philippe
Le Baquer



Christopher M. Chambers

Chairman of the Board of Directors and non-executive member of the Board

Year of birth 1961
Nationality Swiss & British
First election 2017
Term expires 2025

Professional Background

Christopher Chambers began his career in investment banking in 1990, when he joined Barclays de Zote Wedd Ltd., UK. In 1997, he moved to Credit Suisse First Boston, UK, where he served as Head European Equity Capital Markets until 2002. From 2002 until 2005, he was CEO of Man Investments Ltd., and from 2007–2009, he served as Chairman of the Board of Jelmoli Ltd., Switzerland. From 2009 to 2011, Christopher Chambers was also a member of the Board of Evolution Group Plc, UK. He was a member of the Supervisory Board of Cembra Money Bank Ltd., Switzerland, from 2010 until 2016, and Vice-Chairman of its Board between 2013 and 2016. He subsequently served as Chairman of the Board of Moneta Money Bank, Czech Republic, until 2017. From 2012 to 2019 he served as a member of the Supervisory Board of Berenberg Bank (Schweiz) AG, and from 2017 to 2019 he served as the Chairman of the Board of Pendragon Plc, UK. Furthermore, he served as an Executive Chairman of the Board of Lonrho Limited, UK from 2013 to 2023 and as member of the Board of Swiss Prime Site AG, Switzerland from 2009 to 2024.

Current external activities

Christopher Chambers has served as a member of the Board of Oxford Science Enterprises plc, UK, since 2015 and as its Chairman since 2020.

Education

Christopher Chambers completed his education in the UK. He is a fellow of the Royal Society of Arts (FRSA) and holds a diploma in German Language from the London Chamber of Commerce.

Philippe Weber

Vice-Chairman and non-executive member of the Board
- Member of the Nomination and Remuneration Committee

Year of birth 1965
Nationality Swiss
First election 2020
Term expires 2025

Professional Background

Philippe Weber began his career as a research assistant at the University of Zurich before joining the Foreign Affairs Committees of the two chambers of the Swiss parliament as a legal clerk in 1992/1993. He joined the Zurich-based law firm Niederer Kraft and Frey AG in 1994, became a partner in 2002 and has served as Chairman of the Board and Management Partner from 2015–2021 and has since remained a member of the Board.

Current external activities

Philippe Weber has served as a member of the Board of Directors of PolyPeptide Group AG, Zug since 2021, and as a member of the Board of Directors of Medacta Group AG, Castel San Pietro, since 2019. He has also served as a member of the Board of Directors of EDAG Group AG, Arbon, since 2015, as a member of the Board of Directors of Banca del Ceresio SA, Lugano, since 2017, and as a member of the Board of Northstar Holding AG, Roggwil, since 2017.

Education

Philippe Weber holds a PhD in Law (summa cum laude) from the University of Zurich as well as an LL.M. from the European University Institute in Fiesole, Italy. He is an attorney-at-law admitted to the Swiss bar.

Susana Gomez Smith

Non-executive member of the Board
- Chair of the Audit and Risk Committee
- Member of the Nomination and Remuneration Committee

Year of birth 1973
Nationality Portuguese & British
First election 2019
Term expires 2025

Professional Background

Susana Gomez Smith began her career as a lecturer in Calculus and Algebra at University Lusiada, Portugal before joining Espirito Santo Investment Bank in 1998. In 2002, she joined Citigroup and served as Asia Pacific Head of Structuring for Emerging Markets Credit Trading at Citigroup, Hong Kong from 2007 to 2012. From 2012 to 2013, Susana Gomez was an advisor to the CEO and the Executive Committee at Banco Nacional Ultramarino, Macau. In 2013 she moved to the United Kingdom and served as a Managing Director at Santander UK Plc until 2018 leading the governance and control of the front office and transaction execution. She was also a member of the Board of Directors of Banco CTT, Portugal, from 2019 to 2022, and an Ambassador for the INSEAD Directors' Network from 2019 to 2022. From 2020 to 2023, she served as a member of the Board of Directors of the INSEAD National Alumni Association.

Current external activities

Susana Gomez Smith has served as a member of the General and Supervisory Board as well as a member of the Compliance Committee and as Chair of the Nomination Committee of Novo Banco SA, Lisbon, since 2024.

Education

Susana Gomez Smith holds an MSc in Economics from the Technical University of Lisbon and a BSc in Economics from the Nova University of Lisbon. She has a postgraduate diploma with merit in Enterprise Risk Management from the University of Hong Kong, is certified in Public Relations by the Investor Relations Society UK and in Corporate Governance by INSEAD and the Harvard Business School, and in ESG by Competent Boards. She has also completed specialised programmes in internal control, audit and financial reporting, including ACCA certification in International Audit and more recently obtained an executive certification in ethics and compliance.

Sylvie Davidson

Non-executive member of the Board

- Member of the Audit and Risk Committee

Year of birth 1967
Nationality Swiss
First election 2021
Term expires 2025

Professional Background

Sylvie Davidson was Chief Risk Officer UBS APAC for the group and the wealth management business in Hong Kong from 2017 to 2019. Before that, she served as Chief Operating Officer APAC Equities at Barclays Capital Asia from 2015 to 2016. From 2009 to 2015 she worked at Standard Chartered Bank, Hong Kong, where she was Managing Director of Equity Financing and Business Development and Head of Platform & Investor Product Structuring. Sylvie Davidson began her career in 1989 as a derivatives trader at Merrill Lynch in Zurich and moved to the Hong Kong office in 1994, where she was Head of Structured Products Development for equities and equity derivatives from 2001 to 2008.

Current external activities

Sylvie Davidson has served as a member of the Board of Directors of Erevia Holdings AG, Zug since 1998, and as a member of several related companies in Switzerland and abroad. Furthermore, she has acted as an advisor to the Investment Committee of Keren Hayesod since 2024.

Education

Sylvie Davidson completed her education in Switzerland with a baccalaureate from the Kantonschule Enge, Zurich. She holds the Financial Times Non-Executive Director Diploma.

Thomas R. Meier

Non-executive member of the Board

- Member of the Audit and Risk Committee

Year of birth 1962
Nationality Swiss
First election 2017
Term expires 2025

Professional Background

Thomas Meier began his career at Credit Suisse Group and served as a relationship manager from 1988 to 1993. He subsequently held various senior positions in the Asia Region from 1993 to 1999 before being appointed CEO North Asia and Branch Manager of the Hong Kong office of Credit Suisse from 2000 to 2004. He became Head of Private Wealth Management and served as a member of the Management Board of Deutsche Bank (Luxembourg) from 2004 to 2005. He then joined Bank Julius Baer, where he served as CEO Asia from 2005 to 2015 and as member of the Executive Board from 2007 to 2015. After his return to Switzerland, he was Head of Corporate Sustainability at Bank Julius Baer from 2015 to 2017 and Chairman of the Julius Baer Foundation from 2016 to June 2018. From 2019 to 2022, he was member of the Advisory Board of CCB Trust, Beijing and served as Managing Director and member of the Board of TRM Consulting AG from 2017 to 2022. Thomas Meier was also member of the Board of Directors of VP Bank AG, Liechtenstein, from 2018 and its Chairman from 2020 to 2024.

Current external activities

Thomas Meier has been a trustee of the Smiling Gecko Foundation, Dübendorf, since 2020, and a member of the Board of Directors of EHC Kloten Sport AG, Kloten, since 2024.

Education

Thomas Meier holds a doctorate in Law from the University of Zurich, and he completed the Advanced Management Program at the University of Pennsylvania, USA.

Richard A. Laxer

Non-executive member of the Board

- Chair of the Nomination and Remuneration Committee

Year of birth 1961
Nationality American & British
First election 2018
Term expires 2025

Professional Background

Richard Laxer began his career in 1984 at General Electric. From 2006 to 2008, he was CEO of GE Capital Solutions and later became CEO of GE Capital International in 2013. In 2016, he was appointed Chairman and CEO of GE Capital where he worked until March 2018. He was also a member of General Electric's Corporate Executive Council from 2006 to 2018. Richard Laxer was a member of the Board of Directors of Cembra Money Bank (2015 – 2016), Moneta Money Bank (2016 – 2017) and Pendragon Plc, UK (2018-2019). From 2022 to 2024, he served as a member of the Board of Directors of Oxford Sciences Enterprises plc, UK. He was also Chairman of the Board of NAX Capital, Manhattan Beach, from 2021 to 2023, a subsidiary of NAX Group where he acted in an advisory role from 2022 to 2023 and served as member of the Board in 2023.

Current external activities

He has served as Chairman of the Board of Directors of Aion SA, Brussels, since 2019, and as a member of the Board of Directors of Vodeno IT, Warsaw, since 2018. He has also served as a member of the Board of Directors of Singular Bank, Madrid, since 2020, and as member of the Board of Cross River Bank, Fort Lee, since 2024.

Education

Richard Laxer holds a BSc (Hons) in Business with a minor in Economics from Skidmore College, USA.

Philippe Le Baquer

Non-executive member of the Board

Year of birth 1966
Nationality French
First election 2021
Term expires 2025

Professional Background

Philippe Le Baquer has been a Senior Adviser of Rothschild & Co, London since 2017, following a successful career at the same firm from 2008 to 2017 as a Managing Director advising a wide range of financial institutions, governments and regulators on strategic matters, mergers & acquisitions and capital market transactions. Before his time at Rothschild & Co, he worked as an investment banker at Lehman Brothers in London from 1999 to 2008. He started his career at Morgan Grenfell / Deutsche Bank in 1992 as an M&A banker in Paris and London.

Current external activities

Philippe Le Baquer has been a member of the Board of Directors of invoitix AG, Switzerland since 2020.

Education

Philippe Le Baquer is a French national and holds a Master's degree in Business Administration from the Université de Rennes, France and a post-graduate degree in Finance and Capital Markets from Sciences Po, Paris.

Executive Committee

Executive Committee memberships and appointments

According to Leonteq's Organisational Management Regulations, the Executive Committee must consist of at least five members. The members of the Executive Committee are appointed by the Board of Directors after being proposed by the Nomination and Remuneration Committee.

The Executive Committee comprised six members as of 31 December 2024. The company's succession planning considers a variety of profiles for leadership positions, encouraging cross-business and cross-functional experiences. Leonteq currently has 17% female representation in its Executive Committee. While the finance and technology industries have historically shown significant underrepresentation of women in leadership roles, Leonteq is actively committed to addressing this imbalance and has implemented initiatives that support the recruitment, retention, and advancement of women in management and senior leadership positions.

Its individual members are listed below.

Name	Appointed in	Function
Lukas Ruffin	May 2018	Chief Executive Officer
Hans Widler	April 2024	Chief Financial Officer
Manish Patnaik	March 2014	Chief Operating Officer
Reto Quadroni	October 2017	Chief Risk Officer
Alessandro Ricci	January 2021	Head Investment Solutions
Markus Schmid	October 2020	Chief People Officer
Jasmin Koelbl-Vogt	October 2024	General Counsel

On 1 January 2024, Antoine Boubllil started as CFO and member of the Executive Committee. On 18 April 2024, Antoine Boubllil stepped down as CFO and member of the Executive Committee and was succeeded by Hans Widler.

On 25 July 2024, Leonteq announced that the Board of Directors had appointed Jasmin Koelbl-Vogt as General Counsel, effective 1 October 2024. She succeeded Ingrid Silveri, who stepped down from her role at the end-September 2024.

With the publication of Leonteq's half-year 2024 results on 25 July 2024, CEO Lukas Ruffin communicated his intentions to step down as CEO once a successor has been appointed.

Mandates

In accordance with the Group's Articles of Association, members of the Executive Committee are not permitted to hold or exercise more than the following number of additional mandates in the executive or administrative bodies of other legal entities that are required to be entered in the commercial register or a comparable foreign registry, and that are not controlled or held directly or indirectly by the Company:

Type of mandate	Limit
Legal entities ¹	No more than 2 mandates
of which listed companies ¹	No mandate is permitted
Charitable entities ²	No more than 5 mandates

¹ Mandates for which remuneration is received, whereby multiple mandates in various companies that belong to the same group of companies count as one.

² Mandates for which no remuneration is received.

No Executive Committee member holds mandates that exceed these restrictions. Mandates exercised by a member of the Executive Committee at the request of the Company are exempt from these restrictions.

Before accepting or committing to new external business activities, Executive Committee members must seek approval from the Board of Directors, which considers a number of factors in addition to the restrictions listed above. Generally, external business activities are prohibited if they create any potential conflicts of interest or adversely impact the Executive Committee member's performance or his/her regular work.

Responsibilities of the Executive Committee

Based on decisions of the Board of Directors and acting within the scope of the Company's Organisational and Management Regulations, the Executive Committee prepares and implements the overall strategy and corporate governance policies and guidelines. It is responsible for the day-to-day management of the Group and has authority in all matters that are not the prerogative of, or subject to, the approval of the Board of Directors (including Board Committees and the Chairman) or the Annual General Meeting.

The Executive Committee assumes responsibility for ensuring that the governance of subsidiaries is aligned with the respective principles. To this end, the Executive Committee has issued directives in relation to all relevant matters for the subsidiaries, including, but not limited to, organisational matters, the structuring of internal controls to ensure compliance with applicable legislation and regulations, financial reporting, risk management, and the supervision of persons entrusted with management of the subsidiaries, within the overall organisational rules as defined by the Board of Directors.

Furthermore, the Executive Committee is responsible for operating a system of reporting duties and approval processes applicable to all subsidiaries. It ensures that all corporate governance directives are implemented by the subsidiaries in a timely manner, in accordance with local legislation and regulations. The Executive Committee is headed by the CEO, who is responsible for communication with the Board of Directors and the Chairman as well as for the coordination of press matters. The Executive Committee decides on capital market transactions involving Leonteq shares of less than 3% of the total share capital and decides on financial commitments in connection with investments and long-term contracts of less than CHF 3 million if not included in the budget.

The appointment or dismissal of members of the Committees of the Executive Committee and the approval of the appointment of members of the governing bodies of Group companies fall within the remit of the Executive Committee.

Committees of the Executive Committee

The Executive Committee has several standing Committees, which are chaired by an Executive Committee member and meet periodically throughout the year and/or as often as required. These Committees are:

Risk Committee

This committee is responsible in particular for the determination and monitoring of liquidity risks, market risk limits, counterparty limits and country-specific limits within the global risk tolerance framework defined by the Board of Directors. It approves jurisdictions, markets, exchanges, crypto assets, and currencies, as well as eligible issuers and higher risk clients. It establishes permissible hedging instruments within the scope defined by the Board, approves eligible issuers and stress scenarios, and issues guidelines on the general handling of legal and regulatory risks. The Risk Committee is composed of both members of the Executive Committee and employees responsible for risk control, trading and treasury.

Product Approval Committee

This committee is responsible for approving new types of financial products before they are issued and new services before they are launched. The Product Approval Committee is composed of both members of the Executive Committee and employees responsible for legal, compliance, risk control, trading and treasury.

Treasury Committee

This committee is responsible for approving and overseeing liquidity management, funding activities and the investment portfolio. It approves and oversees the implementation of strategic treasury initiatives regarding liquidity and funding as well as capital management, sets the liquidity risk management framework and monitors adherence to it. The Treasury Committee oversees treasury models and methodology and approves material changes to treasury stress models.

The Treasury Committee is composed of both members of the Executive Committee and employees responsible for trading and treasury.

Index Committee

This committee is responsible for overseeing Leonteq's proprietary Index business. It is responsible for providing oversight on any changes to an index methodology, maintaining the governance framework, determining the course of action for any potential cessation event for an index and assessing internal and external audits or reviews for the index business. The Index Committee consists of members of the Executive Committee and selected Leonteq employees whom the Executive Committee deems appropriate.

Sustainability Committee

The Sustainability Committee is primarily responsible for the implementation of the sustainability strategy defined by the Group's Board of Directors, with the aim of improving the integration of ESG practices across all business areas. In specific terms, the Sustainability Committee is responsible for overseeing the integration of ESG best practices across the Group's business activities and management approaches, as well as overseeing the implementation of Leonteq's sustainability initiatives.

The composition of the Sustainability Committee reflects Leonteq's five sustainability focus areas – Responsible Investing, Environment, Social, Governance and Corporate Sustainability Reporting – and its members are appointed to represent these focus areas based on their function within the Group. Each focus area is linked to one or more material topics and their respective impacts. Committee members are either a member of the Executive Committee or hold a senior management position, subject to the internal provision that the Sustainability Committee should not comprise more than three members of the Executive Committee.

Biographies of the Executive Committee members

Lukas
T. Ruffin



Hans
Widler



Jasmin
Koelbl-Vogt



Manish
Patnaik



Reto
Quadroni



Alessandro
Ricci



Markus
Schmid



Lukas T. Ruffin

Chief Executive Officer

Year of birth 1975
Nationality Swiss
Appointment 2018

Professional Background

Lukas Ruffin started his career at PricewaterhouseCoopers in 1998. He joined J.P. Morgan in 1999, and moved to Lehman Brothers in 2000. He joined EFG Bank/EFG International in 2004 and held various management positions at the company, including Deputy CFO from 2004 to 2007, CEO of EFG Bank in 2010 and Deputy CEO of EFG International from 2009 to 2012. He was one of Leonteq's four founding partners in 2007. He served as a member of Leonteq's Board of Directors from 2009 to March 2018 and was Vice-Chairman from 2015 to March 2018. Lukas Ruffin was appointed CEO and a member of the Executive Committee of Leonteq in May 2018.

Education

Lukas Ruffin holds a Master's degree in Economics from the University of St. Gallen and a CEMS Master's degree in International Management from the University of St. Gallen.

Hans Widler

Chief Financial Officer

Year of birth 1974
Nationality Swiss
Appointment 2024

Professional Background

Prior to Leonteq, Hans Widler served in Switzerland and Singapore in finance managerial roles at Clariden Leu, Coutts & Co and in audit and advisory services at KPMG. In 2013, he joined Leonteq as Head Financial Accounting, was the Group's Head of Financial Management from 2015 to March 2024 and served as interim CFO from September to December 2023. Hans Widler was appointed CFO and a member of the Executive Committee of Leonteq in April 2024.

Education

He is a Swiss certified Chartered Public Accountant and holds a TRIUM Executive MBA from NYU Stern New York, HEC Paris and LSE London.

Jasmin Koelbl-Vogt

General Counsel

Year of birth 1970
Nationality German
Appointment 2024

Professional Background

Jasmin Koelbl-Vogt started her career working for Clifford Chance and Linklaters in Germany before joining Citigroup Global Markets Europe (CGME) as General Counsel Germany, Austria and Northern Europe in 2008. Since 2011, she has been a member of the Executive Board of CGME, where she has been responsible for all legal and regulatory topics as well as tax and HR. In 2023, she was CGME's CEO on an interim basis for five months. She was appointed General Counsel and member of the Executive Committee of Leonteq as per 1 October 2024.

Education

Jasmin Koelbl-Vogt is a member of the German bar and has a PhD in law from the University of Marburg.

Manish Patnaik

Chief Operating Officer

Year of birth 1973
Nationality German
Appointment 2014

Professional Background

Manish Patnaik began his career at Tata Infotech Ltd., India, as a Senior Software Engineer in 1997. In 1999, he joined Société Générale, Singapore, as a Business Analyst and Delivery Manager. From 2000 to 2011, he worked at Commerzbank, Germany, where he became Group Leader for equity derivatives, cash equity and research. He joined Leonteq in 2011 as Head of Front Office IT and became Chief Information Officer in 2012, before being appointed Chief Operating Officer and a member of the Executive Committee in March 2014.

Education

Manish Patnaik holds a Bachelor's degree in Technology (Electronics & Communication) from R.E.C. (Regional Engineering College), Kurukshetra, India, and a Master's degree in Business Administration (Finance) from ICFAI Business School, India.

Reto Quadroni

Chief Risk Officer

Year of birth 1963
Nationality Swiss
Appointment 2017

Professional Background

Reto Quadroni started his career at UBS AG, Switzerland, in 1994, working in the area of IT Development and Quantitative Risk Management. In 1999, he joined Systor AG, Switzerland, as a Senior Financial Engineer. Between 2000 and 2003, he worked in the Credit Risk Control and the Product Control Departments of Swiss Re, Switzerland, before returning to UBS AG, Switzerland, as a Risk Specialist in 2003. As a member of the Group Risk Division, he focused on quantitative risk methodologies and regulatory and statistical analysis. He joined Leonteq in 2009 and was later appointed Head of Risk Control, a position he held until 2014. After a period of two years, during which he led a team focusing on strategic and regulatory related projects, he resumed his responsibility for Risk Control and became a member of the Executive Committee in October 2017.

Education

Reto Quadroni studied Theoretical Physics at ETH Zurich and holds a doctorate in Natural Sciences.

Alessandro Ricci

Head Investment Solutions

Year of birth 1974
Nationality Italian and British
Appointment 2021

Professional Background

Alessandro Ricci started his career as a Business Analyst at McKinsey from 2000 to 2002. He was at Lehman Brothers in Equity Derivatives Sales and Structuring from 2004 to 2008 and worked in various senior management positions in the Structured Products division of Nomura International from 2008 to 2016. He joined Leonteq for the first time in 2016/2017 as Head Sales EMEA. From 2017 to 2020, Alessandro Ricci was Co-Head Derivatives & Head of Structured Products at Exane. He re-joined Leonteq in June 2020 as Deputy Head Investment Solutions and Head Switzerland & EMEA and has been appointed Head Investment Solutions and Member of the Executive Committee effective 1 January 2021.

Education

Alessandro Ricci holds a Master of Science in Mechanical Engineering from the Università degli Studi di Napoli Federico II as well as an MBA in Finance from the Columbia Business School, New York.

Markus Schmid

Chief People Officer

Year of birth 1968
Nationality Swiss
Appointment 2020

Professional Background

Markus Schmid spent his early career at Manres AG from 1998 to 2011 as a Managing Partner. From 2010 to April 2020, he was the Head of Corporate HR & Internal Communication, Executive Vice President and Member of the Management Board at Tecan Group, where he led the Global Human Resources function. Markus joined Leonteq as Chief People Officer and a member of the Executive Committee in October 2020.

Education

Markus Schmid holds a Master's in Psychology and Journalism from the University of Fribourg.

Additional Information

External Audit

External Audit forms an integral part of Leonteq's corporate governance framework and plays a key role by providing an independent assessment of operations and the internal control framework.

The Annual General Meeting elects the external auditor each year. At the Annual General Meeting 2024, the shareholders approved the re-election of Deloitte AG as the statutory auditor for the financial year 2024. The mandate was first given to Deloitte AG in 2022, and the lead audit partner is Sandro Schoenenberger (since 2022). The lead audit partner is subject to periodic rotation requirements.

Mandates assigned to the auditor for additional audit, audit-related and permitted non-audit work are subject to prior approval by the Audit and Risk Committee.

Fees paid to the External Auditor

CHF thousand	2024	2023	Change y-o-y
Audit services	1,099	1,051	5%
Tax, assurance and advisory related services	79	27	193%

Deloitte attends all the meetings of the Audit and Risk Committee and reports on the findings of its audit and/or interim review work. The Audit and Risk Committee reviews Deloitte's audit plan on an annual basis and evaluates the performance of Deloitte and its lead partner in fulfilling their mandate. The Audit and Risk Committee reviews the annual written statement submitted by the external auditor to verify its independence. In addition, the Audit and Risk Committee recommends to the Board of Directors the appointment or replacement of the external auditor, subject to shareholder approval as required by Swiss law.

Transactions with related parties

Compensation, shareholdings and loans

Detailed information on the compensation of the Executive Committee can be found in the Compensation Report on pages 94 to 99 and 102 to 109. The total compensation of the Board of Directors is disclosed in the Compensation Report on pages 100 and 111. Information on the shareholdings of Leonteq's Executive Committee and Board of Directors can be found in the Compensation Report on pages 110 and 112.

Management contracts

Leonteq and its subsidiaries have not entered into any management contracts with third parties.

Trading in Leonteq shares

Leonteq employees, members of the Executive Committee and members of the Board of Directors are subject to certain restrictions when trading in Leonteq's equity securities, or in related financial instruments. Any transaction requires pre-trade clearance and the minimum holding period is 30 days. Any trading activity in derivatives on shares of Leonteq and the short-selling of Leonteq shares are strictly prohibited according to Leonteq's Code of Conduct.

Leonteq submits all reportable transactions of the members of the Board of Directors and members of the Executive Committee to SIX Exchange Regulation for publication on its website at: www.ser-ag.com/de/resources/notifications-market-participants/management-transactions.html#/

Blackout periods

Leonteq enforces two ordinary blackout periods ahead of the publication of its full-year and half-year results. The blackout period starts each year on 1 June and 1 December (typically after market close on the last trading day before those dates) and ends with market opening on the day of publication of Leonteq's half-year and full-year results. Consequently, Leonteq has an extensive blackout period of more than 70 days ahead of its full-year results and of more than 50 days ahead of its half-year results. During this time employees, members of the Executive Committee and members of the Board of Directors without any exception are prohibited from conducting any personal transactions in Leonteq AG shares as well as funds and structured products with more than 30% Leonteq AG shares as underlying.

Compliance with rules and regulations

As a publicly listed Swiss company, Leonteq is subject to and complies with Section Four of the Swiss Code of Obligation: Remuneration in Companies whose Shares are Listed on a Stock Exchange (art. 732 et seq.). Leonteq is further subject to and complies with the SIX Directive on Information relating to Corporate Governance, as well as with the SIX Guideline regarding the Directive on Information relating to Corporate Governance, and the guidelines and recommendations contained in the Swiss Code of Best Practice for Corporate Governance issued by the Swiss business federation *economiesuisse*, taking into account the respective provisions of Swiss law, which addresses transparency requirements concerning the compensation of members of the Board of Directors and the Executive Committee.

As a FINMA licensed securities firm, Leonteq is also subject to and complies with the FINMA Circular 2017/1 "Corporate governance - banks" which sets out the requirements to be met in the areas of corporate governance, risk management, internal control system and internal audit at banks, securities firms, financial groups and financial conglomerates dominated by banking or securities trading.

Leonteq as a SIX listed company opted in to publish a sustainability report on an annual basis in line with the internationally recognised standard of Global Reporting Initiative (GRI). Additionally, the company publishes information on climate risks in line with the Task Force on Climate-related Financial Disclosures (TCFD).

To create transparency on non-financial matters, Leonteq will publish a sustainability report in accordance with Art. 964b CO on its website on 27 February 2025.

89

Letter from
the chairman of
the nomination
and remuneration
committee

91

Compensation
governance

94

Compensation
design for 2024

102

Compensation
for 2024

COMPENSATION REPORT

Letter from the Chairman of the Nomination and Remuneration Committee

Richard A. Laxer



Chairman of the Nomination
and Remuneration Committee

Dear shareholders, employees and other stakeholders

As Chairman of the Nomination and Remuneration Committee, I am pleased to present the Compensation Report 2024 of Leonteq AG. This report outlines our approach to compensation and reflects our commitment to transparency and to ensuring alignment with the long-term interests of our shareholders.

Results for 2024

Leonteq's financial performance in 2024 was significantly below our expectations and targets. In a challenging market environment, our client franchise remained strong as demonstrated by record platform volumes. However, the competitive market environment continued to impact margins, the subdued market volatility resulted in positive but limited contributions from hedging activities and the profit disgorgement decreed by FINMA in combination with the remediation measures weighted on our cost base.

The Group achieved total operating income of CHF 238.5 million in 2024 compared to CHF 260.0 million in 2023 and reported profit before taxes of CHF 7.9 million compared to CHF 18.4 million in the prior year. The return on equity was 1%, reflecting the combination of disappointing profitability and our strong capital base.

Total operating income
(CHF million)

238.5

2023: **260.0**

Cost-income ratio

97%

2023: **93%**

Balance sheet light turnover
(CHF billion)

4.6

2023: **2.7**

Compensation outcomes for 2024

Fixed compensation for members of the Executive Committee increased by 3% to CHF 4.91 million in 2024, mainly due to pro-rata compensation effects in 2023. The short-term incentive award for members of the Executive Committee was CHF 0.97 million (35% of the maximum opportunity), which includes a 30% discretionary reduction that takes into account the outcome of regulatory matters.

Total compensation for members of the Board of Directors decreased by 10% to CHF 1.5 million for the current term.

LTIP awards 2022 – 2024

The LTIP awards for the performance period 2022 – 2024 had a maximum opportunity of CHF 4.46 million and were based on the return on equity and total shareholder return relative to the benchmark.

Over the three-year performance period, Leonteq generated an average return on equity of 7.3% (target: 10%) and a negative total shareholder return. Reflecting these results, the LTIP awards based on performance conditions represent 26% of the maximum opportunity and amount to CHF 1.07 million, or 16,626 shares, for the members of the Executive Committee.

The LTIP awards will vest fully in February 2025 with a one-year blocking period, after which the awarded shares can be sold if minimum shareholding requirements are fulfilled.

Compensation-related votes

At the Annual General Meeting 2024, shareholders approved all motions related to compensation by a strong majority between 85% and 97% of the votes represented. At the Annual General Meeting 2025, shareholders will vote prospectively on the fixed compensation and the long-term incentive plan grant for the financial year 2026 and retrospectively on the short-term incentive plan award for the reporting year.

This will continue to allow shareholders to take fully informed decisions based on the Group's performance in the reporting year when voting.

Governance

In 2024, we intensified our efforts to identify suitable female candidates for nomination to the Board of Directors to further improve the overall skill set of its members, particularly in the areas of technology and digitalisation. We expect to be able to appoint a new member to the Board of Directors with the relevant skills and expertise at the Annual General Meeting 2025.

In addition, the Nomination and Remuneration Committee went through an intensive search process to find a new CEO after Lukas Ruffin announced on 25 July 2024 his intention to step down from his role once a successor has been appointed.

On behalf of the Nomination and Remuneration Committee, I would like to thank all our employees for their hard work and commitment in 2024. I would also like to thank all our stakeholders for their continued support.



Richard A. Laxer

Profit before taxes
(CHF million)

7.9

2023: 18.4

Shareholders' equity
(CHF million)

803.8

2023: 780.1

Return on equity

1%

2023: 2%

Compensation governance

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of a Chairman and a minimum of one other member of the Board and shall comprise a majority of independent members. On 31 December 2024, the Nomination and Remuneration Committee included three members: Richard Laxer (Chairman), Susana Gomez Smith and Philippe Weber. In accordance with Section Four of the Swiss Code of Obligations, all members of the Nomination and Remuneration Committee were elected individually for a term of one year by the Annual General Meeting 2024. All three members are independent.

The Nomination and Remuneration Committee meets at least four times per year. Meetings are usually attended by the CEO, the CFO, the CPO and managers responsible for compensation. Any members of the Executive Committee who attend the meeting withdraw when their own compensation, performance or potential promotion are discussed.

The Nomination and Remuneration Committee regularly reviews and oversees the Group's compensation policies and models. It is responsible for conducting a formal evaluation process and prepares the basis for the decisions of the Board of Directors regarding the total compensation of the members of the Board of Directors and the Executive Committee, as well as the overall remuneration of all other Group employees. In particular, it submits proposals to the Board of Directors concerning:

- Compensation principles, especially in relation to performance-related compensation and the allocation of equity securities or warrants, and the auditing of those principles and compliance with them;
- The individual compensation for members of the Board of Directors and the Executive Committee and the structure of the corresponding agreements;
- The motion proposed to the Annual General Meeting for approval of the maximum total amounts of compensation of the Board of Directors and the Executive Committee; and
- The Compensation Report for subsequent submission to the Annual General Meeting for an advisory vote.

The Nomination and Remuneration Committee is additionally responsible for:

- Reviewing the structure, size and composition of the Board of Directors, appointing members of Committees of the Board, proposing appointments to the Executive Committee, and making recommendations on these matters to the Board;
- Evaluating the experience, knowledge and skills of the Board before making any new appointments, and preparing a description of the role and capabilities required for a particular appointment; and
- Succession planning for all Board and Executive Committee members.

The table below summarises the Group's compensation governance.

	CEO	NRC	BoD	AGM
Compensation principles and design		Proposes	Approves	
Maximum total compensation of members of the Board of Directors		Proposes	Approves¹	Prospective binding vote
Maximum fixed compensation of the CEO		Proposes	Approves¹	Prospective binding vote
Maximum fixed compensation of other members of the Executive Committee	Proposes	Decides	Approves¹	
Performance target setting and assessment of the CEO		Proposes	Approves	
Performance target setting and assessment of other members of the Executive Committee	Proposes	Decides	Approves	
Variable compensation for the short-term incentive plan of the CEO		Proposes	Approves¹	Retrospective binding vote
Variable compensation for the short-term incentive plan of other members of the Executive Committee	Proposes	Decides	Approves¹	
Maximum variable compensation for the long-term incentive plan of the CEO		Proposes	Approves¹	Prospective binding vote
Maximum variable compensation for the long-term incentive plan of other members of the Executive Committee	Proposes	Decides	Approves¹	
Compensation Report		Proposes	Approves¹	Advisory vote

¹ Subject to approval by an Annual General Meeting.

Activities of the Nomination and Remuneration Committee in 2024

The Nomination and Remuneration Committee performs its activities with a view to achieving three overarching goals:

- 1. Establish and oversee a robust compensation system;**
- 2. Drive the development of the organisation and a positive culture; and**
- 3. Ensure strong compliance and governance.**

Guided by these principles, the Committee met nine times in 2024 and focused on a number of key areas. Among other things, the Committee:

- Reviewed the achievement of strategic targets and the related compensation of the Executive Committee based on its compensation model and made recommendations to the Board of Directors and the Annual General Meeting for approval;
- Assessed the Group's performance based on qualitative and quantitative results, the progress made towards strategic targets and other factors, and reviewed and submitted the proposed variable compensation amounts for all employees for the reporting year to the Board of Directors for approval;
- Proposed to the Board of Directors the overall discretionary bonus pool for 2024 (taking into account the performance of the company) as well as the pool for annual salary increases for employees for 2025;
- Reviewed and approved the Compensation Report 2024 with a focus on ensuring the comprehensive and transparent disclosure of the Group's compensation; and
- Defined and proposed to the Board of Directors the goals and objectives for the Executive Committee for 2025.

In addition, the Committee:

- Supported the Chairman in the search for a new CEO in a process that considered both internal and external candidates;
- Conducted a search process that led to the appointment of a new General Counsel;
- Continued the process of identifying potential candidates for nomination to the Board of Directors, particularly with a view to improving the skills of the Board, especially in the area of technology, digitalisation and innovation.

Annual General Meeting

As specified in the Articles of Association, the Annual General Meeting has the inalienable power to approve the compensation of members of the Board of Directors and the Executive Committee. On an annual basis, in response to the proposal by the Board of Directors, the Annual General Meeting approves separately (i) the maximum total compensation of members of the Board of Directors for the period until the next Annual General Meeting (prospective vote), (ii) the maximum total amount of fixed compensation and the maximum total amount of variable compensation for the long-term incentive plan of members of the Executive Committee for the financial year following the Annual General Meeting (prospective vote) and (iii) the total amount of variable compensation for the short-term incentive plan of members of the Executive Committee for the financial year preceding the Annual General Meeting (retrospective vote). The resolutions by the Annual General Meeting are binding. In the following year, the Board informs the Annual General Meeting in the Compensation Report about the use of the approved fixed remuneration and the long-term incentive award and explains the short-term incentive award proposed with respect to the previous business year. The retrospective vote on the short-term incentive plan amount allows shareholders to take a fully informed decision based on the Group's performance in the reporting year when voting. If the Annual General Meeting opposes a compensation proposal, the Board of Directors shall prepare an alternative proposal and shall convene another General Meeting within a period of three months.

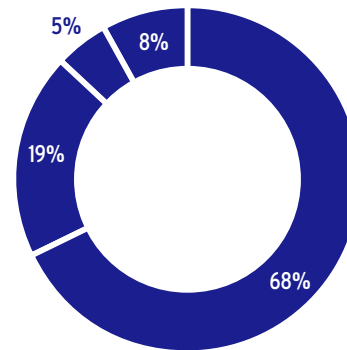
Insofar as the approved maximum total amount of fixed compensation and the long-term incentive plan of members of the Executive Committee is not sufficient to compensate new members appointed after the corresponding resolution is approved by the Annual General Meeting, an additional amount of up to 30% of the approved maximum total amount of fixed compensation and long-term incentive plan of the Executive Committee may be used until the next Annual General Meeting. The Annual General Meeting does not vote on the additional amount used. In the Compensation Report, the Board of Directors provides information about the actual total compensation of the members of the Board of Directors and the Executive Committee. The Annual General Meeting votes retrospectively on the Compensation Report in an advisory vote.

Annual General Meeting 2024

At the Annual General Meeting 2024, shareholders approved all motions related to compensation by a strong majority. A total of 139 shareholders (including the independent proxy) attended the meeting in Zurich, representing a total of 10,936,275 shares or approximately 58% of Leonteq's issued share capital.

Distribution of votes

(10.9 million shares represented)



Shareholders Group	68%
Top 10 institutional shareholders	19%
All other institutional investors	5%
Retail investors	8%

Votes in favour of compensation related agenda items:

Compensation report 2023	85%
Total compensation Board AGM 2024-AGM 2025	97%
STIP compensation Executive Committee 2023	87%
Maximum fixed compensation Executive Committee 2025	86%
Maximum LTIP compensation Executive Committee 2025	85%

Annual General Meeting 2025

The Board of Directors will propose the following motions related to compensation to Leonteq's shareholders at the Annual General Meeting 2025:

- Advisory vote on the Compensation Report 2024;
- Binding prospective vote on the maximum total compensation of members of the Board of Directors for the period from the Annual General Meeting 2025 to the Annual General Meeting 2026;
- Binding retrospective vote on the variable compensation for the short-term incentive plan of members of the Executive Committee for the financial year 2024;
- Binding prospective vote on the maximum fixed compensation of members of the Executive Committee for the financial year 2026;
- Binding prospective vote on the maximum variable compensation for the long-term incentive plan of members of the Executive Committee for the financial year 2026.

Compensation design for 2024

Compensation model for the Executive Committee

Leonteq's compensation model for members of the Executive Committee is designed to be transparent, easy to understand and it is based on clearly defined performance metrics. Additionally, it strengthens the alignment between compensation and strategic priorities, and more closely aligns the interests of the Executive Committee with the long-term interests of shareholders. Key features of Leonteq's compensation model for the Executive Committee are:

Simple structure with 80% of variable compensation deferred:

- Variable compensation is split into a cash-based short-term incentive plan with a one-year performance period and a share-based long-term incentive plan with a three-year performance period;
- 50% of the short-term incentive plan is deferred with three-year stage vesting;
- 100% of the long-term incentive plan is deferred in the form of performance share units with three-year cliff vesting followed by an additional one-year blocking period;
- The maximum opportunity for variable compensation is defined as a multiple of the base salary and ranges from 1 to 2.5 times the annual base salary, depending on the role of the recipient;
- The cap on performance-linked variable compensation components is set at 100.0% of the maximum opportunity, the target at 66.7% and the threshold at 25.0%.

Performance criteria and shareholding guidelines are clearly defined:

- The short-term incentive plan comprises clearly measurable performance criteria that reflect the Group's short-term budget and strategic targets;
- The long-term incentive plan ensures the alignment of management and shareholder interests by considering total shareholder return as a vesting criterion; combined with the key performance indicator return on equity, long-term targets are fully centred around creating shareholder value;
- Minimum shareholding guidelines define the minimum shareholding taking into account the function of the individual members, further aligning management interests with the long-term interests of shareholders.

Type of compensation ¹			Timing of compensation / Vesting					Deferred
			Year 1	Year 2	Year 3	Year 4	Year 5	
Fixed	Base salary							
	Pension and other benefits							
Variable	Short-term incentive plan	40%	Annual performance period	1/2 cash	1/6 cash	1/6 cash	1/6 cash	80%
	Long-term incentive plan	60%	Three-year performance period		1 year blocking period		Leonteq shares	
			LTIP linked to long-term strategic ambitions and long-term shareholder return					
			Performance share units with cliff vesting					
Minimum shareholding guidelines Malus and clawback provision								

¹ This graphic provides an illustrative overview of Leonteq's compensation model for the Executive Committee. It is not proportionate to the actual fixed and variable compensation elements.

Compensation structure

The members of the Executive Committee receive appropriate compensation, in line with market conditions. Members of the Executive Committee receive a base salary in cash, together with variable compensation for a one-year performance period in cash (short-term incentive plan, "STIP") and variable compensation for a three-year performance period awarded in performance share units (long-term incentive plan, "LTIP"). The base salary is assessed annually based on the recipient's level of responsibility and experience, and it is adjusted if required. The STIP award of each member of the Executive Committee depends on financial and non-financial targets that are aligned with the overall economic success and strategic development of the Group. The vesting criteria for an Executive Committee member's LTIP award depend on the achievement of financial targets that are aligned with the long-term success and profitability of the Group and shareholder interests. The targets for members of the Executive Committee are approved at the beginning of the performance period by the Board of Directors and the achievement of the defined personal objectives is assessed at the end of each performance period by the Board of Directors.

Employment contracts for members of the Executive Committee are agreed for an indefinite period, with a notice period of a maximum of six months. Contracts include malus and clawback provisions that are linked to mandatory behaviour. In addition, members of the Executive Committee are bound by minimum shareholding guidelines.

The total compensation of members of the Executive Committee is periodically benchmarked with the support of external compensation consulting services. The Group uses executive or senior management compensation of comparable peers that are financial institutions with similar business activities, considering differences in size, geographic reach and client bases. Where more appropriate and relevant, compensation is compared with markets competing to hire talent in areas such as IT or the consulting or audit industry.

Base salary

The base salary is determined individually, depending on the function, level of responsibility and experience of the recipient. Members of the Executive Committee further receive a representation allowance, which is reported as part of other benefits.

Short-term incentive plan

STIP awards comprise variable compensation paid in cash for a one-year performance period. 50% of STIP awards are distributed after being approved at the Annual General Meeting following the performance year and 50% are deferred by applying stage vesting over a period of three years.

The STIP maximum opportunity level is defined as a multiple of the base salary and are set individually for each member of the Executive Committee. It varies between 0.4 and 1.0 times the annual base salary, depending on the role of the recipient. Payouts are subject to the achievement of threshold, target or maximum performance levels and are defined as a percentage of the STIP maximum opportunity:

Maximum performance



Target performance



Threshold performance



Below threshold



The STIP comprises clearly defined performance criteria that reflect the Group's short-term strategic targets and are grouped into financial and non-financial criteria. These metrics and the corresponding performance target levels are generally aligned with the annual budget and related initiatives approved by the Board of Directors and ensure continuous progress towards strategic targets. Short-term key performance indicators ("KPIs") are measured at Group or (where applicable) on an individual level for all members of the Executive Committee for a one-year performance period. The STIP performance target levels are approved at the beginning of the performance period and the achievement of set objectives is assessed annually by the Nomination and Remuneration Committee. In addition, qualitative KPIs cover predominantly ethical and behavioural aspects and represent mandatory criteria that may only lead to downward adjustments.

Long-term incentive plan

LTIP awards comprise forward-looking incentives for a three-year performance period that are allocated in the form of performance share units (“PSUs”) and settled in Leonteq shares. LTIP awards are granted at the beginning of the first performance year following prospective approval by the Annual General Meeting. At grant date, the total maximum LTIP award (equal to the maximum opportunity level of 100%) is divided by the volume-weighted average share price of the last quarter before the three-year performance period to determine the target and maximum number of performance share units at vesting. The granted PSUs are deferred by applying cliff vesting over a period of three years. The actual number of PSUs that convert into Leonteq shares at vesting depends on the effective achievement level over the three-year performance period. PSUs carry no dividend entitlement and voting rights during the vesting period. Once the Leonteq shares are vested, a one-year blocking period is applied before such shares become freely tradeable if minimum shareholding requirements are fulfilled.

The LTIP maximum opportunity level is defined as a multiple of the base salary and set individually for each member of the Executive Committee. It varies between 0.6 and 1.5 times the annual base salary, depending on the role of the recipient. Payouts are subject to the achievement of threshold, target or maximum performance levels and are defined as a percentage of the LTIP maximum opportunity:

Maximum performance

100%

Target performance

66.7%

Threshold performance

25%

Below threshold

0%

The LTIP comprises of two financial KPIs, which are based on the return on equity and total shareholder return. These metrics allow the Board of Directors to strategically manage and align pay for performance of the members of the Executive Committee with the Group's long-term targets and ensure they are aligned with shareholder interests. Long-term KPIs are measured at Group level for all members of the Executive Committee for a three-year performance period.

The LTIP performance targets are approved at the beginning of the three-year performance period and the achievement of the defined objectives is assessed at the end of the three-year performance period by the Nomination and Remuneration Committee. The Board approves the total number of shares to be vested (with a subsequent one-year blocking period) for each member of the Executive Committee. If the Nomination and Remuneration Committee has concluded that the qualitative mandatory KPIs, which cover predominantly ethical and behavioural aspects, were not met, it is at the discretion of the Nomination and Remuneration Committee and the Board to adjust downwards or even cancel the vesting of the performance shares.

Pension and other benefits

Pension and other benefits comprise the employer's pension and social security contributions, the annual representation allowance as well as minor fringe benefits, which may include housing and relocation allowances, car parking or a first-class Swiss rail card, as well as contributions to the cost of annual health checks. Effective reimbursement of expenses is not classed as compensation.

Members of the Executive Committee participate in the occupational pension fund and receive benefits under the terms of its pension plans, including non-mandatory benefits. The Company may pay employer contributions to the occupational pension fund. In the case of illness or accident affecting a member of the Executive Committee, the Company may continue to pay the individual's salary under the terms of a plan implemented by the Board of Directors as part of the provision of insurance benefits. In cases of early retirement, the Company may provide bridging benefits to the insured or additional contributions to the occupational pension up to a maximum of 50% of the fixed compensation of the recipient.

Malus and clawback provisions

Deferred compensation awards contain malus and clawback provisions that enable Leonteq to reduce or cancel the awards prior to settlement if members of the Executive Committee engaged in inappropriate conduct. This is deemed to be the case if a member has, wilfully or by gross negligence, acted in any undue way or through any undue means to influence compensation amounts in his/her favour.

Should Leonteq terminate the employment agreement, any outstanding deferred variable compensation will vest according to the plan rules, unless, such termination is for cause, in which case any outstanding deferred variable compensation will be forfeited. Should a member of the Executive Committee terminate the employment agreement, any outstanding deferred variable compensation will generally be forfeited. Where the termination occurs due to retirement, disability or death of a member of the Executive Committee, the deferred variable compensation will remain deferred as if employment had continued.

Benchmark study

In 2023, an executive compensation benchmark study was conducted in cooperation with an independent external advisory firm in order to assess the competitiveness of fixed and variable compensation of the members of the Executive Committee compared to the external market. Hence, all jobs were graded and matched to incumbents with similar responsibility that are employed by financial services companies within a predefined pan-European peer group (approximately 25% companies from Switzerland).

The peer list for the CEO included companies such as Banque Cantonale Vaudoise, BBVA, Commerzbank, Edmond de Rothschild, Fineco, Julius Bär, Société Générale, Vontobel, VP Bank, Zürcher Kantonalbank. For significantly bigger companies, segment or divisional heads have been included in the assessment instead of the Group CEO role.

The benchmark study has shown that the CEO compensation is broadly in line with the compensation benchmark.

Minimum shareholding guidelines

Shareholding guidelines are an important instrument to align management and shareholder interests. The Board of Directors defined a minimum shareholding requirement for members of the Executive Committee, which depends on the function of the respective member. Members of the Executive Committee are not permitted to sell any shares from deferred compensation plans granted on or after 1 January 2019 until they have reached their respective minimum shareholding requirement. Unvested shares are considered for the minimum shareholding requirements.

Loans and credit granted

The Company may grant loans or credit to members of the Executive Committee at market conditions. Any such loans or credit must not exceed 50% of the annual fixed compensation of the individual concerned. However, it is the Company's current policy not to grant any loans and credit to members of the Executive Committee. The advancement of legal, court or similar costs for the defence of potential professional liability claims does not constitute a loan or credit.

Maximum opportunity levels

On 30 March 2023, the Annual General Meeting approved maximum fixed compensation of CHF 6,330,000 and maximum variable compensation for the long-term incentive plan of CHF 6,190,000 for the financial year 2024. These amounts included a reserve of an additional CHF 1,270,000 and CHF 1,727,000, respectively, in case the Board of Directors decided to selectively increase base salaries or individual opportunity multiples.

In the performance period, the Board did not grant any salary increases for members of the Executive Committee. It approved the opportunity multiples for the CEO and each individual member of the Executive Committee, which were set at 2.0 for the CEO and at between 1.0 and 2.5 for the other members. Compared to the prior year, the opportunity multiples remained unchanged for all members of the Executive Committee.

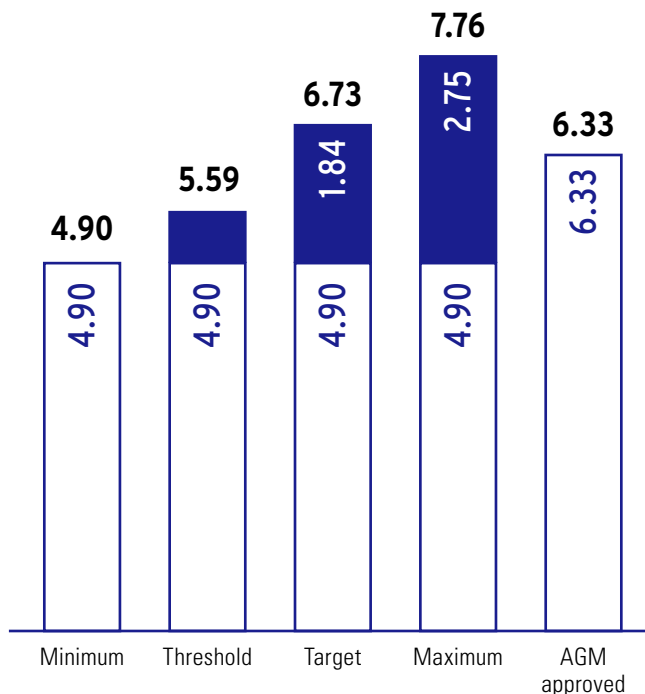
These decisions resulted in the following maximum opportunity levels for all members of the Executive Committee for the financial year 2024, which were significantly below the maximum amounts approved by the Annual General Meeting:

- Fixed compensation: CHF 4,900,000 (compared to CHF 6,330,000 approved by the Annual General Meeting)
- STIP awards: CHF 2,750,000 (retrospective voting only)
- LTIP awards: CHF 4,130,000 (compared to CHF 6,190,000 approved by the Annual General Meeting)

The charts on the right-hand side show the minimum, threshold, target and maximum opportunity levels for cash compensation and for LTIP compensation for all members of the Executive Committee for the financial year 2024.

In line with Section 4 of the Swiss Code of Obligations, and as specified in the Articles of Association, if new members are appointed to the Executive Committee during a period for which compensation has already been approved by shareholders, a further 30% of the aggregate amounts already approved may be used for compensation for such members. In the performance period, the Board granted replacement awards to individuals joining the Executive Committee in 2024 to compensate them for the cancellation of deferred awards by their previous employers totalling CHF 1.13 million in cash and CHF 0.68 million in shares (2023: none).

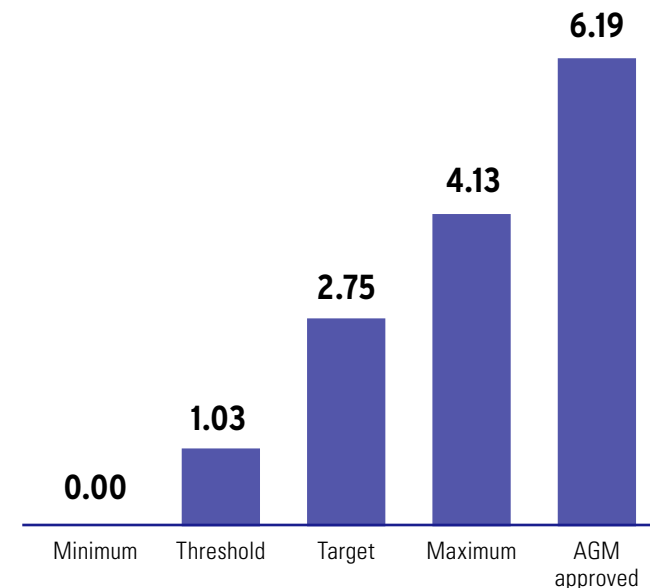
Maximum opportunity levels for total fixed and variable compensation (excl. LTIP awards) of the members of the Executive Committee for 2024
(CHF million)



■ Fixed compensation
(Base salary, Pension and other benefits)

■ Variable compensation
(Short-term incentive plan awards, including social security)

Maximum opportunity levels for LTIP compensation of the members of the Executive Committee for 2024
(CHF million)



■ Variable compensation
(LTIP awards, including social security)

Compensation principles for Board of Directors and its committees

Members of the Board of Directors are individually elected by the Annual General Meeting for a term of one year. Members of the Board may be re-elected with no limitation on the number of terms served. Their term of office ends upon the completion of the Annual General Meeting following their election.

The members of the Board of Directors, including the Chairman, receive non-performance-related compensation in the form of a director's fee, which represents the total compensation awarded; no additional compensation is paid to members of the Board of Directors for attending meetings. The annual director's fee is paid in cash and in Leonteq shares; a minimum amount of 40% of the compensation is paid in Leonteq shares valued at market price at vesting date. The shares are locked for a period of three years, thus linking the Board members' compensation to the Group's performance over the corresponding period. Members of the Board of Directors may join to the occupational pension fund, where permitted by the relevant internal regulations.

Directors' fees

The table below shows the director's fee for each individual function. The directors' fees for each member of the Board of Directors, for the Chairman and the Vice-Chairman of the Board as well as for the Chairs of the Committees remained unchanged for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025 compared to the previous term of office.

CHF thousand	AGM 2024- AGM 2025	AGM 2023- AGM 2024
Function		
Member of the Board of Directors	150	150
Additional fee for Chairman of the Board of Directors	200	200
Additional fee for Vice-Chairman of the Board of Directors	50	50
Additional fee for Committee Chairs	40	40

Loans and credit granted

The Company may grant loans or credit to members of the Board at market conditions. Any such loans or credit must not exceed 50% of the annual director's fee of the individual concerned. However, it is the Company's current policy not to grant any loans and credit to members of the Board. The advancement of legal, court or similar costs for the defence of potential professional liability claims does not constitute either a loan or credit.

Directors' fees have remained unchanged since the AGM 2018

Compensation model for employees

Leonteq seeks to attract and retain talented employees who are essential for the Group's future success. Leonteq is committed to fair, balanced and performance-oriented compensation practices that align long-term employee and shareholder interests and that incentivise appropriate risk-taking while fostering adequate risk awareness. Leonteq's compensation system is designed to:

- Create a performance culture based on merit and to recognise and reward excellent performance, both in the short- and long-term, and to reflect the Group's values;
- Enable the Group to attract and retain employees, motivating them to achieve results with integrity and fairness, while benefiting from the career opportunities offered by a growth company; and
- Be consistent with and promote effective risk management practices, together with the Group's compliance and control culture.

Fixed compensation for employees

Fixed compensation includes the base salary, which reflects the seniority and level of experience of the recipient, and the skills required to fulfil a specific function in a particular division and region, as well as market practice. The Group's salary framework is based on a job evaluation methodology, which also considers Leonteq's rank structure. It comprises six different ranks with increasing degrees of professional complexity and responsibilities: Employee, Analyst, Associate, Director, Executive Director, and Managing Director. Salary bands are assigned to each job based on external benchmark data and individual salaries are then determined based on how the employee's profile compares with the requirements of the job. Benchmarking criteria are defined by the global independent provider and include factors such as the size of the Group, the sector, and the region, as well as functional attributes such as the requisite degree of knowhow, problem-solving abilities and accountability. Individual salary increases are only made after reviewing internal and external benchmark data.

Variable compensation for employees

Variable compensation is awarded annually based on contractual agreements and/or at the discretion of the Group. It varies, depending on the overall performance of the Group, as well as divisional and individual performance, measured on the basis of pre-defined, strategy-oriented quantitative and qualitative KPIs, including non-financial factors such as ESG aspects, cultural values, compliance and risk-taking.

The payment of any variable compensation is subject to employees having always acted appropriately and did not, wilfully or by gross negligence, act in any undue way or through any undue means to influence their variable compensation amount in their favour or in violation of any law, regulatory rules or guidelines or any applicable policies of the Group, ("non-appropriate behaviour").

Contractual agreements mainly apply to the variable compensation of sales employees and are linked to production. Adjustments are made to reflect the Group's trading result, specific sales related KPIs and the sales organisation's direct and indirect costs of production. Additional adjustments are made for negative performance contributions such as material client complaints, non-observance of internal policies and failure to meet appropriate standards of fit & proper as well as operating losses caused by employees.

Select regional sales heads may receive a short-term incentive plan for growth ("STI4G") based on the growth of their business area and adjusted by a management factor, and key employees with high performance and/or potential in crucial positions may receive an employee long-term incentive plan ("ELTIP").

To address potential conflicts of interests, the determination of the variable compensation of employees in control functions, such as Risk Control, Legal or Compliance, is not dependent upon the performance of business lines, specific products or transactions monitored by these employees.

In addition, conflicts of interests are mitigated through deferred compensation and compensation in equity instruments, which depend on job complexity, responsibility and the level of compensation.

Variable compensation equalling or exceeding a threshold of CHF 50,000 is partially deferred. Each year, the Nomination and Remuneration Committee defines the applicable deferral rate and the applicable split between cash and equity instruments by taking into account the risk profile of the employee function. Non-deferred variable compensation is paid in cash. Deferred variable compensation is paid in cash in equal instalments over a three-year period for deferred variable compensation of less than CHF 40,000. Deferred variable compensation of CHF 40,000 or more is paid half in cash, in equal instalments, over a three-year period and half in restricted share units ("RSUs") settled with Leonteq shares over a vesting period of three years (stage vesting). RSUs carry no dividend entitlement or voting rights during the vesting period.

Compensation for 2024

Compensation of the Executive Committee for 2024

STIP awards 2024

The STIP is designed to reward the achievement of annual targets based on performance in 2024. The STIP payout is determined based on pre-defined financial criteria and performance levels, which are linked to Leonteq's strategic plan, as well as measurable non-financial criteria related to different topics such as balance sheet-light turnover, ESG and individual objectives.

The threshold, target and maximum performance levels for the STIP for 2024 were determined by the Nomination and Remuneration Committee at the beginning of the performance period, taking into account the Group's strategic targets, performance in the previous year, analyst expectations and any publicly stated targets, in order to set performance levels that are challenging and motivating for the Executive Committee.

STIP performance criteria, targets and outcomes

The performance criteria, targets and the corresponding results for 2024 for the members of the Executive Committee are outlined in the table below.

Taking into account the actual performance level achieved relative to the target level, as well as the assessment of non-financial KPIs outlined below, the STIP award amounted to CHF 1,297,000 for the Executive Committee (excluding social security contributions). Taking into account the outcome of regulatory matters, and underscoring its commitment to consequent governance the Nomination and Remuneration Committee recommended a discretionary reduction in the STIP award of 30% to CHF 908,000. This amount represents 35% of the maximum opportunity under the short-term incentive plan set for members of the Executive Committee. In line with the Articles of Association, the STIP award will be submitted for shareholder approval at the Annual General Meeting 2025.

Short-term incentive plan	Weighting		Performance levels			Results	Payout
	CEO/ CFO/ Head IS/ CPO/ COO	CRO/ GC	Threshold (25.0%)	Target (66.7%)	Cap (100.0%)		
Group financial KPIs							
Total operating income (CHFm)	30.0%	10.0%	238.0	278.0	318.0	238.5	25%
Cost/income ratio (%)	20.0%	30.0%	99.0%	92.0%	85.0%	96.7%	39%
Total non-financial KPIs	50.0%	60.0%	see separate description on page 103				

Performance assessment based on financial criteria

Financial short-term KPIs were defined on the basis of total operating income and the cost/income ratio, each measured at Group level for all members of the Executive Committee. The outcomes of the assessment of financial performance are shown in the table above and reflect the results achieved in 2024:

- Total operating income decreased by 8% to CHF 238.5 million in 2024 which was significantly below the target set, resulting in a payout of 25% of the maximum opportunity.
- The cost/income ratio was 97% in 2024, which was significantly below the target set, resulting in a payout of 39% of the maximum opportunity.

Consequently, the calculated payout for financial performance criteria was on average 31% for all members of the Executive Committee for 2024. Taking into account the outcomes of regulatory matters, the Nomination and Remuneration Committee recommended a discretionary reduction of 30% of the amount payable for 2024.

Performance assessment against non-financial criteria

Non-financial short-term KPIs comprised strategic and project-related targets that are predominantly quantifiable and measurable. The Executive Committee's non-financial performance evaluation was based on pre-defined criteria in the following categories: Turnover generated with balance sheet-light activities (such as Smart Hedging Issuance Platform, SHIP) as well as ESG targets. In addition, the performance of each member was measured on the basis of individual projects and objectives as well as divisional performance in terms of risk, control and compliance.

The Nomination and Remuneration Committee noted that under the leadership of the Executive Committee, Leonteq continued to develop its balance sheet-light business. Leonteq added one new hedging counterparty to SHIP and maintained its network of 27 third-party issuers. During the performance period, balance sheet-light turnover increased by 72% to CHF 4.6 billion, corresponding to 17% of total turnover in 2024, thus exceeding the target set for the year.

The Nomination and Remuneration Committee also noted that the Group made continued progress in its efforts to integrate best ESG practices into its business operations. In particular, Leonteq developed a climate strategy, set a net zero target and received ongoing external recognition when MSCI affirmed the company's ESG-rating of AA.

In addition, the Nomination and Remuneration Committee noted, when measuring performance against individual goals and objectives, the performance of Leonteq's management team was, on average, slightly below the targets set for the year.

Furthermore, the Nomination and Remuneration Committee noted that when measured against the divisional performance of risk, control and compliance, Leonteq's management team on average delivered significantly below the targets set for the year.

Taking these factors into account, the Nomination and Remuneration Committee concluded that on average, the members of the Executive Committee achieved 69% of the maximum opportunity with respect to the non-financial targets set for 2024. Taking into account the outcomes of regulatory matters, the Nomination and Remuneration Committee recommended a discretionary reduction of 30% of the amount payable for 2024.

LTIP awards for 2024 (performance period 2024 - 2026)

The LTIP comprises two financial KPIs that are based on return on equity ("RoE") and total shareholder return ("TSR"). These metrics allow the Board of Directors to strategically manage and align pay for performance of the members of the Executive Committee with the Group's long-term targets and ensure they are aligned with shareholder interests. Long-term KPIs are measured at Group level for all members of the Executive Committee for a three-year performance period.

LTIP performance criteria	Weight	Performance targets		
		Threshold (25.0%)	Target (66.7%)	Cap (100.0%)
Three-year average reported return on equity	66.7%	4.0%	8.0%	12.0%
Three-year total shareholder return compared to benchmark	33.3%	-10% cumulative	10% cumulative	30% cumulative

The RoE target is set by the Nomination and Remuneration Committee, aligned with the strategic ambitions and defined as the ratio of reported Group net profit to average shareholders' equity at the beginning and the end of the respective period. TSR is considered to be an objective market measure of the generation of shareholder value and is defined as the share performance of Leonteq including re-invested gross dividends ("LEON TSR") measured absolute against the performance of a benchmark defined as basket of market indices measured on a total gross return and gross dividend basis (Swiss Performance Index, EuroStoxx 50, S&P 500; weighted 50%, 25% and 25%, respectively). The LTIP is subject to the following TSR vesting conditions:

- Vesting at threshold if the LEON TSR over the three-year period is 10% below the performance of the benchmark;
- Vesting at target if the LEON TSR over the three-year period is 10% above the performance of the benchmark;
- Vesting at cap if the LEON TSR over the three-year period is 30% above the performance of the benchmark.

The LTIP awards for 2024, which were defined by the Nomination and Remuneration Committee at the beginning of the reporting period, have a total maximum opportunity of CHF 4,130,000, which is below the maximum amount of CHF 6,190,000 approved by shareholders at the Annual General Meeting 2023. Based on the grant reference price of CHF 36.39, a maximum number of 106,101 shares may be awarded if all the maximum performance levels are achieved. Performance will be measured and disclosed at the end of the three-year performance period.

LTIP awards for 2022 (performance period 2022 - 2024)

LTIP awards comprise forward-looking incentives for a three-year performance period that are allocated in the form of performance share units and settled with Leonteq shares. LTIP awards are granted following prospective approval by the Annual General Meeting at the beginning of the first performance year. At grant date, the total maximum LTIP award (equal to the maximum opportunity level of 100%) is divided by the volume-weighted average share price ("VWAP") of the last quarter before the three-year performance period to determine the target and maximum number of PSUs at vesting. The granted PSUs are deferred by applying cliff vesting over a period of three years. The actual number of PSUs that convert into Leonteq shares at vesting depends on the average target achievement level over the three-year performance period. The LTIP target and maximum opportunity level were defined as a multiple of the base salary and were set individually for each member of the Executive Committee. They were between 0.6 and 1.5 times the annual base salary, depending on the role of the recipient. Following shareholders' approval at the Annual General Meeting 2021 for a total maximum amount of CHF 6,190,000, the Board granted LTIP awards with a maximum opportunity of CHF 4,460,000 (CHF 4,150,000 excluding social security). Based on the grant reference price of CHF 64.41, a maximum number of 64,453 shares may be awarded if all the maximum performance levels are achieved.

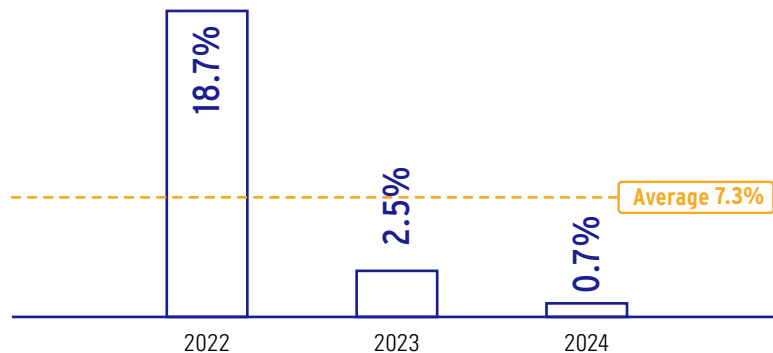
LTIP 2022–2024 performance criteria, targets and outcomes

The LTIP only comprised financial KPIs, which were applied equally for all members of the Executive Committee. Long-term KPIs were based on the return on equity ("RoE") and total shareholder return ("TSR") and were measured at Group level for all members of the Executive Committee for the three-year performance period. The performance criteria, the targets and the corresponding results for the performance period 2022-2024 for the members of the Executive Committee are outlined in the table below.

LTIP performance criteria	Weight	Performance targets			Results	Payout
		Threshold (25.0%)	Target (66.7%)	Cap (100.0%)		
Three-year average reported return on equity	66.7%	6.0%	10.0%	14.0%	7.3%	38.7%
Three-year total shareholder return compared to benchmark	33.3%	-10% cumulative + LEONTSR > 0	10% cumulative + LEONTSR > 0	30% cumulative + LEONTSR > 0	LEONTSR <0	0.0%

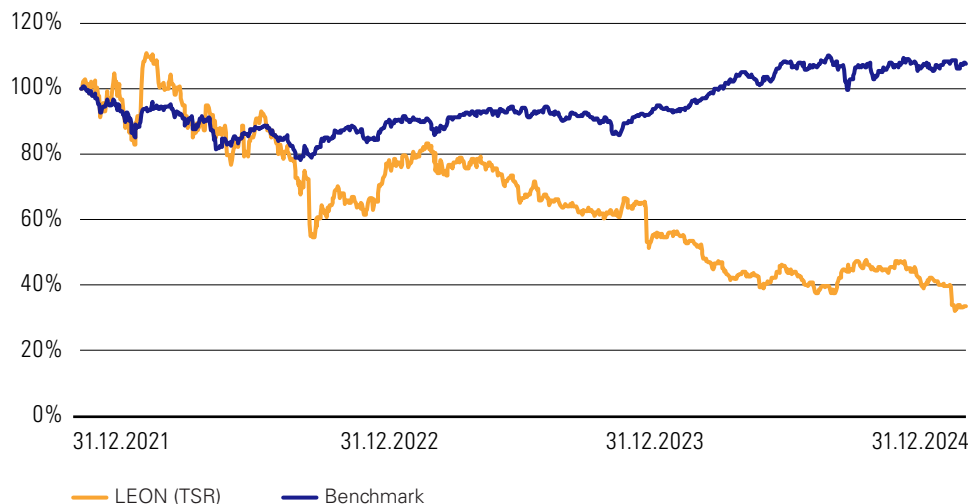
Over the performance period Leonteq achieved average return on equity of 7.3% and thus the payout was 39%. The table below provides the return on equity achieved in each performance year.

Return on equity



Over the performance period Leonteq generated a negative total shareholder return and the payout was therefore 0%.

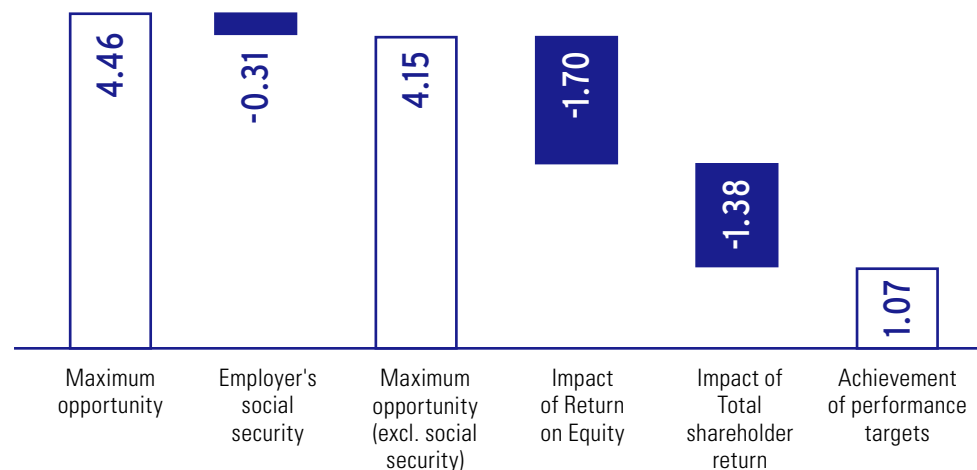
LEON total shareholder return compared to benchmark performance



Reflecting the results on the left-hand side, a total of 16,626 shares were earned based on the performance criteria, representing 26% of the maximum opportunity for all members of the Executive Committee. This corresponds to an LTIP award of CHF 1,071,000 based on the grant reference price. The impact of the performance conditions compared to the maximum opportunity is shown in the diagram below.

Estimated value of LTIP awards 2022

(CHF million)



The LTIP awards 2022 totalling 16,626 Leonteq shares will fully vest in February 2025 with a one-year subsequent blocking period. Shares will be unblocked in February 2026 and can be sold if minimum shareholding requirements are fulfilled.

Due to the large difference between the grant reference price and the share price at the end of the performance period, the market value of the LTIP awards at the end of the performance period amounted to CHF 328,197 (share price of CHF 19.74).

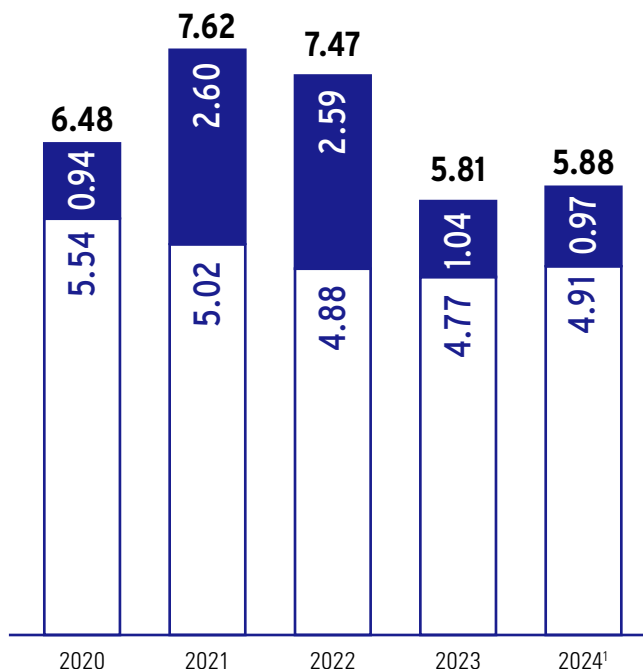
The final market value of the awards at delivery may differ from the value at the end of 2024 due to subsequent share price movements.

Total Executive Committee compensation for 2024 (audited)

Fixed compensation for members of the Executive Committee increased by 3% to CHF 4,908,000 in 2024 due to changes to the Executive Committee in the reporting period and pro-rata compensation effects in 2023. In view of the financial results for 2024 and the outcome of regulatory matters, the short-term incentive award for members of the Executive Committee amounted to CHF 972,000 (including social security contributions). This corresponds to 35% of the maximum opportunity and compares to CHF 1,043,000 in the previous year. The long-term incentive award, which is dependent on a three-year performance period, had a maximum opportunity of CHF 4,131,000 and a fair value of CHF 381,000 at end-2024.

The following charts show the total fixed and STIP compensation and LTIP compensation for all members of the Executive Committee for the financial years 2020 to 2024.

Development of total fixed and STIP compensation (excl. LTIP awards) of the members of the Executive Committee (CHF million)

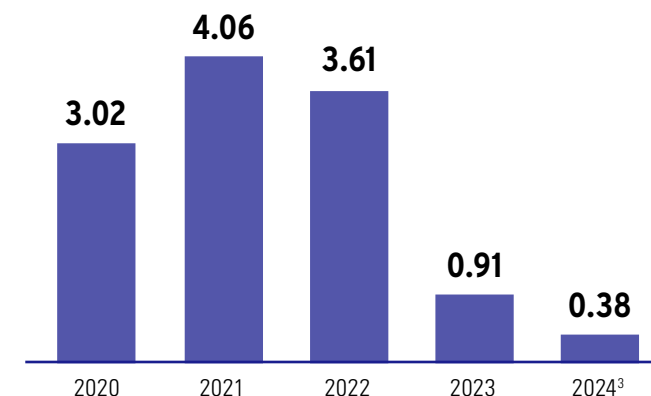


■ Fixed compensation
(Base salary, Pension and other benefits)

■ Variable compensation
(Short-term incentive plan awards, including social security)

¹ Excluding replacement awards in the form of cash and share awards totalling CHF 1.81 million (incl. social security).

Development of total LTIP awards of the members of the Executive Committee² (CHF million)



■ Variable compensation
(LTIP awards at fair value, including social security)

² Fair value of performance criteria 'RoE' was calculated based on the estimated achievement rate over the three-year performance period (previously calculated based on the target achievement rate).

³ Excluding replacement awards in the form of LTIP due to loss of bonus eligibility and regular LTIP for 2024 for the former CFO in the amount of CHF 0.22 million (incl. social security). Both awards were fully forfeited due to resignation of the former CFO in April 2024.

**Total fixed and variable compensation (excl. LTIP awards)
of the members of the Executive Committee for 2024 and 2023**

CHF thousand	Fixed compensation		Variable compensation in cash			Total fixed and variable compensation (excl. LTIP) ²
	Base salary	Pension and other benefits ¹	STIP awards (non-deferred)	STIP awards (deferred)	Social security contributions	
2024²						
7 members	4,051	857	454	454	64	5,880
of which highest paid earner: L. Ruffin (CEO)	977	141	141	141	20	1,420
2023						
7 members	3,894	872	485	485	73	5,809
of which highest paid earner: L. Ruffin (CEO)	977	141	137	137	27	1,419

¹ These charges comprise the employer's social security and pension contributions on base salary and other minor fringe benefits; Representative allowance of CHF 20,400 for each member of the Executive Committee is also included.

² Replacement awards in the form of cash and share awards have been granted to individuals joining the Executive Committee in 2024 to compensate them for cancellation of bonus eligibility and deferred awards by their previous employers as well as for a refund of cash awards. Antoine Boubilil (joined as CFO in January 2024) and Jasmin Koelbl-Vogt (joined as General Counsel in October 2024) were granted cash awards of CHF 0.81 million and CHF 0.25 million, respectively as well as share awards of CHF 0.53 million (the majority of which were forfeited due to Mr. Boubilil's resignation in April 2024) and CHF 0.11 million, respectively. These one-time replacement awards did not form part of the compensation in the table above. Considering these awards totalling CHF 1.70 million (CHF 1.81 million including social security), the total fixed and variable compensation (excl. LTIP) of the Executive Committee for 2024 amounted to CHF 7.69 million. Taking into account these replacement awards, Mr. Boubilil had a total fixed and variable compensation (excl. LTIP) in the amount of CHF 1.71 million (whereof RSUs in the amount of CHF 0.47 million were forfeited) in 2024.

Effective reimbursement of expenses is not classed as compensation and is not included in the above figures

Total LTIP awards of the members of the Executive Committee for 2024 and 2023

CHF thousand	Variable compensation in PSUs ¹	
	LTIP awards @ maximum opportunity ²	LTIP awards @ fair value ³
2024		
7 members	4,131	381
of which highest paid earner: L. Ruffin (CEO)	1,284	127
2023		
7 members	4,347	913
of which highest paid earner: L. Ruffin (CEO)	1,290	271

¹ Includes estimated employer's social security contributions.

² Fair value of performance criteria 'RoE' was calculated based on the estimated achievement rate over the three-year performance period at end-2024 and at end-2023 (previously calculated based on the target achievement rate). Fair value of the performance criteria 'TSR' was calculated based on the fair value at grant date by using a Monte Carlo pricing model. The Leonteq share price at grant date was CHF 32.30 for 2024.

³ Replacement awards in the form of LTIP awards have been granted to Mr. Boubilil (joined as CFO in January 2024) to compensate him for cancellation of bonus eligibility by his previous employer. Additionally a regular LTIP award was granted for the financial year 2024. Both LTIP awards were fully forfeited due to Mr. Boubilil's resignation in April 2024. These two fully forfeited LTIP awards had a fair value of CHF 0.22 million (incl. social security) and did not form part of the compensation in the table above. Considering these awards, the total LTIP at fair value of the Executive Committee for 2024 amounted to CHF 0.61 million.

Additional compensation elements

No additional payments or other benefits were received by members of the Executive Committee in the reporting period. In particular, no compensation was received by members of the Executive Committee in the form of:

- Profit-sharing amounts, participation in turnover or other forms of participation in the Group's business results other than under the respective compensation plans;
- Services and benefits in kind, awards of equity securities, together with conversion and option rights, sign-on bonuses, sureties, guarantee commitments, pledges in favour of third parties, or other collateral commitments; and
- Waivers of claims or expenditure that create or increase pension benefit entitlements.

Former members of the Executive Committee (audited)

With the exception of contractually agreed compensation paid during the one-month handover and two-months garden leave of the former General Counsel, as well as the seven-day notice period of the former CFO, no former member of the Executive Committee received any compensation for services they continued to perform after they stepped down from the Executive Committee. In 2023 an amount of CHF 48'000 (including VAT) was paid to a former member of the Executive Committee based on an consulting agreement.

Loans and credit granted to members of the Executive Committee (audited)

The Company did not grant any loans or guarantee commitments to members of the Executive Committee.

Shareholdings and unvested shares of members of the Executive Committee (audited)

Detailed information on the number of shares held by individual members of the Executive Committee as of 31 December 2024 and 31 December 2023 is provided below:

Executive Committee	31.12.2024			31.12.2023		
	Shares	Restricted Share Units ¹	Performance Share Units ²	Shares	Restricted Share Units	Performance Share Units ³
Lukas T. Rufflin ⁴	1,631,255	—	4,806	1,608,121	—	23,134
Jasmin Koelbl-Vogt ⁵	—	4,161	—	N/A	N/A	N/A
Manish Patnaik	43,641	—	2,076	33,647	—	9,994
Reto Quadroni	28,818	—	1,081	23,613	—	5,205
Alessandro Ricci	24,335	—	3,905	2,558	2,981	18,796
Markus Schmid	14,783	—	1,022	7,659	2,203	4,921
Ingrid Silveri ⁶	N/A	N/A	N/A	17,380	—	5,205
Hans Widler ⁷	4,591	3,727	—	N/A	N/A	N/A
Number of shares and share units	1,747,423	7,888	12,890	1,692,978	5,184	67,255
Market value of shares and share units	34,494,130	155,709	254,449	58,153,794	178,070	2,310,209

¹ Balance of unvested restricted share units granted for prior year variable compensation or replacement of lost deferred equity linked compensation from prior employer with vesting periods 2022 - 2029.

² Balance of unvested performance share units at effective achievement rate for performance period 2022 - 2024 with vesting date in February 2025.

³ Balance of unvested performance share units at effective achievement rate for performance period 2021 - 2023 with vesting date in February 2024.

⁴ Excluding 462,325 call options held by Lukas Rufflin; call options are subject to the following conditions: original strike price CHF 210 (adjusted for cumulative dividends per share and the effects of corporate actions from 2015 to 2025); subscription ratio 1:1; maturity 19 October 2025; European style. These call options are written by Raiffeisen.

⁵ Jasmin Koelbl-Vogt joined the Executive Committee on 1 October 2024.

⁶ Ingrid Silveri left the Executive Committee on 30 September 2024.

⁷ Hans Widler joined the Executive Committee on 18 April 2024.

Unvested shares originating from LTIP awards that have not reached the end of the three-year performance period are calculated on the basis of maximum opportunity, given that the actual achievement level and associated number of unvested shares cannot be determined until the end of the performance period. Detailed information on the number of unvested performance shares originating from LTIP awards for 2024 and 2023 is outlined in the table below.

Executive Committee	LTIP awards 2024 ¹		LTIP awards 2023 ²	
	Performance Share Units (at maximum)	Performance Share Units (at target)	Performance Share Units (at maximum)	Performance Share Units (at target)
Lukas T. Rufflin	32,976	21,984	28,873	19,249
Jasmin Koelbl-Vogt ³	—	—	N/A	N/A
Manish Patnaik	15,828	10,552	13,859	9,239
Reto Quadroni	7,048	4,699	6,496	4,331
Alessandro Ricci	26,793	17,862	23,460	15,640
Markus Schmid	7,015	4,677	6,142	4,095
Ingrid Silveri ⁴	N/A	N/A	6,496	4,331
Hans Widler ⁵	10,877	7,251	N/A	N/A
Total	100,537	67,025	64,453	42,968

¹ Grant reference price: CHF 36.39.

² Grant reference price: CHF 41.56.

³ Jasmin Koelbl-Vogt joined the Executive Committee on 1 October 2024.

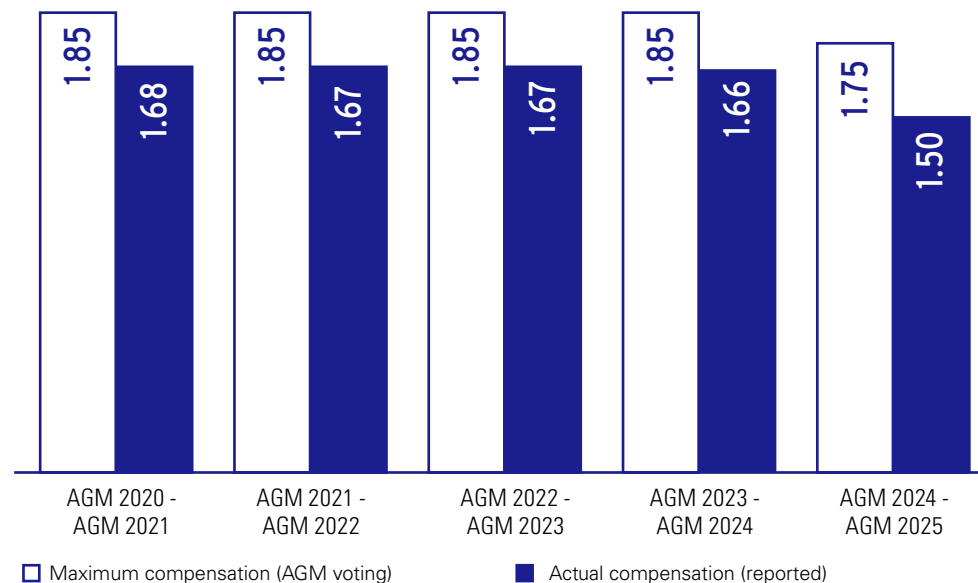
⁴ Ingrid Silveri left the Executive Committee on 30 September 2024.

⁵ Hans Widler joined the Executive Committee on 18 April 2024.

Board of Directors compensation for 2024

The Board's total compensation for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025 decreased by 10% to CHF 1,500,000 and was 14% below the total maximum amount of CHF 1,750,000 approved by the Annual General Meeting 2024. Effective reimbursement of expenses is not classed as compensation and is not included in the below figures.

Development of compensation of the members of the Board of Directors (in CHF million)



CHF thousand	BoD	ARC	NRC	Fee structure		AGM 2024 to AGM 2025				AGM 2023 to AGM 2024			
				Board fee	Chair fee	Director's fee	Post-employment benefits ¹	Total compensation	Of which awarded in shares ²	Director's fee	Post-employment benefits ¹	Total compensation	Of which awarded in shares ²
Christopher M. Chambers	C			150	200	350	43	393	175	350	43	393	175
Philippe Weber	VC		M	150	50	200	13	213	80	200	14	214	80
Sylvie Davidson	M	M		150		150	10	160	75	150	10	160	75
Susana Gomez Smith	M	C	M	150	40	190	13	203	76	190	13	203	76
Richard A. Laxer	M		C	150	40	190	21	211	125	190	22	212	125
Philippe Le Baquer	M			150		150	10	160	75	150	10	160	75
Thomas R. Meier	M	M		150		150	10	160	75	150	10	160	75
Dominik Schärer ³	M	M		150		N/A	N/A	N/A	N/A	150	10	160	75
Total						1,380	120	1,500	681	1,530	132	1,662	756

¹ These charges comprise the employer's social security contributions.

² These share-based payment amounts reflect the market value of the shares at time of grant. Social security contributions on share-based payments are disclosed under post-employment benefits.

³ Dominik Schärer did not stand for re-election at the Annual General Meeting on 28 March 2024.

Shareholdings of members of the Board of Directors (audited)

Detailed information on the number of shares held by individual members of the Board of Directors as of 31 December 2024 and 31 December 2023 is provided below:

Board of Directors	31.12.2024	31.12.2023
Christopher M. Chambers	48,838	42,246
Philippe Weber	10,061	7,048
Sylvie Davidson	7,750	4,926
Susana Gomez Smith	10,718	7,856
Richard A. Laxer	20,380	15,655
Philippe Le Baquer	7,153	4,329
Thomas R. Meier	13,353	10,529
Dominik Schärer ¹	N/A	7,945
Number of shares	118,253	100,534
Whereof locked shares	55,212	49,508
Market value of shares	2,334,314	3,453,343

¹ Dominik Schärer did not stand for re-election at the Annual General Meeting on 28 March 2024.

Loans and credit granted to members of the Board of Directors (audited)

The Company did not grant any loans or guarantee commitments to members of the Board of Directors.

Employee compensation for 2024

Total employee compensation for 2024 (excluding Executive Committee and Board of Directors)

CHF thousand	2024	2023
Fixed compensation ¹	72,167	74,010
Variable compensation ²	19,378	33,098
Other compensation and personnel expenses ³	19,298	21,839
Total committed personnel expenses	110,843	128,947
of which variable compensation recognised in the reporting year	15,000	21,848
of which variable compensation recognised in future periods	4,378	11,250
Average FTEs	572	590
Committed Personnel expense per average FTE	194	219

¹ Fixed compensation charges comprise salaries and wages.

² Variable compensation charges include bonuses and performance-related benefits.

³ Other compensation comprise the employer's contribution to social security and pension plans, lunch and representation allowances and other personnel expenses such as headhunter fees, recruitment fees, insurance policies, and minor benefits such as training, housing allowances as well as a technical adjustment for IAS 19 Employee benefits.

Fixed compensation decreased by 2% to CHF 72,167,000 in 2024 on the back of a 3% decrease in average FTEs. Variable committed compensation decreased by more than 40% to CHF 19,378,000 reflecting subdued financial performance in 2024.

External mandates (audited)

In line with the Swiss Code of Obligations, Leonteq discloses memberships in the Board of Directors, the Executive Committee, or any comparable function in other companies with an economic purpose.

The following table includes any such membership held by members of Leonteq's Board of Directors as of 31 December 2024. No member of the Executive Committee held any such membership as of 31 December 2024.

In addition, the Corporate Governance report contains biographies with information on professional background, education and external activities for Leonteq's Board and Executive Committee members. These biographies take into account the rules set forth in the SIX Exchange Regulation Directive on Information relating to Corporate Governance and may include other engagements not disclosed in the following table.

Activities outside the Group

Board of Directors

Mandates in listed companies

Maximum 4

Mandates in unlisted companies

Maximum 6-10 depending on the number of mandates in listed companies

Christopher M. Chambers,
Chairman

- Board member, GVO-B1 Ltd
- Chairman of the Board, Oxford Science Enterprises plc

Philippe Weber,
Vice-Chairman

- Board member, EDAG Group AG
- Board member, Medacta Group AG
- Board member, PolyPeptide Group AG

- Board member, Banca del Ceresio
- Board member, Newron (Suisse) SA
- Board member, Northstar Holding AG
- Partner and Board member, Niederer Kraft Frey AG

Sylvie Davidson,
member

- Board member, Ereva Holdings AG

Susana Gomez Smith,
member

- Managing Director, Sosepor Automóveis Limitada
- Member of the General and Supervisory Board, member of the Compliance Committee, Chair of the Nomination Committee, Novo Banco SA

Richard A. Laxer,
member

- Chairman, Aion Bank SA
- Board member, Cross River Bank
- Board member, Kindred Soul Ltd
- Board member, Singular Bank
- Senior advisor, Warburg Pincus, LLC
- Board member, Vodeno

Philippe Le Baquer,
member

- Board member, invoitix AG
- Senior Advisor, Rothschild & Co

Thomas R. Meier,
member

- Board member, EHC Kloten Sport AG



Deloitte AG
Pfingstweidstrasse 11
8005 Zurich
Schweiz
Phone: +41 (0)58 279 6000
Fax: +41 (0)58 279 6600
www.deloitte.ch

Report of the Statutory Auditor

To the General Meeting of
Leonteq AG, Zurich

Report on the Audit of the Compensation Report according to Art. 734a-734f CO

Opinion

We have audited the Compensation report of Leonteq AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 88 to 113 of the Compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibility for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Compensation Report, the consolidated financial statements, the statutory financial statements, the risk and control report and our auditor's reports thereon.



Our opinion on the Compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the Compensation principles and specifying the individual Compensation components.

Deloitte.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors and/or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

We also provide the Board of Directors and/or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte AG



Sandro Schoenenberger
Licensed audit expert
Auditor in Charge



Christian Weber
Licensed audit expert

Zurich, 4 February 2025

117
Risk
management
and control
framework

126
Risk
categories and
measurement

142
Capital
management

RISK MANAGEMENT & CONTROL

Audited information

These risk management and control disclosures form part of the financial statements included in the "Consolidated financial statements" section of this report and are audited by the independent registered public accounting firm Deloitte AG, Zurich.

The figures shown are rounded. Consequently, the total may differ from the figure calculated when the individual numbers are added together.

Risk management and control framework

The careful assessment and control of risks are critically important for Leonteq's business. In compliance with regulatory requirements in Switzerland and other applicable jurisdictions, the Group has established a comprehensive risk management and control framework covering financial and non-financial risks. Established policies and procedures not only facilitate the identification and monitoring of risks throughout the organisation but also help to ensure that they are controlled in an effective and consistent manner.

Risk management and control principles

Risk management and control are an integral component of the ongoing management of Leonteq's business. Leonteq is exposed to financial and non-financial risks as part of its client-focused business model. Risk management and control ensure that activities related to the structuring and issuance of structured investment products are client-driven rather than being motivated by proprietary risk-taking activities.

The following risk management and control guiding principles were defined by the Board of Directors:

- The Group's reputation is one of its most valuable assets and needs to be protected by means of a robust risk management and control framework, together with an effective risk culture;
- Compliance with all applicable statutory, regulatory and internal rules must be ensured at all times;
- The Group's capital base and risk exposures must be continuously managed to ensure that the Group remains adequately capitalised in severe stress scenarios;
- The Group's liquidity must be continuously managed to ensure that the Group remains solvent in normal and stress conditions;
- Risk concentrations and exposures to stress scenarios are closely monitored and managed within the approved Risk Limit Framework;

- The Group must maintain a comprehensive Risk Tolerance Framework covering all business activities and geographies that all employees must comply with; the effectiveness of the Risk Tolerance Framework is assessed on a regular basis by independent control functions; and
- Accurate, timely and detailed risk disclosures across all risk types are provided to senior management and the Board of Directors, as well as to regulators and auditors.

The Board of Directors defines and approves Leonteq's Risk Tolerance Framework as well as expressing risk tolerance through value statements for significant sources of risk at the recommendation of the Audit and Risk Committee. The Risk Tolerance Framework defines risk tolerance objectives that Leonteq strives to achieve as it works towards its goals of generating sustainable profitability and preserving shareholder's value. These objectives include the protection of earnings, capital and liquidity during plausible but severe stress scenarios. Leonteq's policies, its risk measurement and reporting methodologies, and its risk limit framework reflect the above principles. The risk framework is continuously being refined to take account of new business activities and changes to the risk profile.

Risk Tolerance Framework

Category

Risk tolerance objectives defined by the Board of Directors:

- Capital
- Profit and loss
- Liquidity
- Market risk
- Credit and country risk
- Other financial risks
- Reputational risk
- Strategic risk
- Operational risk

Risk capacity & exposure

RISK CAPACITY

- Capital
- Profit and loss

RISK EXPOSURE

Financial risks:

- Liquidity risk
- Market risk
- Credit and country risk
- Other financial risks

Non-financial risks:

- Reputational risk
- Strategic risk
- Operational risk
 - Legal and compliance risk
 - Tax risk
 - Information security risk
 - Cybersecurity risk
 - Other operational risks

Key processes & tools

- Business model / strategy
- Budget process / strategic business plan
- Cost management / financial reporting and monitoring
- Risk and stress testing framework
- Risk limit framework
- Capital planning / capital management
- Profit and loss reporting and analysis / valuation framework / model validation
- Liquidity planning, monitoring and management framework
- Operational risk framework
- Internal Control System (ICS) / external and independent assessment of controls
- Risk and compliance policy framework
- Incentive system and internal management communication
- Internal rating by Leonteq
- External rating by major rating agencies

Risk governance

Leonteq’s risk governance framework is based on the three lines model, which provides guidance regarding the core set-up of the internal control system. There is a clear allocation of tasks and responsibilities and the segregation of duties between first and second line, as well as the third line represented by the Internal Audit function.

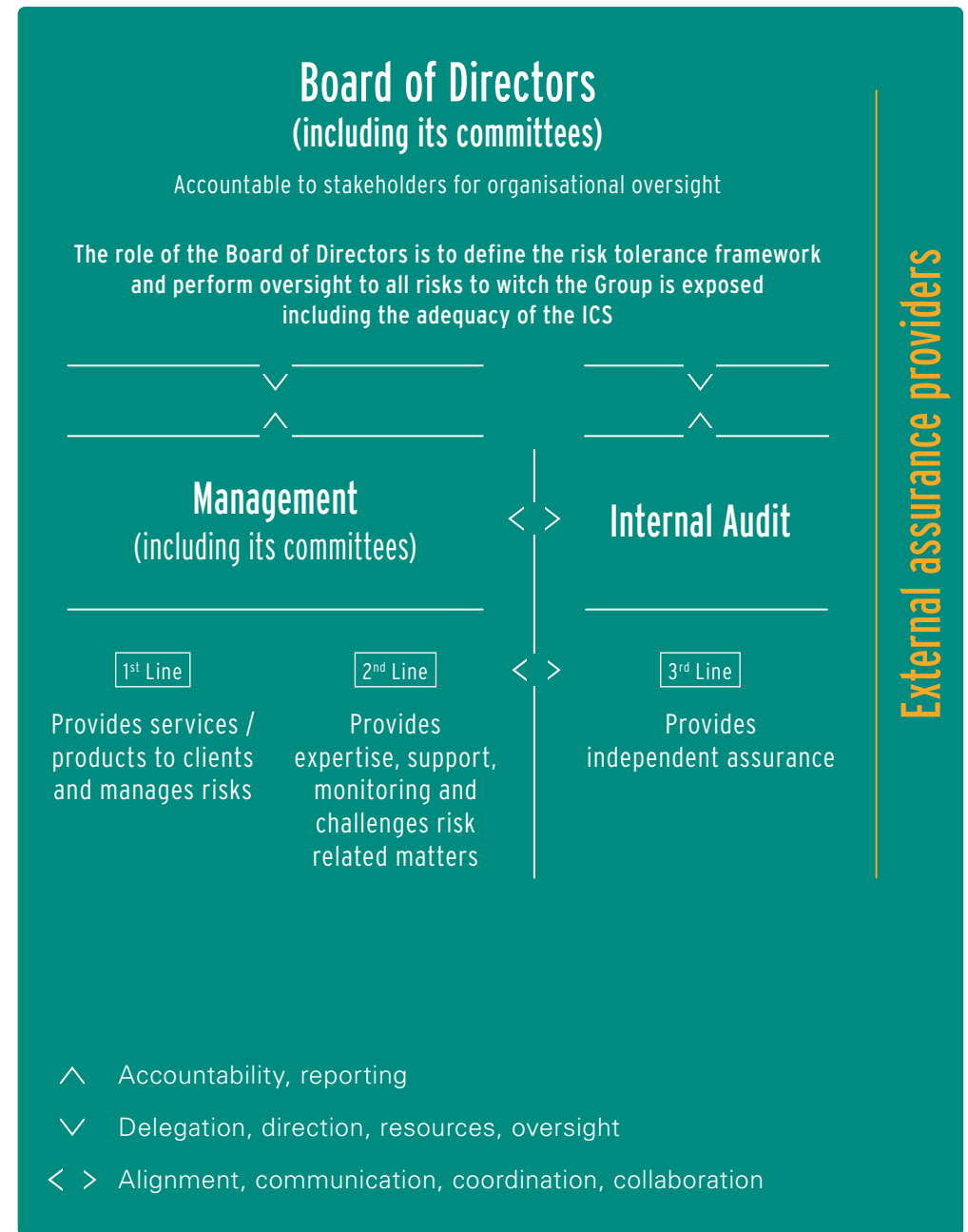
Overall responsibility for the Group-wide Internal Control System lies with the Board of Directors and its committees. The Board of Directors defines the overall guidelines and performs an assessment of the internal control system on a regular basis. It delegates the implementation and maintenance of the internal control system to the Executive Committee.

The first line provides services and products to partners and clients and manages the related risks. It comprises managers and “risk owners”, who are responsible for identifying, assessing and managing inherent risks associated with business activities. Line managers must implement effective internal controls, operational activities and other measures to address the risks associated with the processes they manage.

The second line provides expertise and support to the first line. It performs independent controls and monitors risk related matters. It consists of several functions that provide independent oversight of the risk management activities implemented by the first line. The second line defines the policies, frameworks, tools and techniques to be implemented by the first line. It also conducts monitoring to determine how effectively this is being done, and it helps to ensure consistency in the definition and measurement of risk.

The third line provides independent assurance. It comprises the Internal Audit function, which is not part of the risk management organisation and reports independently to the Board of Directors. Using a risk-based approach, Internal Audit assesses and provides assurance of the effectiveness of governance, risk management and internal controls and submits it to the Group’s Board of Directors and Executive Committee.

The key roles and responsibilities for risk management and control are shown in the chart and described on the following pages.



The Board of Directors is responsible for defining the risk tolerance framework, for overseeing the activities of the management are performed within such tolerance, and for overseeing risks to which the Group is exposed and the internal control framework. It approves the overall risk policies and global limits, following recommendations by the Audit and Risk Committee.

The Audit and Risk Committee of the Board of Directors monitors a wide variety of risks: Market risk, credit and country risk, liquidity risk, other financial risks, reputational risk, strategic risk and operational risk. It also oversees general risks within the policy framework, rules and limits set by the Board of Directors or by the Committee itself, as well as the Internal Control System (ICS) and risk management processes throughout the Group.

The Executive Committee is responsible for the operational management and supervision of all risk types within the framework and risk tolerance defined by the Board of Directors. Furthermore, the Executive Committee is responsible for ensuring that effective governance processes are in place to identify, assess, monitor, control and report operational risk. This includes making sure that an effective ICS is established, documented and periodically evaluated. The Chief Risk Officer is responsible for the development of the Group's risk framework, its risk management and control principles, and its risk policies. In this context, the Executive Committee has delegated certain responsibilities to the following committees:

- The Risk Committee of Leonteq's Executive Committee is responsible for assessing, reviewing, and ensuring appropriate management of the risks to which the organisation is exposed. It also strives to ensure the

risks taken by the organisation remain within the defined risk tolerance levels. In addition, the Risk Committee is also the body that proactively promotes a sound risk framework and culture.

- The Product Approval Committee is responsible for approving new types of financial products before they are issued and new services before they are launched.
- The Treasury Committee defines the Treasury function's mandate and monitors adherence to it. Its mandate is to oversee Leonteq's issuance activities to ensure sufficient excess liquidity and to balance the risk and return of investment activities. The Treasury Committee approves and oversees the implementation of strategic treasury initiatives related to liquidity and funding, as well as capital management, and it defines the liquidity risk management framework and monitors adherence to that framework.
- The Index Committee was established to oversee Leonteq's proprietary Index business. Leonteq developed a set of policies and procedures for its Index business to establish a robust governance framework. The Index Committee is responsible for overseeing any changes to index methodologies, maintaining the governance framework, determining the course of action for any potential cessation event for an index, and assessing internal and external audits or reviews of the Index business.
- The Sustainability Committee is primarily responsible for the implementation of Leonteq's sustainability strategy and environmental, social and governance (ESG) measures with the goal of improving the integration of ESG best practice across Leonteq's business.

The Risk Control department independently monitors the effectiveness of risk management and is responsible for ensuring that risk exposures remain in line with the risk tolerance defined by the Board of Directors. The main responsibilities of Risk Control include:

- Daily monitoring, controlling and reporting of risk exposures against the established risk tolerance as expressed by limits, alert levels and thresholds; including escalation of all observed limit breaches to the business units and the limit owner, the Executive Committee and/or the Board of Directors;
- Providing periodic risk analysis and review reports to the Executive Committee and the Board of Directors;
- Risk identification to ensure that all material risks are detected, quantified and reported;
- Definition of appropriate risk measures and stress scenarios to monitor all material risks;
- Process, analyse and review all requests for changes in limits, alert levels and thresholds made by the business in the context of the established risk tolerance and present such requests to the responsible committee for review and approval;
- Independent oversight of treasury activities in managing structural foreign exchange risks and liquidity risks;
- Independent profit and loss verification and explanation of all trading activities on a daily basis;
- Independent assessment of models;
- Independent price verification of all financial positions;

- Defining, overseeing the implementation, and periodically reviewing the operational risk framework;
- Ensuring that the level of risk tolerance defined by the Board of Directors is communicated across the firm;
- Performing process and internal control reviews for specific business areas to ensure their adequacy to mitigate operational risks;
- Reviewing issues escalated by management to assess their impact on the firm's operational risk profile and facilitate remediation; and
- Promoting a strong risk culture by providing education on key risk concepts and tools.

The Compliance department, which is part of the overall risk management and control framework, is responsible for ensuring adherence to legal and regulatory requirements by means of preventive organisational and other measures. The responsibilities of Compliance include:

- Advising the Executive Committee and employees on the implementation and monitoring of compliance with applicable laws and regulations;
- Assessing compliance risks related to Leonteq's business activities on a regular basis, and establishing a risk-based activity plan;
- Training Leonteq's employees and informing them about compliance matters;
- Ensuring compliance with legislations on anti-money laundering (AML), international sanctions and combatting terrorist financing;
- Timely reporting to the Executive Committee on relevant changes in compliance risks affecting Leonteq, as well as identifying and following up on compliance breaches and providing support to management in determining appropriate measures; and
- Reporting to the Board of Directors on Leonteq's compliance risks and the activities performed by the Compliance department on a regular basis.

Risk Management and Control Framework

Risk Governance | Three Lines Model | Committees | Policies

Risk Tolerance Framework | Risk Categories | Risk Capacity & Exposure | Implementation, Processes & Tools

Risk Limit Framework | Tolerance Levels for Financial and Non-Financial Risks

Capital | Capital Management | Capital Adequacy Monitoring and Capital Planning

Profit and Loss | Profit and Loss Analysis, Reporting and Control

Liquidity | Liquidity Risk and Management | Liquidity Excess Reserves (LER)

Market risk

Board risk limits and alerts

Represent the risk tolerance on the main risk drivers

EC risk limits and alerts

Set by the Executive Committee on the main and additional risk drivers

Regional limits and alerts

Tolerance levels allocated to branches or regions

Thresholds

Granular tolerance levels against which Risk Control monitors risk exposures

Credit and Country Risk

Board risk limits and alerts

Represent the risk tolerance for the investment portfolio credit sensitivities and stress exposures

EC risk limits and alerts

Set by the Executive Committee on individual counterparty group and country level

Risk diversification rules

Monitoring exposure on counterparty/ issuer-groups and on a country level

Risk mitigation

Reducing credit exposure by means of netting agreements, segregation of collateral and excess collateral

Operational Risk

Monetary operational risk

The overall risk tolerance level is set by the Board

Risk identification

Event reporting, control assessments and risk register

Risk assessment and monitoring

Self-assessments, key risk indicators and reports

Risk mitigation

Internal control framework, IT & non-IT projects & initiatives, education and policies

Risk limit framework

The risk limit framework is based on the risk tolerance defined by the Board of Directors. The framework translates the tolerance into limits for financial risks inherent in the Group's activities as well as qualitative statements for those risks that cannot be quantified.

The Risk Limit Framework has three different tolerance levels:

- Board of Directors limits and alerts represent the Group's overall risk tolerance defined by the Board of Directors. Breaches of these tolerance levels are promptly escalated to the Board of Directors;
- Executive Committee limits and alerts are additional granular tolerance levels imposed by the Risk Committee of the Executive Committee; and
- Thresholds are part of the Risk Limit Framework established to closely monitor risk exposures below the limits and alerts defined by the Board of Directors and the Executive Committee.

Breaches of the above tolerance levels are promptly escalated to the relevant corporate bodies.

Operational resilience

Operational resilience refers to an organisation's ability to maintain its critical functions in the face of disruptive events and changes in its external environment. This ability allows Leonteq to identify and protect itself against potential threats and failures, to respond and adapt to severe but plausible events, and recover and learn from them.

In recent years, the emphasis on operational resilience has grown significantly within the industry, driven not only by regulatory requirements, but also a growing dependence on technical infrastructure and heightened exposure to information and cybersecurity risk. Recognising that a range of potential hazards cannot be entirely prevented, Leonteq has developed an approach to operational resilience that is aimed at mitigating potentially severe adverse impacts.

While business continuity management (BCM) often addresses short-term disruptions, operational resilience covers a longer period by emphasising Leonteq's adaptability and its ability to rapidly restore critical functions. It involves building a robust foundation that supports ongoing resilience rather than focusing on the recovery from specific incidents. It also requires the testing of severe but plausible scenarios that goes beyond the impact on a single asset and also examines their combined effects. Additionally, operational resilience involves proactive identification of vulnerabilities, robust risk management, and continuous improvement based on lessons learned.

The goal of operational resilience is to ensure the viability (survival) of the organisation, whereby Leonteq can still deliver its critical functions during severe but plausible disruption scenarios – a state in which Leonteq can still deliver its critical functions. Operational resilience is also key to avoid any disruption to the functioning of financial markets.

Leonteq established its operational resilience framework in 2023 with the aim of enhancing risk management, ensuring compliance with regulatory requirements, and providing assurance to clients and partners regarding the organisation's resilience. In January 2024, this framework was introduced in alignment with the FINMA Circular 2023/01 "Operational risks and resilience", exceeding the requirements that currently apply to Leonteq. Furthermore, a multi-year testing plan was developed, employing a risk-based testing approach. The initial scenario tests were conducted and reported in accordance with the established framework.

The key pillars of the operational resilience framework include:

- Definition of Group governance, including an operational resilience lifecycle and relevant responsibilities across all three lines;
- Definition of critical functions and related disruption tolerances, i.e. the maximum level of disruption that Leonteq is willing to tolerate;
- Mapping end-to-end value chains for critical functions, including process steps and essential resources such as IT applications, infrastructure, data, buildings, employees, and third parties;
- Identification and documentation of relevant operational risks and key controls;
- Scenario testing of performance and mitigating actions to ensure Leonteq's operational resilience; and
- Monitoring and reporting on operational resilience activities.

Recovery and resolution framework

Over the course of the last three years, and initially on its own initiative, Leonteq has implemented a recovery and resolution framework, ensuring its readiness in times of crisis.

Recovery plan

Leonteq's recovery plan is designed to identify options to improve its financial strength and viability in case Leonteq was to come under severe capital and/or liquidity stress. The recovery plan strengthens Leonteq's resilience against financial shocks. In particular, it defines the processes and tools needed to ensure the timely execution of recovery options in a range of stress scenarios, including governance and escalation, recovery triggers and execution procedures. Quantitative and qualitative triggers are monitored daily and are subject to predefined governance and escalation processes. Leonteq's recovery plan is tested by means of regular management simulation exercises, with further improvements being made where applicable.

Resolution strategies

Leonteq has carried out a resolution plan to provide an overview of measures that may be taken either in the event of a severe crisis or in business-as-usual mode to preserve shareholder value. The measures vary in terms of their complexity and potential challenges during their implementation, as well as time to impact.

Risk infrastructure

The Group's risk infrastructure has been continuously developed since Leonteq commenced operations in 2007. Leonteq has made significant investments in maintaining and further strengthening its risk infrastructure. Today, a single position keeping system eliminates the need for complex data and risk aggregation and consolidation systems. A data warehouse that can be accessed by all relevant departments ensures a high level of data consistency. Automated data extractions, enrichment and risk analysis processes allow for the rapid and efficient monitoring and reporting of risk exposures. Significant computational resources are available to perform the required calculations for hundreds of risk and trading reports each day. No approximations or proxy models are used for risk management and control purposes, i.e., all instruments are fully calculated.

Over 100 experienced IT professionals are responsible for maintaining and further developing the Group's systems. The same core IT system is used across all asset classes, integrating important front-, mid- and back-office functions as well as risk management, risk control and quantitative modelling. Leonteq's structured investment service platform consists of its proprietary information technology systems and processes as well as standard hardware and software tools for non-differentiating and commoditised functions.

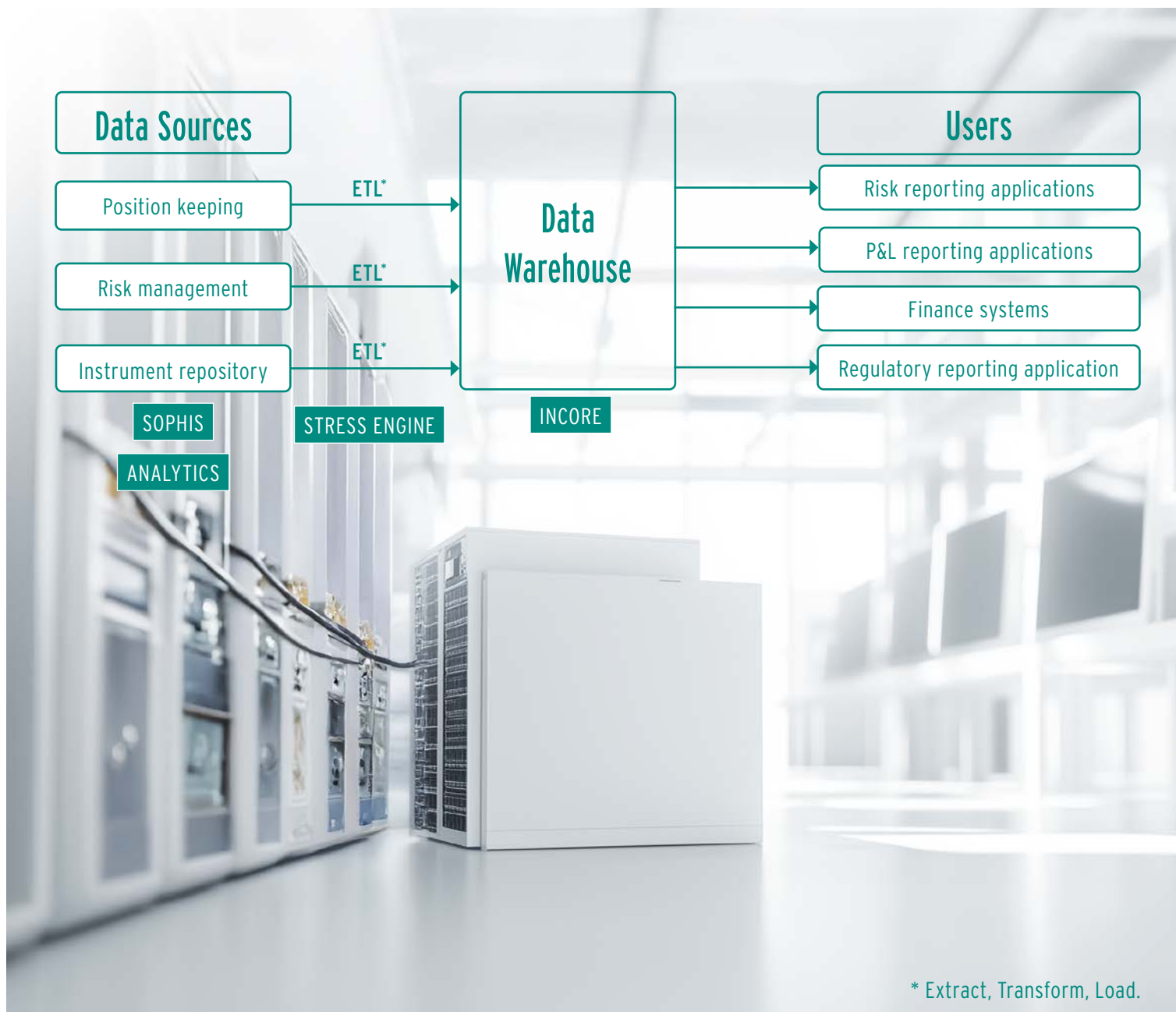
Sophis RISQUE is the Group's risk management, trading and position keeping system. Leonteq deploys Sophis RISQUE for all products across all asset classes in all its business lines, including for straight-through processing, covering a large part of the value chain from trading to the mid- and back-office areas.

The Group continues to be supported by Finastra, the developer of Sophis RISQUE, and the system is continuously updated. There is a two-week software release cycle of software developed in-house that adds the latest functionalities to the system when they become available, as well as enabling greater agility as the features and functions are continuously improved. In addition, the Group uses a stress testing engine developed in-house, reducing its dependency on third-party providers and allowing the Group to perform a wider range of stress calculations and scenario analysis with increased reliability, simpler integration of new instruments, improved calculation power and better data processing.

Analytics Service, which includes Leonteq's Analytics Library, plays a key role in all the quantitative and analytical computations performed by Leonteq and it serves as the basis for all pricing and risk management applications. The Analytics Library is a proprietary library that contains quantitative pricing and risk management models that are developed in-house. Since it covers all asset classes, the Analytics Library allows for the creation of hybrid products and the implementation of new payoffs across all asset classes. It currently supports a wide number of different payoffs and can be extended using scripting language.

The Analytics Library contains functions allowing for the consistent marking of the Group's market data. The resulting volatility surfaces allow both exotic and vanilla options to be priced on a continuous basis. This methodology enables the Group's traders to efficiently maintain a large universe of underlyings, facilitating short response time to client requests. The combination of pricing functionality and calibration methods for market data within the Analytics Library ensures that Leonteq's pricing and analytical computations are not only indicative but also tradable and executable for clients.

INCORE is a proprietary data warehouse that was developed in-house and is used for internal and external reporting and data delivery. It serves as the central repository of risk and financial data reporting and is used by several departments, such as Risk Control, Finance, Compliance, Trading and Treasury. In addition, it serves as the reporting engine for regular data delivery to platform partners. INCORE also stores instrument and market data for end-of-day pricing requests and is used for daily profit and-loss analysis and risk reporting. Data and reports are distributed and provided to end-users via automated schedules or visualised in dashboards using business intelligence tools.



* Extract, Transform, Load.

Risk categories and measurement

The Group's ongoing business activities expose it to financial and non-financial risks. Leonteq's Risk Control department is primarily responsible for identifying, measuring, monitoring and controlling risks resulting from its business activities (issuance of structured investment products to clients which the Group seeks to hedge efficiently), changes in the operating environment (markets or regulation) or the launch of new activities (new products).

Risk measures

The Group measures risk at the level of individual positions and at portfolio level. Sensitivity analysis and stress testing are performed and recorded at position level, facilitating the analysis of results across multiple dimensions, such as entities, portfolios or individual asset classes.

Leonteq does not use approximation techniques to calculate risk sensitivities or the results of stress scenarios. A full revaluation of all positions, including derivatives priced using Monte Carlo techniques, is used for risk-related calculations. The resulting risk exposure and limit consumption for all established risk limits is reported to senior management on a daily basis.

Risk tolerance levels (i.e. risk limits, alert levels and/or thresholds) are applied to both financial and non-financial risk measures.

Stress testing

The Group conducts several hundred daily stress tests on its portfolios to monitor and manage exposures to various risks, ensuring they remain within defined risk tolerance levels. Additionally, tailored stress scenarios are designed to account for changes in key risk factors, including asset prices, volatilities, correlations, dividends, commodities, precious metals, crypto assets, foreign exchange rates, interest rates, and credit spreads.

Sensitivity analysis

The Group performs daily calculations of the sensitivity of individual positions and entire portfolios to changes in underlying risk factors.

Risk concentrations

Management 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. Management monitors and reviews credit risk concentrations, as well as residual risks such as vega, correlation, dividend and gap risks, on a regular basis and takes corrective actions if deemed necessary.

Financial Risks

Market risk

Market risk is the risk of losses resulting from adverse movements in the market price or model price of financial instruments. The Group distinguishes between the following types of market risk:

- Commodity risk, i.e., the risk of adverse movements in commodity prices and related derivatives;
- Credit spread risk, i.e., the risk of adverse movements in credit spreads and related credit spread sensitive instruments;
- Crypto asset risk, i.e., the risk of adverse movements in crypto asset prices and related derivative instruments;
- Equity risk, i.e., the risk of adverse movements in share and fund prices and related derivatives;
- Foreign exchange risk, i.e., the risk of adverse movements in currency exchange rates and related derivative instruments;
- Interest rate risk, i.e., the risk of adverse movements in the yield curve and corresponding movements in the valuation of interest rate sensitive instruments; and
- Precious metal risk, i.e., the risk of adverse movements in precious metal prices and related derivatives.

Monitoring of market risk

Commodity risk, credit spread risk, crypto asset risk, equity risk, foreign exchange risk, interest rate risk and precious metal risk are monitored and controlled through the daily calculation of various risk measures:

- Delta risk measures the impact of a change in the price of the underlying (commodities, crypto assets, equities, funds, or precious metals). The impact on profit and loss is measured based on a 1% shock in the price of all underlying financial instruments;
- Vega risk is the sensitivity of the derivative value to changes in the implied volatility of an underlying (commodities, crypto assets, equities, funds, or precious metals). The impact on profit and loss is measured based on a 1 percentage point normalised shock to the implied volatility of all underlyings. A normalised volatility shock is defined by a term structure of shocks, with shocks decaying by the reciprocal of the square root of time and with caps and floors applied at the short and long end;
- Correlation risk measures the impact on the derivative value due to changes in the implied correlation between underlying pairs. The impact on profit and loss is measured based on a change in implied correlation of 1 percentage point for all underlying pairs;
- Dividend risk measures the impact on the derivative value due to changes in the expected dividend. The impact on profit or loss is measured based on a change in dividend of -10% for all underlyings;
- Foreign exchange delta risk measures the impact of a change in currency prices. The impact on profit and loss is measured for a 1% shock in the value of all currencies against the Swiss franc. Sensitivities are further classified into G10 currencies (G10) and non-G10 currencies (EM);
- Foreign exchange vega risk is the sensitivity of the derivative value with respect to changes in the implied volatility of exchange rates. The impact on profit and loss is measured based on a 1 percentage point normalised shock to the implied volatility for all exchange rates;
- Credit spread risk measures the impact of a change in the price of the underlying bond or credit instrument as a result of a change in the credit spread of the issuer. The impact on profit and loss is measured based on a change in credit spreads of 10 basis points. Sensitivities are divided between credit-linked products; corporate and financial institution exposures (corporates and banks); and governments, agencies and supranationals (government and agencies);
- Interest rate risk measures the impact of a parallel shift in the yield curve. The impact on profit and loss is measured based on a change in all yield curves of 10 basis points for both G10 interest rates (G10) and non-G10 interest rates (EM);
- Interest rate vega risk is the sensitivity of the derivative value with respect to changes in the implied volatility of interest rates. The impact on profit and loss is measured based on a change in the normal implied volatility of 1 basis point for all interest rate curves.

Sensitivity analysis

As of 31 December 2024, the Group had the following exposures relating to its financial assets and liabilities.

Impact on the income statement

CHF thousand	31.12.2024	31.12.2023
Risk measure		
Commodity delta risk	22	(16)
Commodity vega risk	(89)	153
Crypto delta risk	(2)	—
Equity delta risk	(887)	(406)
Equity vega risk	7,252	7,502
Equity correlation risk	(3,171)	(2,895)
Equity dividend risk	(4,127)	(3,396)
Foreign exchange delta risk – G10	54	24
Foreign exchange delta risk – EM	(9)	(7)
Foreign exchange vega risk	(738)	380
Interest rate risk – G10	(425)	(60)
Interest rate risk – EM	32	4
Interest rate vega risk	12	36
Precious metal delta risk	88	21
Precious metal vega risk	225	212
Credit spread risk – Credit linked products	28	10
Credit spread risk – Government and agencies	(1)	(4)
Credit spread risk – Corporates and banks	(53)	(262)

Impact on shareholders' equity

CHF thousand	31.12.2024	31.12.2023
Risk measure		
Foreign exchange delta – G10	3,175	2,945
Credit spread risk – Government and agencies	(1,979)	(2,210)
Credit spread risk – Corporates and banks	(5,528)	(6,080)

Financial markets had to navigate a dynamic environment in 2024 that was influenced by geopolitical tensions and evolving monetary policies. Central banks implemented rate cuts mainly during the second half of the year while equity markets displayed resilience. The risk characteristics of products issued by Leonteq and its partners remained stable. Equity vega decreased, while dividend and correlation risks increased slightly compared to 31 December 2023. The credit quality of Leonteq's investment portfolio as of 31 December 2024 further improved as a result of a more conservative investment approach.

The Group operates a branch in Guernsey (Leonteq Securities AG, Guernsey Finance Branch), whose primary function is to manage a portfolio of mainly US dollar-denominated bonds. Consequently, the branch's functional currency is the US dollar. As of 31 December 2024, USD 350 million of capital was allocated to this branch. The sensitivity of the structural foreign exchange position to the US dollar / Swiss franc exchange rate and its impact on the Group's equity are shown in the above table.

The Group invests a portion of the proceeds from own product issuance in high-quality mid-term bonds issued by governments, agencies, corporates and financial institutions. This investment portfolio is measured at fair value through other comprehensive income (FVOCI). Bonds measured at FVOCI are presented as "financial investments measured at fair value through other comprehensive income". Credit spread sensitivities relating to this FVOCI portfolio are shown in the above table.

Stress analysis

The Group reports the impacts on its income statement when the following relevant historical stress scenarios are applied to its portfolio. The highlighted cells in the matrix refer to the average shocks for the stress scenarios described below:

- COVID-19 Black Thursday is a one-day crash scenario that happened on 12 March 2020 as part of the wider COVID-19 stock market crash. US stock markets suffered from the greatest single-day percentage fall since the 1987 stock market crash.
- COVID-19 Rally is a one-day rally scenario that occurred two weeks after Black Thursday, on 24 March 2020. Equity prices increased and equity volatilities decreased.

The following tables give an indication of the overall risk exposure as of 31 December 2024 and 31 December 2023.

Structured investment products

31 December 2024

CHF thousand	Spot -10%	Spot -5%	Spot -2%	Spot 0%	Spot +2%	Spot +5%	Spot +10%
Vol. -5%	(78,046)	(55,533)	(41,308)	(36,461)	(33,224)	(26,135)	(15,832)
Vol. -2%	(34,883)	(20,740)	(15,208)	(14,377)	(15,444)	(14,404)	(9,702)
Vol. 0%	(8,698)	345	1,092	0	(2,360)	(4,563)	(3,725)
Vol. +2%	14,827	19,530	17,501	14,650	11,127	6,826	4,051
Vol. +5%	44,974	46,134	41,783	37,468	32,445	25,780	19,136
Vol. +10%	84,553	85,196	80,406	75,301	69,316	60,908	50,176

31 December 2023

CHF thousand	Spot -10%	Spot -5%	Spot -2%	Spot 0%	Spot +2%	Spot +5%	Spot +10%
Vol. -5%	(68,299)	(47,533)	(37,801)	(33,434)	(28,655)	(22,136)	(9,666)
Vol. -2%	(28,255)	(18,557)	(15,391)	(14,608)	(13,730)	(11,334)	(2,912)
Vol. 0%	(2,153)	932	567	0	(840)	(774)	4,597
Vol. +2%	22,804	20,666	17,599	15,487	13,550	11,988	15,120
Vol. +5%	58,145	50,774	44,798	41,019	37,691	34,410	34,966
Vol. +10%	112,042	101,119	93,034	87,925	83,192	78,461	76,811

Long-term savings and retirement products

31 December 2024

CHF thousand	Spot -50bp	Spot -25bp	Spot 0bp	Spot +25bp	Spot +50bp
Vol. -20bp	(1,622)	(1,580)	114	1,695	1,646
Vol. -10bp	557	(570)	(24)	589	78
Vol. 0bp	2,226	274	0	(59)	(883)
Vol. +10bp	3,803	1,240	313	(292)	(1,387)
Vol. +20bp	5,338	2,300	832	(228)	(1,568)

31 December 2023

CHF thousand	Spot -50bp	Spot -25bp	Spot 0bp	Spot +25bp	Spot +50bp
Vol. -20bp	1,759	368	(65)	594	1,703
Vol. -10bp	2,021	518	(204)	32	763
Vol. 0bp	2,496	917	0	(85)	332
Vol. +10bp	3,108	1,471	414	84	247
Vol. +20bp	3,810	2,123	960	442	399

Credit and country risk

Credit risk is defined as the general risk of financial loss occurring if a counterparty or an issuer of a financial security does not meet its contractual obligations either in part or in total. The Group distinguishes between the following types of credit risk:

- Counterparty risk, i.e., the risk of a counterparty or custodian defaulting on a financial obligation;
- Issuer risk, i.e., the risk that an issuer of a financial instrument defaults, e.g., equity or debt instruments. Exposure to such instruments can arise through direct holdings in those instruments or if the instrument is the underlying of a derivative contract;
- Settlement risk, i.e., the risk that an issuer or counterparty does not settle its leg of the financial contract or instrument;
- Migration risk, i.e., the risk that issuer or counterparty ratings of hedging instruments deteriorate and negatively impact prices. Leonteq captures this risk by measuring credit spread risks; and
- Step-in risk, i.e., the risk that Leonteq may decide to provide financial support to an unconsolidated entity that is facing stress in the absence of, or in excess of, any contractual obligations to provide such support.

Monitoring of credit risk

Leonteq is exposed to credit risks related to over-the-counter (OTC) derivatives and securities lending and borrowing (SLB) activities with counterparties. It is also exposed to credit risks through the investment of proceeds from the issuance of structured investment products in bonds or other fixed income instruments, as well as the exposure incurred as a result of the issuance of credit-linked notes. Counterparty and country risk limits are set by management and reviewed regularly by the Audit and Risk Committee of the Board of Directors. Exposure to counterparties resulting from the Group's OTC derivatives and SLB activities is typically mitigated through the use of mark-to-market collateral and close-out netting arrangements. Uncovered exposures are mainly due to the time delay at which collateral is exchanged. Investments in bonds or other fixed income instruments are subject to additional limits.

Counterparty exposures

CHF million	31.12.2024 Exposure	31.12.2023 Exposure
OTC	25.3	34.6
SLB	93.8	42.6
Total	119.1	77.2

Investment portfolio

The Group has primarily invested the proceeds from own product issuance in high-quality bonds issued by governments, agencies, corporates and financial institutions, as well as central governments, organisations supported by those governments, and supranational organisations. A comprehensive overview of the investment portfolio is provided in the following tables. The asset values include accrued interests and are shown in the balance sheet line item “Financial investments measured at fair value through other comprehensive income”. The credit ratings used are based on the lower of Moody’s and S&P.

In view of the new regulatory regime, Leonteq increased the share of high quality assets in its investment portfolio, which resulted in a shift towards a larger amount of high rated government bonds.

31 December 2024	Maturity						Total	Total in %
	0–12 months	12–24 months	24–36 months	36–48 months	48–60 months	>60 months		
CHF million								
Governments and agencies¹	95.6	209.7	140.3	276.3	33.4	36.7	792.2	32.0%
of which Aaa	50.1	75.2	62.0	135.1	26.0	19.4	367.9	14.9%
of which Aa1–Aa3	40.1	134.6	59.3	141.2	—	17.3	392.5	15.9%
of which A1–A3	5.4	—	19.0	—	7.4	—	31.7	1.3%
Corporates	56.6	187.2	147.3	205.3	146.0	434.7	1,177.2	47.6%
of which Aaa	—	33.1	—	—	—	26.3	59.4	2.4%
of which Aa1–Aa3	19.8	16.6	15.7	78.4	81.9	300.3	512.7	20.7%
of which A1–A3	26.0	134.8	105.0	124.3	64.1	108.1	562.3	22.7%
of which Baa1–Baa3	10.8	2.7	26.6	2.6	—	—	42.7	1.7%
Banks	30.4	167.2	116.6	146.0	24.2	19.4	503.8	20.4%
of which Aaa	—	22.7	19.4	49.4	19.6	—	111.2	4.5%
of which Aa1–Aa3	12.4	6.8	9.9	9.4	4.5	19.4	62.4	2.5%
of which A1–A3	18.0	137.6	73.7	87.2	—	—	316.6	12.8%
of which Baa1–Baa3	—	—	13.6	—	—	—	13.6	0.5%
Total	182.6	564.1	404.3	627.6	203.6	490.9	2,473.1	100.0%

¹ Includes bonds issued by governments, public sector bodies and supranational agencies.

31 December 2023	Maturity						Total	Total in %
	0–12 months	12–24 months	24–36 months	36–48 months	48–60 months	>60 months		
CHF million								
Governments and agencies¹	172.7	58.7	145.4	120.7	161.0	52.0	710.6	27.2%
of which Aaa	13.3	17.3	58.7	47.9	56.3	20.0	213.5	8.2%
of which Aa1-Aa3	159.4	31.3	86.7	60.6	95.7	25.0	458.8	17.6%
of which A1-A3	—	10.0	—	12.2	9.0	7.0	38.3	1.5%
Corporates	24.4	85.9	240.3	188.1	207.9	362.6	1,109.2	42.5%
of which Aaa	—	—	46.7	—	—	7.1	53.8	2.1%
of which Aa1-Aa3	—	51.7	50.5	69.6	65.7	279.6	517.0	19.8%
of which A1-A3	10.9	21.8	131.4	97.8	139.7	76.0	477.7	18.3%
of which Baa1-Baa3	13.5	12.4	11.7	20.7	2.5	—	60.7	2.3%
Banks	38.7	174.9	234.1	177.0	138.8	24.9	788.5	30.2%
of which Aaa	—	—	19.7	26.7	56.4	—	102.9	3.9%
of which Aa1-Aa3	—	80.0	20.4	30.7	—	18.4	149.5	5.7%
of which A1-A3	38.7	94.9	179.8	99.3	77.7	—	490.5	18.8%
of which Baa1-Baa3	—	—	14.2	20.3	4.7	6.5	45.7	1.8%
Total	235.8	319.4	619.8	485.9	507.7	439.6	2,608.3	100.0%

¹ Includes bonds issued by governments, public sector bodies and supranational agencies.

Country risk

Leonteq is exposed to country risk to the extent that:

- The counterparty of a transaction or derivative instrument is domiciled in a foreign country;
- The issuer of a security referenced in a derivative contract is domiciled in a foreign country; or
- The issuer of a security held by Leonteq either as a hedging position, as collateral for securitising credit exposures, or as a security in the Leonteq's Investment Portfolio, is domiciled in a foreign country.

Country risks are mitigated using country risk limits, as set by the relevant corporate bodies.

Liquidity risk and management

The Group distinguishes between market liquidity risk, or the risk that it may not be able to sell or buy assets at fair value, and liquidity and refinancing risk, or the risk that Leonteq may not have sufficient cash or other liquid assets to meet its obligations as they fall due.

Market liquidity risk

Since the Group hedges its liabilities arising from issued structured investment products through the sale or purchase of derivatives or other financial and non-financial instruments, it is exposed to the risk that it may be unable to sell or buy such hedging assets at fair value to cover its liabilities for the corresponding structured investment products. Leonteq refers to this risk as market liquidity risk related to outstanding structured investment products. As the product buy-back price is linked to the price of unwinding the asset, market liquidity risk related to trading activities is limited. Measures to mitigate market liquidity risks related to trading include:

- Issuance of financial instruments only on reasonably liquid underlying instruments (shares, bonds, freely convertible currencies, commodities, precious metal and crypto assets) and markets;
- Diversification of OTC hedging counterparties; and
- Quotation of structured investment products, including a bid-ask spread that provides an adequate buffer for less liquid underlyings. The buffer between the value of the product using the current market value of illiquid underlyings and the prices at which Leonteq is willing to trade these products is needed in order to compensate for the possibility that it may not be able to hedge its liabilities at the current market prices of the underlyings.

Furthermore, Leonteq invests excess proceeds from the issuance of structured products in a high-grade bond investment portfolio managed by its Treasury department. Measures to mitigate market liquidity risks related to treasury activities include:

- Ensuring the investment universe comprises government and supranational agency credits with a high-grade credit rating as well as bonds issued by corporates and banks with an investment-grade rating;
- Maintaining diversification across countries and issuers;
- Specifying a minimum issue size; and
- Defining the maximum concentration per single issue.

Liquidity and refinancing risk

Funding liquidity risk represents the risk that Leonteq will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without its daily operations or the financial condition of the Group being impacted. Funding consumption occurs mainly within Leonteq Securities AG, Zurich, and Leonteq Securities AG, Amsterdam Branch.

The Group is exposed to funding liquidity and refinancing risk primarily due to the issuance of structured products for the Group as well as its platform partners for whom the Group provides derivative hedges. In addition, Leonteq is required to post collateral with SIX to secure obligations relating to collateralised issued products. The repatriation of proceeds from non-Swiss issuances to Switzerland can have an adverse impact in terms of Swiss withholding tax. Leonteq therefore observes the respective repatriation capacity and limits the transfer of liquidity held in the Guernsey and Amsterdam branches of Leonteq Securities AG accordingly.

The liquidity management framework requires Leonteq to maintain sufficient liquidity reserves across its locations, thus ensuring adequate liquidity during general market, industry-specific or Group-specific stress conditions. Under the framework, Leonteq is required to maintain certain levels of available or onshore liquidity, excluding funding that may not be repatriated to Switzerland. The framework metrics are independently calculated each business day. In addition, the Risk Control department simulates on a daily basis the effects of various stress scenarios on the amount of funding required under those scenarios. The framework requires that sufficient liquidity should be available in locations to cover their respective funding requirements. If Leonteq were to experience shortfalls in any aspect of its liquidity requirements, committed credit and/or contingent liquidity facilities can be drawn on in conjunction with other reserve liquidity measures, as specified in the liquidity framework.

Maturity analysis of assets and liabilities

The following tables show the maturity structure of the carrying amounts of the Group's financial assets and liabilities. Liquidity has to be provided for the daily market making required for the issuing and trading business. Consequently, the balance sheet positions which are closely connected to the issuing and trading business are not broken down into individual cash flows and divided into different maturity ranges but are reported at fair value in the "On demand to 1 month" column, representing the earliest point at which amounts are expected to be recovered or settled. In the case of the other financial balance sheet positions, the carrying amounts are reported in the maturity range which represents the earliest point at which recovery or settlement can be expected. The breakdown of these positions with predominantly short maturities into individual undiscounted cash flows would provide an only marginally different view.

In addition, for non-financial assets, the following tables show the maturity structure of the carrying amounts expected to be recovered or settled.

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2024
Assets					
Financial assets					
Cash and balances at central banks	136,867	—	—	—	136,867
Amounts due from banks	514,950	—	—	—	514,950
Amounts due from securities financing transactions	43,307	—	—	—	43,307
Amounts due from customers	390,673	—	—	—	390,673
Trading financial assets	3,653,840	—	—	—	3,653,840
Positive replacement values of derivative financial instruments	2,765,464	—	—	—	2,765,464
Other financial assets designated at fair value through profit or loss	148,368	—	—	—	148,368
Financial investments measured at fair value through other comprehensive income	2,473,083	—	—	1,075	2,474,158
Other financial assets	5	420	23,498	—	23,923
Total financial assets	10,126,557	420	23,498	1,075	10,151,550
Non-Financial assets					
Trading inventories	407,411	—	—	—	407,411
Current tax assets	—	—	156	—	156
Deferred tax assets	—	—	—	1,925	1,925
Interests in joint ventures	—	—	—	958	958
Tangible assets ¹	—	—	—	37,096	37,096
Intangible assets ¹	—	—	—	59,176	59,176
Other non-financial assets	—	7,031	1,968	—	8,999
Total non-financial assets	407,411	7,031	2,124	99,155	515,721
Total assets	10,533,968	7,451	25,622	100,230	10,667,271

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2024
Liabilities					
Financial liabilities					
Amounts due to banks	320,861	—	—	—	320,861
Liabilities from securities financing transactions	1,136,406	—	—	—	1,136,406
Amounts due to customers	475,608	—	—	—	475,608
Trading financial liabilities	137,167	—	—	—	137,167
Negative replacement values of derivative financial instruments	2,421,330	—	—	—	2,421,330
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	—	—	5,185,627
Other financial liabilities ²	11,806	13,623	10,288	18,664	54,381
Total financial liabilities	9,688,805	13,623	10,288	18,664	9,731,380
Non-Financial liabilities					
Current tax liabilities ³	—	—	1,673	12,000	13,673
Deferred tax liabilities	—	—	—	—	—
Other non-financial liabilities ⁴	—	13,403	45,277	42,262	100,942
Provisions	—	—	3,917	13,529	17,446
Total non-financial liabilities	—	13,403	50,867	67,791	132,061
Total liabilities	9,688,805	27,026	61,155	86,455	9,863,441

¹ Immobilised.

² Other financial liabilities with a long-term maturity mainly comprises lease liabilities (see Note 31).

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions (see Note 15).

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 9).

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2023
Assets					
Financial assets					
Cash and balances at central banks	142,697	—	—	—	142,697
Amounts due from banks	462,923	—	—	—	462,923
Amounts due from securities financing transactions	20,667	—	—	—	20,667
Amounts due from customers	291,654	—	—	—	291,654
Trading financial assets	2,725,961	—	—	—	2,725,961
Positive replacement values of derivative financial instruments	2,398,656	—	—	—	2,398,656
Other financial assets designated at fair value through profit or loss	180,821	—	—	—	180,821
Financial investments measured at fair value through other comprehensive income	2,608,286	—	—	900	2,609,186
Other financial assets	160	364	19,883	—	20,407
Total financial assets	8,831,825	364	19,883	900	8,852,972
Non-Financial assets					
Trading inventories	287,072	—	—	—	287,072
Current tax assets	—	—	279	—	279
Deferred tax assets	—	—	—	2,415	2,415
Interests in joint ventures	—	—	—	958	958
Tangible assets ¹	—	—	—	44,812	44,812
Intangible assets ¹	—	—	—	59,068	59,068
Other non-financial assets	—	6,552	1,921	—	8,473
Total non-financial assets	287,072	6,552	2,200	107,253	403,077
Total assets	9,118,897	6,916	22,083	108,153	9,256,049

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2023
Liabilities					
Financial liabilities					
Amounts due to banks	252,242	—	—	—	252,242
Liabilities from securities financing transactions	805,197	—	—	—	805,197
Amounts due to customers	483,992	—	—	—	483,992
Trading financial liabilities	54,019	—	—	—	54,019
Negative replacement values of derivative financial instruments	1,999,595	—	—	—	1,999,595
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	—	—	4,666,965
Other financial liabilities ²	1,998	23,791	10,490	27,019	63,298
Total financial liabilities	8,264,008	23,791	10,490	27,019	8,325,308
Non-Financial liabilities					
Current tax liabilities ³	—	—	1,184	12,000	13,184
Deferred tax liabilities	—	—	—	544	544
Other non-financial liabilities ⁴	—	43,077	17,947	52,308	113,332
Provisions	—	—	5,316	18,232	23,548
Total non-financial liabilities	—	43,077	24,447	83,084	150,608
Total liabilities	8,264,008	66,868	34,937	110,103	8,475,916

¹ Immobilised.

² Other financial liabilities with a long-term maturity mainly comprises lease liabilities (see Note 31).

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions (see Note 15).

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 9).

Other financial risks

Structural foreign exchange risk

Upon legal entity consolidation, the assets and liabilities of Leonteq's entities (e.g. subsidiaries or branches) that are denominated in a different functional currency to that of the Group are translated into Swiss francs (CHF) at the closing foreign exchange rates. Changes in the value (in CHF) of non-CHF assets or liabilities due to foreign exchange movements – that give rise to structural foreign exchange exposure – are recognised in Other Comprehensive Income (OCI) and therefore affect shareholders' equity and the Group's available capital, and do not affect the income statement.

Pension risk

Pension risk is defined as the financial risk from contractual or other liabilities to which Leonteq is exposed as an employer. It is the risk that Leonteq may be required to make unexpected payments or other contributions to a pension plan because of an obligation (i.e., underfunding).

Sources of risks can be broadly categorised into asset investment risks (e.g., underperformance of bonds, equities, and alternative investments) and liability risks, primarily from changes in interest rates, inflation, and actuarial assumptions (e.g., life expectancy, rate of increase in pension benefits).

Leonteq reviews the funded status (coverage ratio) of its pension plans on a regular basis to ensure appropriate restructuring measures can be taken in the event of coverage ratio falling below 100%.

Model risk

Model risk is the risk of financial loss due to inappropriate model assumptions or inadequate model usage. At Leonteq, model risks arise when models are used to value financial instruments and to calculate hedging ratios. The use of inadequate models could result in inaccurate valuations, which in turn could lead to incorrect risk measurement and the wrong hedging position, both of which could translate into a financial loss.

Leonteq mitigates these risks through a comprehensive model risk management framework, broadening the scope beyond model validation to include all aspects of model risk management at all stages, the development of the model, its implementation, and its use.

Model risk management is a continuous process, not a periodic activity. It includes: monitoring model risks and limitations identified during its development and validation; ongoing monitoring and validation of changes that may impact model risks. Model risk management framework has been under review in 2024 to further strengthen model calibration and model monitoring aspects.

Non-financial risks

The Group is also exposed to a number of non-financial risks such as reputational risk, strategic risk and operational risk that among others also incorporates legal and compliance risk, tax risk, and information and cybersecurity risk.

Reputational risk

Reputational risk is the risk of potential reputational harm due to a financial loss or any other real or perceived event with a negative impact on Leonteq's reputation. In particular, this includes the risk arising from any cases of employee misconduct. The risk framework implemented by the Group is designed to identify, quantify and reduce primary and consequential risks that could have an adverse impact on its reputation. Leonteq believes that its strict compliance controls and its culture of ownership and responsibility across all levels of the Group, coupled with a systematic and transparent communication policy towards all stakeholders, help to mitigate its reputational risk.

Strategic risk

Strategic risk is the risk that an internal or external event may prevent Leonteq from executing or achieving its strategic objectives. Not achieving its strategic business goals could have long-term consequences for Leonteq and its stakeholders. The main drivers of the strategic risk for Leonteq are:

- Failure to deliver on strategic initiatives and projects (e.g., expanding and diversifying its offering across products, asset classes, issuers and regions; developing digital client solutions and Leonteq's technology platform; or integrating ESG best practices for sustainable investments);
- An unfavourable market environment (e.g. macro-economic or geopolitical conditions) that could negatively impact the delivery of strategic projects or affect investor behaviour, resulting in lower levels of client activity or reduced structured product volumes; and
- Regulatory developments that can result in changes to regulatory requirements or lead to the introduction of new requirements that might require significant changes to business models, operational processes and technology infrastructure.

Sustainability risk

Sustainability risk is defined as the risk of any negative financial or non-financial (e.g. reputational) impact on Leonteq stemming from the current or prospective impacts of ESG (environmental, social, and governance) factors on Leonteq, its business activities, and/or Leonteq's stakeholders. More details can be found in Leonteq's Sustainability report.

Operational risk

Operational risk is the risk of losses occurring due to inadequate or failed internal processes, people and systems or due to external factors. Operational risk includes the risk of losses due to failures in the Group's operational processes or its IT system, or issues related to legal and compliance. Losses can take the form of direct financial losses, regulatory sanctions or lost revenues, e.g. due to the failure of a service or system. Such events may also lead to reputational harm that could have longer-term financial consequences. In Leonteq's risk framework, operational risks include the following categories: Business and product risk, business disruption risk, change and project management risk, compliance risk, cybersecurity risk, data management and model risk, fraud risk, governance and supervision risk, information security risk, legal risk, people risk, physical safety risk, reporting risk, risk framework risk, settlement risk, tax risk, technology risk, third party risk, and transaction processing risk.

Operational risk is mitigated by means of organisational measures, automation, internal control and security systems, written procedures, legal documentation, loss mitigation techniques and a business continuity plan overseen by management, among other measures. Particular focus is placed on the key risk indicators within the Group's core risk management system. In 2024, the key risk framework was further enhanced to strengthen proactive risk management, facilitate the early identification of emerging risks and provide a comprehensive view of Leonteq's operational risk landscape. All financial instruments purchases are executed through central trading desks and the size and quality of the trades are reviewed by traders. Positions are reconciled on a daily basis by the back office. However, operational risk cannot be entirely mitigated.

Leonteq's management considers operational risk to be one of the major risks to which the Group is exposed. A broad Operational Risk Framework has therefore been put in place to manage and control operational risk. Within that framework, any operational risk is "owned" by management as the first line. The Operational Risk Control function independently monitors the effectiveness of operational risk management and oversees operational risk-taking activities. The Board of Directors determines the risk tolerance for significant sources of operational risk. Management performs its own periodic assessments of the operational risk profile within its areas of responsibility. As part of this process, unmitigated risks and mitigation actions are logged in a Group-wide inventory. Operational Risk Control independently reviews the assessments produced by management and collates the Group's overall operational risk profile to determine whether it is in line with the risk tolerance defined by the Board of Directors. Operational risk events are analysed to determine their root causes, and adequate and sustainable mitigation actions are determined.

Leonteq also continuously invests in business continuity management to ensure continuity of critical operations in the event of a major disruptive event. Business continuity management encompasses backup operating facilities and IT disaster recovery plans, which are in place throughout Leonteq.

Legal and compliance risk

Legal risk is the risk of losses occurring or of damages, fines or penalties being imposed on the Group, or of other liabilities or any other material adverse impact arising from a failure to comply with legal obligations, whether contractual, statutory or otherwise, or changes in enforcement practices, legal challenges or claims made against the Group, an inability to enforce its legal rights, or the failure to take measures to protect its rights.

Compliance risk is the risk of legal or regulatory sanctions, financial loss or damages resulting from a failure to comply with applicable laws, rules and regulations, as well as internal policies and procedures.

Legal and compliance risks including conduct risk, are inherent in all of Leonteq's businesses activities. They can also lead to reputational harm, limit Leonteq's business opportunities and reduce its growth potential. Regulatory risk is the risk that changes in laws, regulations, rules or market standards may limit and/or have a negative effect on Leonteq's activities or its ability to implement strategic initiatives.

As a participant in the financial services sector, Leonteq operates in a highly regulated environment that exposes it to legal (including litigation), compliance, regulatory and other risks. Non-compliance with regulatory or other mandatory requirements may also result in the competent authorities taking enforcement action or initiating proceedings against Leonteq and its employees. Leonteq mitigates its legal, compliance and regulatory risks by raising awareness through mandatory training programmes for all employees and through the strict enforcement and monitoring of its policies and procedures. It also mitigates these risks by ensuring it has a team of well-qualified legal and compliance

specialists in place to draft and review contracts and assess transactions. Changes in the regulatory environment are monitored, and directives and procedures are adapted as required.

Tax risk

Tax risk is the risk of losses arising from changes in taxation (derived from tax legislation 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 to investors. Leonteq proactively manages and controls these risks. It usually asks the relevant tax authorities for written confirmation of their interpretation of the relevant regulations (tax rulings) or seeks appropriate advice from professional tax consultants at a local level. Tax risk is monitored by the Tax department, which takes an integrated view of tax risks across the entire Group.

Information security risk

Information security risk is defined as the risk of potential loss, damage, or harm due to threats adversely affecting confidentiality, integrity, or the availability of Leonteq's data or information systems regardless of the medium (digital, physical, or human). Information security risk is broad in scope, encompassing both physical and digital information as well as processes, people, and technology. It typically includes human errors, malicious internal or external acts, and physical breaches. Examples include the loss of physical documents, data leaks by parties within the organisation, or system outages and data loss due to physical damage.

The information security framework at Leonteq is designed to protect the confidentiality, integrity, and availability of the information Leonteq uses to conduct its business activities. Leonteq mitigates its information security risk by adopting stringent information security practices and by deploying a range of security tools to monitor its environment and to issue alerts if any risk indicators emerge. These measures focus on ensuring the overall security of information assets, including physical, procedural, and digital safeguards. In cases where Leonteq is dependent on third-party services and service providers, a data protection impact analysis is performed prior to initiation of the contract. Cloud service providers are also assessed based on internal policies to ensure appropriate information safeguards are in place.

Information security management and risk mitigation efforts include aspects such as risk assessments, data classification, access controls, a clear desk policy, and policies governing remote working and the acceptable use of electronic communications, operations security, supplier management, as well as physical security measures.

Cybersecurity risk

Cybersecurity risk is defined as the risk of potential loss, damage, or harm to Leonteq or its employees if the security of information systems or digital assets is compromised through cyber threats. Cybersecurity is narrower in scope than information security, and it focuses on protecting digital systems, networks, and electronic data. A cyber threat is any circumstance or event with the potential to adversely impact the confidentiality, integrity, or availability of Leonteq's information systems or digital assets. Similarly, a cybersecurity incident refers to any adverse event or incident that compromises the confidentiality, integrity, or availability of Leonteq's digital systems, networks, and electronic data formation. This includes, but is not limited to, unauthorised access, use, disclosure, disruption, modification, or destruction of information systems or digital assets, hackers, malware infections, phishing, ransomware, denial-of-service (DoS) or distributed denial-of-service (DDoS) attacks, insider threats, and security policy violations.

Leonteq mitigates cybersecurity risk by adopting robust cybersecurity practices and it uses a range of cybersecurity tools to monitor its environment in real time and to issue alerts if any risk indicators emerge. These measures focus on ensuring the overall security of information systems and digital assets, including procedural and digital safeguards (e.g. firewalls, encryption, intrusion detection systems, threat monitoring, and software updates). For third-party services and service providers, Leonteq performs a data protection impact analysis prior to initiation of the contract. It also assesses cloud-service providers based on internal policies to ensure appropriate digital safeguards are in place.

Technical defences alone are not sufficient to ensure the safety of digital assets in a commercial environment. To enable the Group to meet stringent regulatory and security practices, technical defences are also backed by strong and regular governance routines including:

- Internal and external audits of cyber defences and routines to ensure compliance with the Group's requirements and foster good practices;
- Regular penetration tests, which are carried out in the Group's general environment on a routine basis and also when the Group launches a new digital service;
- Internal checks and reviews that have been established to verify that the Group's services are correctly configured, including exception handling; and
- Regular user awareness and training sessions to ensure that employees, or staff acting on behalf of the Group, understand the corporate values and culture, together with strategies to work within a safe environment.

While information security risk encompasses all risks to information, regardless of their format, cybersecurity risk is a subset of information security risk that specifically addresses risks to digital systems and electronic data. Both risk types often overlap, although their scope and specific threats differ.

Recent developments and emerging risks

Conclusion of FINMA proceedings: On 12 December 2024, the Swiss Financial Market Supervisory Authority (FINMA) announced the completion of proceedings against Leonteq and has ordered a range of organisational measures to remediate shortcomings identified at Leonteq in the distribution of its financial products through a few distributors abroad. Among others, Leonteq will in future only conduct business with distributors that are subject to regulation and has discontinued distribution relationships with a few unregulated distributors. FINMA also decreed a profit disgorgement of CHF 9.3 million in relation to transactions with two former distributors in the period from January 2018 to June 2022.

FINMA's probe was triggered by a disclosure by the company as well as allegations raised by the media and third parties. Various of these allegations have turned out to be unfounded and in particular there remains no indication that Leonteq intentionally participated in any potential money laundering or tax fraud.

Leonteq undertook a comprehensive programme over the last few years to strengthen its global compliance and risk management framework. The company made new appointments to key leadership and expert positions and reduced the number of target markets. This programme addressed many of the weaknesses identified by FINMA. Leonteq enhanced its internal control system by introducing new policies, adding additional controls and widening the scope of its monitoring activities. The effectiveness of the internal control functions have been significantly improved through substantial investments in staff – with headcount in compliance and risk control more than doubled in recent years – as well as in processes, technology and data analysis. In addition, significant investments have been and continue to be made in enhancing transaction monitoring and monitoring of Leonteq's distribution chain. Leonteq notes that FINMA has expressly acknowledged these measures in its assessment. Further measures ordered by FINMA are being implemented with high priority in the course of 2025. Following notification by Leonteq that it has completed all measures,

FINMA will appoint an audit mandatory who will audit the correct implementation of these measures.

Further to the proceedings by FINMA, Leonteq experiences ongoing regulatory scrutiny in some countries with respect to allegations raised in media articles and the Group continues to maintain an active dialogue with the respective authorities.

Capital management

Until 31 December 2024, Leonteq was classified as a Swiss category 5 non-account holding securities firm according to the Swiss Financial Institutions Act (FinIA) and the Financial Institutions Ordinance (FinIO). Securities firms that do not hold accounts for clients are not subject to the Capital Adequacy Ordinance but must permanently hold capital of at least one quarter of the fixed costs of the last annual financial statement, up to a maximum of CHF 20 million. FinIA further stipulates that securities firms must have sufficient own funds and liquidity individually and on a consolidated basis. Under this regulatory framework, Leonteq calculated its eligible capital on the basis of the Group's shareholders' equity less intangible assets and less expected upcoming dividend payments. As of 31 December 2024, Leonteq reported eligible capital totalling CHF 739.3 million (31 December 2023: CHF 703.5 million).

Leonteq also has a robust capital adequacy and planning process in place to ensure that the Group's own funds are sufficient to cover potential losses in the event of severe adverse market shocks or other events.

Effective 1 January 2025, Leonteq is subject to enhanced capital and large exposure requirements as defined by the Swiss Capital Adequacy Ordinance. The Swiss Financial Market Supervisory Authority (FINMA) will additionally define final details of an enhanced liquidity regime in the coming months. Leonteq will also be allowed to issue and account for hybrid capital and, once the liquidity regime has been finalised and subject to regulatory approval, banking counterparties will

be allowed to risk-weight exposures to Leonteq as if it were a bank or account-holding securities firm counterparty (versus a corporate counterparty which carries higher risk weighting charges).

Leonteq fully meets the current capital and large exposure requirements thanks to its strong capital position it built up over the last few years. Leonteq is currently implementing the transition to capital calculations according to the fundamental review of the trading book (FRTB) standardised approach. This implementation will take time and Leonteq expects to publish its capital ratios and related disclosures with its half-year 2025 results. Leonteq will also consider in due course the issuance of a hybrid capital bond to optimise its capital structure.

More details regarding the new regulatory regime and its impact on the business can be found in the Management Report on page 51.

145

Consolidated financial statements

149

Notes to the consolidated financial statements

212

Report of the statutory auditor

217

Statutory financial statements

220

Notes to the statutory financial statements

226

Report of the statutory auditor

FINANCIAL

REPORT

Consolidated Financial Statements

Content

Consolidated income statement	145	22	Amounts due from/to customers	178
Consolidated statement of other comprehensive income	145	23	Securities financing transactions (assets and liabilities)	179
Consolidated statement of financial position	146	24	Trading financial assets and liabilities	181
Consolidated statement of changes in equity	147	25	Trading inventories	181
Consolidated statement of cash flows	148	26	Replacement values of derivative instruments	181
		27	Other financial assets and liabilities designated at fair value through profit or loss	184
		28	Financial investments measured at fair value through other comprehensive income	185
		29	Accrued income and prepaid expenses/ Accrued expenses and deferred income	186
		30	Other assets and liabilities	186
		31	Tangible and intangible assets	187
		32	Interest in a joint venture	191
		33	Offsetting financial assets and financial liabilities	192
		34	Maturity of assets and liabilities	194
		35	Retirement benefit obligations	196
		36	Expected credit loss	199
		37	Provisions	200
		38	Shareholders' equity	202
		39	Significant shareholders	204
		40	Related-party transactions	205
		41	Off-balance sheet items	207
		42	Group information	208
		43	Unconsolidated structured entities	209
		44	Post-balance sheet events	210
		45	Statutory banking regulations	210
Notes to the consolidated financial statements				
1	General information	149		
2	Basis of presentation	149		
3	Principal accounting policies	150		
4	Critical judgements and key estimation uncertainties	151		
5	Changes to critical accounting estimates	152		
6	Changes in accounting policies and presentation	153		
7	Financial and other risk disclosures	153		
8	Segment reporting	154		
9	Net fee income	156		
10	Result from trading activities and the fair value option	158		
11	Net result from interest operations	159		
12	Other operating income	159		
13	Personnel expenses	160		
14	Other operating expenses	163		
15	Income Taxes	163		
16	Tax effects relating to components of other comprehensive income	165		
17	Earnings per share	166		
18	Fair values of financial instruments and trading inventories	166		
19	Hedge accounting	176		
20	Cash and balances at central banks	177		
21	Amounts due from/to banks	178		

Leonteq AG

Consolidated income statement for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Fee income from securities trading and investment activities		214,469	213,279
Net fee income	9	214,469	213,279
Result from trading activities and the fair value option	10	21,490	36,592
of which interest revenue on FVOCI and amortised cost instruments related to trading activities		56,433	48,894
of which interest expense on amortised cost instruments related to trading activities		(16,217)	(18,837)
Interest income from financial assets measured at amortised cost		7,315	15,148
Interest expense from financial liabilities measured at amortised cost		(8,236)	(10,633)
Credit loss (expense) / recovery		475	1,937
Net result from interest operations	11	(446)	6,452
Other operating income	12	2,998	3,659
Total operating income		238,511	259,982
Personnel expenses	13	(123,879)	(138,007)
Other operating expenses	14	(59,704)	(60,888)
Depreciation and amortisation of tangible & intangible assets	31	(36,022)	(35,302)
Changes to provisions, other value adjustments and losses	37	(10,999)	(7,423)
Total operating expenses		(230,604)	(241,620)
Result from operating activities		7,907	18,362
Income Taxes	15	(2,071)	2,237
Group net profit		5,836	20,599
of which allocated to shareholders of Leonteq AG		5,836	20,599
Share information			
Basic earnings per share (CHF)	17	0.33	1.15
Diluted earnings per share (CHF)	17	0.32	1.11

Consolidated statement of other comprehensive income for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Group net profit		5,836	20,599
Other comprehensive income/(loss) that will not be reclassified to the income statement (net of tax)			
Remeasurement of defined benefit plan	16, 35	2,186	(3,524)
Changes in own credit spread	16, 18	2,457	111
Total other comprehensive income/(loss) that will not be reclassified to the income statement		4,644	(3,413)
Other comprehensive income/(loss) that may be reclassified to the income statement (net of tax)			
Net unrealised gains/(losses) on debt instruments measured at fair value through other comprehensive income	16, 28	6,288	18,149
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	16, 36	(588)	(1,605)
Currency translation adjustments	16	26,228	(33,469)
Total other comprehensive income/(loss) that may be reclassified to the income statement		31,928	(16,926)
Total other comprehensive income/(loss)		36,572	(20,339)
Total comprehensive income		42,408	260
of which allocated to shareholders of Leonteq AG		42,408	260

The notes on pages 149 to 211 are an integral part of these consolidated financial statements.

Leonteq AG

Consolidated statement of financial position as of 31 December 2024 and 2023

CHF thousand	Note	31.12.2024	31.12.2023
Assets			
Cash and balances at central banks	20	136,867	142,697
Amounts due from banks	21	514,950	462,923
Amounts due from securities financing transactions	23	43,307	20,667
Amounts due from customers	22	390,673	291,654
Trading financial assets	24	3,653,840	2,725,961
of which assets lent as collateral with the right to resell or repledge		544,793	434,350
Trading inventories	25	407,411	287,072
Positive replacement values of derivative financial instruments	26	2,765,464	2,398,656
Other financial assets designated at fair value through profit or loss	27	148,368	180,821
Financial investments measured at fair value through other comprehensive income	28	2,474,158	2,609,186
of which assets lent as collateral with the right to resell or repledge		554,322	387,512
Accrued income and prepaid expenses	29	7,257	6,586
Other assets	30	25,665	22,294
Current tax assets	15	156	279
Deferred tax assets	15	1,925	2,415
Interests in joint ventures	32	958	958
Tangible assets	31	37,096	44,812
Intangible assets	31	59,176	59,068
Total assets		10,667,271	9,256,049

CHF thousand	Note	31.12.2024	31.12.2023
Liabilities			
Amounts due to banks	21	320,861	252,242
Liabilities from securities financing transactions	23	1,136,406	805,197
Amounts due to customers	22	475,608	483,992
Trading financial liabilities	24	137,167	54,019
Negative replacement values of derivative financial instruments	26	2,421,330	1,999,595
Other financial liabilities designated at fair value through profit or loss	27	5,185,627	4,666,965
Accrued expenses and deferred income	29	101,718	126,160
Current tax liabilities	15	13,673	13,184
Deferred tax liabilities	15	—	544
Other liabilities	30	53,605	50,470
Provisions	37	17,446	23,548
Total liabilities		9,863,441	8,475,916
Equity			
Share capital	38	18,494	18,934
Share premium		195,857	213,445
Retained earnings ¹		665,888	680,999
Accumulated other comprehensive income/(loss)		(33,651)	(67,940)
Own shares	38	(42,758)	(65,305)
Total shareholders' equity		803,830	780,133
Total liabilities and equity		10,667,271	9,256,049

¹ Retained earnings comprise cumulated earnings, including Group net profit for the years ended 31 December 2024 and 31 December 2023, respectively.

The notes on pages 149 to 211 are an integral part of these consolidated financial statements.

Leonteq AG

Consolidated statement of changes in equity for the years ended 31 December 2024 and 2023

CHF thousand

	Note	Share capital	Share premium	Retained earnings	Accumulated other comprehensive income/(loss)						Total shareholders' equity
					Defined benefit plan	Change in own credit	Unrealised income/(loss) related to debt instruments at fair value through OCI	Expected credit loss on debt instruments at fair value through OCI	Currency translation adjustments	Own shares	
Balance as of 1 January 2023		18,934	249,647	690,797	3,756	—	(27,098)	5,971	(29,946)	(42,027)	870,035
Equity-settled share-based payments	38	—	—	5,521	—	—	—	—	—	11,130	16,651
Net disposal/(purchase) of own shares	38	—	—	—	—	—	—	—	—	(34,409)	(34,409)
Dividends and other distributions	38	—	(36,202)	(36,202)	—	—	—	—	—	—	(72,404)
Other allocations to/(transfers from) other comprehensive income		—	—	—	(3,524)	111	18,149	(1,605)	(33,469)	—	(20,339)
Transfers within equity ¹		—	—	285	—	(285)	—	—	—	—	—
Group net profit		—	—	20,599	—	—	—	—	—	—	20,599
Balance as of 31 December 2023		18,934	213,445	680,999	233	(174)	(8,949)	4,366	(63,415)	(65,305)	780,133

CHF thousand

	Note	Share capital	Share premium	Retained earnings	Accumulated other comprehensive income/(loss)						Total shareholders' equity
					Defined benefit plan	Change in own credit	Unrealised income/(loss) related to debt instruments at fair value through OCI	Expected credit loss on debt instruments at fair value through OCI	Currency translation adjustments	Own shares	
Balance as of 1 January 2024		18,934	213,445	680,999	233	(174)	(8,949)	4,366	(63,415)	(65,305)	780,133
Equity-settled share-based payments	38	—	—	(5,642)	—	—	—	—	—	16,937	11,295
Capital increase/(decrease)	38	(440)	(8,780)	(8,780)	—	—	—	—	—	18,000	—
Net disposal/(purchase) of own shares	38	—	—	—	—	—	—	—	—	(12,390)	(12,390)
Dividends and other distributions	38	—	(8,808)	(8,808)	—	—	—	—	—	—	(17,616)
Other allocations to/(transfers from) other comprehensive income		—	—	—	2,186	2,457	6,288	(588)	26,228	—	36,572
Transfers within equity ¹		—	—	2,283	—	(2,283)	—	—	—	—	—
Group net profit		—	—	5,836	—	—	—	—	—	—	5,836
Balance as of 31 December 2024		18,494	195,857	665,889	2,419	0	(2,662)	3,778	(37,187)	(42,758)	803,830

¹ Changes in own credit risk recognised in other comprehensive income are subsequently transferred within equity to retained earnings. For further information, refer to Note 18.

Leonteq AG

Consolidated statement of cash flows for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Group net profit		5,836	20,599
Adjustments for non-cash items in Group net profit			
Depreciation and amortisation expense	31	36,022	35,301
Increase/(Decrease) in deferred taxes	15	(54)	(463)
Change in expected credit loss provision	36	(459)	(1,967)
Change in provision	37	10,998	7,419
Expenses from employee participation schemes	13	11,235	16,895
Other non-cash income and expenses		768	(2,900)
Net (increase)/decrease in assets related to operating activities			
Amounts due from banks	21	(107,806)	110,638
Amounts due from securities financing transactions	23	(22,640)	(18,822)
Amounts due from customers	22	(34,636)	60,393
Trading financial assets	24	(990,230)	667,808
Trading inventories	25	(120,339)	(138,910)
Positive replacement values of derivative financial instruments	26	(366,808)	1,745,793
Other financial assets designated at fair value through profit or loss	27	32,453	36,407
Net (investment)/disposal of financial investments measured at fair value through other comprehensive income	28	141,316	14,068
Accrued income and prepaid expenses	29	(671)	1,455
Current tax assets	15	123	731
Other assets	30	(3,370)	10,986
Net increase/(decrease) in liabilities related to operating activities			
Amounts due to banks	21	12,276	(215,971)
Liabilities from securities financing transactions	23	331,209	(1,017,680)
Amounts due to customers	22	(12,169)	(573,956)
Trading financial liabilities	24	83,148	(147,524)
Negative replacement values of derivative financial instruments	26	421,735	(907,948)
Other financial liabilities designated at fair value through profit or loss	27	518,662	(7,340)
Accrued expenses and deferred income	29	(24,442)	(33,937)

CHF thousand	Note	2024	2023
Current tax liabilities	15	3,428	(2,885)
Other liabilities	30	15,851	3,321
Utilisation of general provision	37	(17,131)	(5,283)
Dividends received		62,351	53,354
Interest received		7,315	15,148
Interest paid		(7,806)	(10,152)
Current income taxes paid		(2,939)	(28,524)
Cash flow from operating activities		(16,774)	(313,944)
Purchases of tangible assets	31	(3,342)	(2,310)
Proceeds from sale of tangible assets	31	23	—
Purchases of intangible assets	31	(23,095)	(26,227)
Investment in a joint venture	32	—	(958)
Cash flow from investing activities		(26,414)	(29,495)
Lease payments (excluding short term/low-value leases)	31	(10,553)	(9,749)
Distribution of capital contribution reserves	38	(8,808)	(36,202)
Dividend distribution	38	(8,808)	(36,202)
Purchases of own shares	38	(12,390)	(34,409)
Cash flow from financing activities		(40,558)	(116,561)
Exchange rate differences		26,032	(33,391)
Net (decrease)/increase in cash and cash equivalents		(57,715)	(493,392)
Cash and cash equivalents, beginning of the year		389,112	882,504
Cash and cash equivalents at the balance sheet date		331,397	389,112
Cash and balances at central banks		136,867	142,696
Due from banks on demand ¹	21	181,106	237,247
Due to banks on demand ¹	21	(60,518)	(4,176)
Due from financial market infrastructure entities ²	22	77,748	13,365
Due to financial market infrastructure entities ²	22	(3,806)	(21)
Net cash and cash equivalents at the balance sheet date		331,397	389,112

¹ The "Due from/to banks on demand" balances are included in balance sheet line items "Amounts due from/to banks".

² The "Due from/to financial market infrastructure entities" are included in the balance sheet line items "Amounts due from/to customers".

Notes to the consolidated financial statements

1 General information

Leonteq AG (Leonteq or "the Company"), together with its subsidiaries (referred to hereinafter as "the Group"), is an independent expert in structured investment products and long-term savings and retirement solutions.

These solutions and services 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.

The Group provides some of these core services to platform partners under the terms of cooperation agreements. The Group also distributes products to institutional investors and financial intermediaries who offer these products to retail investors.

The Company was incorporated in Zurich, Switzerland, in 2007. It is a public limited company with its registered office at Europaallee 39, 8004 Zurich, Switzerland. The Company's shares have been listed on the SIX Swiss Exchange (SIX) since 19 October 2012.

These consolidated financial statements were approved for publication by the Board of Directors on 4 February 2025.

2 Basis of presentation

The Group prepares its consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). They are prepared according to the historical cost approach, with the exception that financial assets and liabilities (including derivative instruments and trading inventories) are revalued at fair value through profit or loss and debt instruments are measured at fair value through other comprehensive income.

These financial statements are presented in Swiss francs and rounded to the nearest thousand. Consequently, the total may differ from the figures calculated when the individual numbers are added together.

3 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and in the relevant notes. These policies have been consistently applied unless otherwise stated.

Subsidiaries

These consolidated financial statements comprise the financial statements of the parent company Leonteq AG and its subsidiaries. Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which the Group ceases to control them.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances. Intercompany transactions, balances and unrealised gains or losses on transactions between the Group companies are eliminated.

Foreign currency translation

The Group's presentation currency is the Swiss franc (CHF). The Group used the following main foreign exchange rates:

	Spot rate 31.12.2024	Spot rate 31.12.2023	Average rate 2024	Average rate 2023
EUR / CHF	0.9399	0.9290	0.9526	0.9716
USD / CHF	0.9073	0.8415	0.8806	0.8985
GBP / CHF	1.1355	1.0723	1.1252	1.1171
JPY / CHF	0.0058	0.0060	0.0058	0.0064
HKD / CHF	0.1168	0.1078	0.1129	0.1148
SGD / CHF	0.6644	0.6370	0.6589	0.6692

The Group companies prepare their financial statements in their respective functional currencies. Transactions in a currency other than the functional currency are recognised by the companies at the foreign exchange spot rate on the transaction date. Exchange differences arising between the date of a transaction and its subsequent settlement are recognised in the income statement.

At the balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency using the closing exchange rate, and unrealised exchange differences are recognised in the income statement. Non-monetary assets and liabilities not measured at fair value are translated into the functional currency at the historical exchange rate. Non-monetary assets and liabilities measured at fair value are translated into the functional currency using the closing exchange rate. Any unrealised gains or losses arising on the foreign currency translation are recognised in line with the recognition of gains or losses on the change in fair value of the item.

Assets and liabilities of Group companies that are denominated in a different functional currency to the Group are translated into Swiss francs at the closing exchange rates. Average exchange rates for the business year are used for items in the income statement, statement of other comprehensive income and statement of cash flows. Exchange differences arising from the use of closing exchange rates and average exchange rates are recognised as currency translation adjustments in the statement of other comprehensive income.

Initial recognition and derecognition

The Group uses trade date accounting to recognise financial transactions. The Group recognises a financial asset or financial liability at the transaction date (i.e. trade date) at fair value of the consideration given or received, including directly attributable transaction costs. In the case of financial assets or financial liabilities measured at fair value through profit or loss, the transaction costs are immediately recognised in the income statement. At the date on which the Group enters into a sales contract for financial assets and the conditions for derecognition are met, the relevant financial asset is derecognised from the statement of financial position. Recognition or derecognition is mainly associated with the transfer of the contractual rights to receive cash as well as the respective risks and rewards (market risk).

Financial assets and financial liabilities

Financial assets are allocated to the following categories based on the type of assets, the solely payments of principal and interest (SPPI) test and the business model test: Fair value through profit or loss (FVTPL) or amortised cost or fair value through other comprehensive income (FVOCI). Financial liabilities are allocated to the following categories based on their type and designation: Fair value through profit or loss (FVTPL) or amortised cost.

Financial assets or liabilities held for trading purposes are measured at fair value and are disclosed in the statement of financial position in the line items "trading financial assets" or "trading financial liabilities".

The products issued by the Group contain hybrid financial instruments, certificates (including actively managed certificates) and mini-futures. Hybrid financial instruments are composed of debt components and embedded derivatives. Certificates may comprise an underlying instrument (or a basket of underlyings) combined with derivatives. Alternatively, the pay-off of a certificate could be achieved through the combination of a debt host and one or more embedded derivatives (similar to a hybrid financial instrument). As a result, the Group designates all of its issued products as other financial liabilities designated at fair value through profit or loss (FVTPL).

In addition to issued products, the Group applies the fair value option to selected receivables from customers and to interest rate instruments. The application of the fair value option to these instruments reduces an accounting mismatch that would otherwise arise from recognising these assets using a different measurement basis (e.g. amortised cost) to that used for offsetting liabilities, issued products as well as issued derivative instruments that are measured at fair value or designated at fair value through profit or loss (FVTPL).

Financial assets and financial liabilities designated at fair value are recognised in the statement of financial position in the line items "other financial assets designated at fair value through profit or loss" or "other financial liabilities designated at fair value through profit or loss".

Further information on accounting principles for financial assets and financial liabilities can be found in respective notes.

4 Critical judgements and key estimation uncertainties

The preparation of consolidated financial statements requires the Group's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The most relevant areas in which the Group's management exercises judgement in applying the Group's accounting policies include the following:

Revenue recognition and determination of deferral period applied to fee income

In defining the Group's revenue recognition policy, the Group's management exercises judgement in allocating the fees earned to the Group's performance obligations, in determining the timing of when performance obligations are satisfied and defining the average effective lifetime of the issued products. Further information is disclosed in Note 9.

Depreciation period of intangible assets

The Group defines the useful economic lives and residual values of intangible assets on the basis of the anticipated period over which the Group will receive economic benefits from the use of the assets. Useful economic lives are reviewed annually on the basis of historical and forecast expectations concerning future technological developments, economic and legal changes as well as further external factors. Further information can be found in Note 31.

Determining the terms of leases

When determining the terms of leases, the Group's management considers all facts and circumstances that provide an economic incentive to exercise renewal options or not exercise termination options. Renewal and termination options are only included in the contract term where there is sufficient certainty that they will be exercised. This assessment is reviewed in the event of a material occurrence or change in circumstances that may affect the previous assessment, where this is within the lessee's control. Further information is disclosed in Note 31.

Income taxes

Judgement and interpretations about the application of tax laws are required when accounting for income taxes. In addition, judgement is required to assess the expected value of uncertain tax positions and the related probabilities, including interpretation of tax laws, the resolution of any income tax-related appeals and litigation. Disclosures on income taxes can be found in Note 15.

Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The assessment of control can be complex and requires the use of significant judgement. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities. For disclosures of unconsolidated structured entities, see Note 43.

Determination of own credit spread

For other financial liabilities designated at fair value through profit and loss, changes in fair value related to own credit risk are recognised in other comprehensive income. The determination of the own credit spread used in the valuation of financial liabilities designated at fair value through profit and loss requires judgement by the Group's management. The Group determines its own credit spread regularly based on a model using observable market inputs and compares the determined credit spread with observable and paid credit spreads for publicly distributed products of the Group to ensure that all available market information is reflected. Further information is disclosed in Note 18.

Estimates and assumptions are mainly contained in areas listed in the following paragraphs. These estimates and assumptions are based on the best available information and are adapted continuously in line with new findings and circumstances. Sensitivities are presented solely to assist the reader in understanding the Group's consolidated financial statements and are not intended to suggest that other assumptions would be more appropriate.

Fair value of financial instruments (Level 3)

The use of valuation techniques, modelling assumptions and estimates of unobservable market inputs in the fair valuation of financial instruments requires significant judgement and could affect the amount of gain or loss recorded for a particular position. Valuation techniques that rely more heavily on unobservable inputs and sophisticated models inherently require a higher level of judgement and may require adjustment to reflect factors that market participants would consider in estimating fair value. The Group provides a sensitivity analysis of the estimated effects arising from changing significant unobservable inputs in Level 3 financial instruments to reasonably possible alternative assumptions in Note 18.

Retirement benefit obligation - Measurement of the defined benefit obligation

The measurement of the defined benefit obligation is based on various economic and demographic assumptions. A range of assumptions could be applied, and different assumptions could significantly alter the defined benefit liability or asset and pension expense recognised. The most significant assumptions include life expectancy, discount rate, expected salary and pension growth rate and interest rate used to calculate credits on saving-accounts. Sensitivity analysis for the Group's retirement benefit obligations to changes in significant actuarial assumptions is provided in Note 35.

5 Changes to critical accounting estimates

No changes in critical accounting estimates were applied compared to the year ended 31 December 2023.

6 Changes in accounting policies and presentation

New or revised standards and interpretations that have been adopted

The following new or revised standards and interpretations became effective for the first time on 1 January 2024 and did not have any significant impact on the Group when applied for the first time or were not relevant for the Group:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

New standards and interpretations not yet adopted

Various other new and revised standards and interpretations must be applied with effect from 1 January 2024 or a later date:

- Amendments to IAS 21 – Lack of Exchangeability – effective 1 January 2025
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments – effective 1 January 2026
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual improvements to IFRS Accounting Standards Volume 11 – effective 1 January 2026
- IFRS 18 Presentation and Disclosure in Financial Statements – effective 1 January 2027

The Group has performed an initial assessment of the new standards and interpretations and does not expect any of them to have a significant impact on the Group's net profit, comprehensive income and shareholders' equity or to be relevant to the Group.

7 Financial and other risk disclosures

In compliance with regulatory requirements in Switzerland and other applicable jurisdictions, the Group has established a comprehensive risk management and control framework covering market, credit, operational and liquidity risks and the capital management. Disclosures provided in the "Risk Management & Control" section of this report (pages 116 to 142) relate to financial risk disclosures in accordance with IFRS 7 and information on the objectives and process for managing capital. These disclosures form an integral part of the consolidated financial statements.

8 Segment reporting

Leonteq is an independent expert in structured investment products and long-term savings and retirement solutions. The Group focuses on industrialising the production process for structured investment products and unit-linked life insurance policies and on providing its clients and partners with high standards of service delivered by an international team of experienced industry professionals. Leonteq has a strong presence in its home market of Switzerland and in Europe, as well as an established footprint in Asia.

Leonteq's Executive Committee, which is the chief operating decision maker, is implementing the strategy and overseeing the operational management of the Group as a whole. The Executive Committee uses the Group's consolidated financial statements as the basis for its management decisions and for financial performance reviews.

In line with the applicable accounting standards and internal reporting to the chief operating decision maker, the Group consists of a single reportable operating segment. Consequently, and given that the external reporting in these financial statements reflects internal reporting to the chief operating decision maker, the Group does not disclose separate segment information.

Entity-wide disclosures

The Group has offices in various international locations and distributes its own structured investment products and those of its issuance partners, either through its own sales distribution and coverage desks or through the distribution channels of its issuance partners. The distribution network is supported by the related group companies outside Switzerland. The geographical allocation of the Group's operating income is undertaken based on the location of the distributing group entity, servicing primarily banks, insurance companies and asset managers/financial intermediaries.

The Group's net fee income increased by 1% to CHF 214.5 million in 2024 compared to CHF 213.3 million in the prior year. Net fee income in Switzerland grew by 8% to CHF 99.7 million in 2024. In Europe, net fee income totalled CHF 96.2 million (2023: CHF 99.6 million). In the Asia region (including the Middle East), net fee income was CHF 18.6 million (2023: CHF 21.4 million). In 2024, no single client accounted for more than 10% of the Group's net fee income (2023: one client for approx. 11%). The Group saw its result from trading activities and the fair value option continue to normalise with limited but positive contributions of CHF 16.0 million from Switzerland (2023: CHF 20.1 million) and CHF 4.6 million from Europe

(2023: CHF 29.7 million), while operations in Asia saw the result from trading activities and the fair value option recover to CHF 0.8 million in 2024 (2023: CHF -13.3 million). The net result from interest operations decreased to CHF -0.4 million in 2024 compared to CHF 6.5 million in the prior year. Other operating income comprises mainly rental income from office sub-leases as well as cost reimbursements from partners. In the reporting period, other operating income in Switzerland decreased to CHF 3.0 million compared to CHF 3.6 million in 2023. As a result of these combined factors, total operating income decreased to CHF 238.5 million in 2024, compared to CHF 260.0 million in the prior year. In 2024, the offices in Monaco and Milan generated approximately 17% and 10% of the Group's total operating income, respectively (2023: 30%; <10%).

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 2024
Net fee income	99,708	96,189	18,572	214,469
Result from trading activities and the fair value option	16,009	4,639	842	21,490
Net result from interest operations	109	(464)	(91)	(446)
Other operating income	2,984	—	14	2,998
Total operating income	118,810	100,364	19,337	238,511

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 31.12.2024
Trading financial assets	2,139,099	1,514,741	—	3,653,840
Positive replacement values of derivative instruments	1,524,944	1,240,520	—	2,765,464
Other financial assets designated at fair value through profit or loss	115,845	32,523	—	148,368
Financial investments measured at fair value through OCI	512,214	1,961,944	—	2,474,158
Total financial assets measured at fair value	4,292,102	4,749,728	—	9,041,830
Non-current assets	90,105	6,636	1,564	98,305
Trading financial liabilities	100,173	36,994	—	137,167
Negative replacement values of derivatives	1,285,678	1,135,652	—	2,421,330
Other financial liabilities designated at fair value through profit or loss	923,709	4,261,918	—	5,185,627
Total financial liabilities measured at fair value	2,309,560	5,434,564	—	7,744,124

Switzerland consists of the Group's headquarters in Zurich and its office in Geneva. Europe comprises the Group's operations in Amsterdam, Frankfurt, Guernsey, London, Milan, Monaco, Paris and Lisbon. Asia (including the Middle East) consists of its operations in Dubai, Hong Kong, Singapore and Tokyo.

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 2023
Net fee income	92,304	99,611	21,364	213,279
Result from trading activities and the fair value option	20,145	29,697	(13,250)	36,592
Net result from interest operations	3,223	2,617	612	6,452
Other operating income	3,633	—	26	3,659
Total operating income	119,305	131,925	8,752	259,982

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia (incl. Middle East)	Total 31.12.2023
Trading financial assets	2,001,057	724,904	—	2,725,961
Positive replacement values of derivative instruments	1,526,363	872,293	—	2,398,656
Other financial assets designated at fair value through profit or loss	131,172	49,649	—	180,821
Financial investments measured at fair value through OCI	60,606	2,548,580	—	2,609,186
Total financial assets measured at fair value	3,719,198	4,195,426	—	7,914,624
Non-current assets	95,186	8,011	2,541	105,738
Trading financial liabilities	22,354	31,665	—	54,019
Negative replacement values of derivatives	1,196,391	803,204	—	1,999,595
Other financial liabilities designated at fair value through profit or loss	860,880	3,806,085	—	4,666,965
Total financial liabilities measured at fair value	2,079,625	4,640,954	—	6,720,579

Financial assets and liabilities are shown in the booking location accordingly.

9 Net fee income

Fees earned are allocated to Leonteq's main service offerings (performance obligation). The services are provided either when a product is issued or over the lifetime of a product. Consequently, certain types of fees are deemed to be earned when a product is issued, while other types of fees are deemed to be earned over the effective lifetime of the products issued.

For structured investment products, fees are generally collected when a product is issued or repurchased and are deemed to be earned when performance obligations are satisfied. The following performance obligation groups are deemed to be predominantly satisfied at the point in time when products are issued: Product design and launch; product documentation and reporting; issuance, settlement and order management and pricing and trading services. Performance obligations that are principally satisfied over the lifetime of issued products include: Risk management; lifecycle management; risk, regulatory and financial reporting. The fees are allocated to the individual performance obligations based on the estimated share of the total effort required (input method) over the lifetime of the products as it best reflects the compensation for services rendered. A portfolio approach is applied to determine the average effective lifetime of products issued, which is determined based on the historical effective lifetime of expired products and the expected effective lifetime of existing products at the balance sheet date. The calculation only excludes products or product categories that show a unique revenue recognition profile that differs significantly from the majority of issued products. The average effective lifetime is estimated to be nine months (31 December 2023: nine months). Material and customised contracts are accounted for to best reflect the actual patterns of the individual agreements.

For long-term savings and retirement products, some fees are collected upfront and recognised upon satisfaction of the respective performance obligation. The satisfaction of performance obligation groups and the effective lifetime of Leonteq's products are determined on a product group and client group basis. The following performance obligations are deemed to be predominantly satisfied upfront: Structuring, creation and origination of interest rate products for predefined cash flows of client groups, and coordination of insurance and banking partners acting as issuers of capital protected products. Performance obligations that are principally satisfied over the lifetime of the products include: Servicing of recurring pay-out obligations and financing activities.

In addition, some services are delivered over the product's lifetime, for which fees are collected and recognised at the point in time when the following performance obligation groups are deemed satisfied: Creation and origination of capital protected products, as well as creation and origination of the participation products, risk management and lifecycle management of products and platform and platform services.

The allocation of the total fee to the performance obligations, as well as the determination of when these performance obligations are satisfied, involves the application of judgement. Management is of the opinion that the methods and judgement applied provide a best estimate of the real circumstances at the balance sheet date.

Revenue recognised from contracts with clients is shown in the income statement in the line item "fee income from securities trading and investment activities". The amount of deferred fee income is included in the statement of financial position line item "accrued expenses and deferred income". Fees are generally not discounted when recognised. The Group presents fee income net of any costs that are directly attributable to the issuance of partner products and Leonteq products. Since Leonteq does not sell its products to the end investor but acts through distribution partners, Leonteq discloses its fee income net of directly attributable costs that were agreed upfront.

CHF thousand	2024	2023
Fee income from structured investment products	192,600	192,106
of which recognised at a point-in-time	167,185	168,810
of which recognised over time	25,415	23,296
Fee income from long-term savings and retirement products	21,869	21,173
of which recognised at a point-in-time	6,566	8,419
of which recognised over time	15,303	12,754
Total fee income from securities trading and investment activities	214,469	213,279
Fee expenses	—	—
Net fee income	214,469	213,279

Net fee income increased by 1%, or CHF 1.2 million, to CHF 214.5 million in 2024, compared to CHF 213.3 million in the prior year. The increase was driven by a slight growth in fee income from long-term savings and retirement products by CHF 0.7 million to CHF 21.9 million (2023: 21.2 million), and a CHF 0.5 million higher fee income from structured investment products to CHF 192.6 million (2023: CHF 192.1 million). Leonteq further registered a decrease in large ticket transaction totaling to CHF 13.9 million, or 6% of the Group's net fee income in 2024, compared to CHF 22.5 million, or 11% in 2023.

The following table provides a reconciliation of the balance of deferred fees:

CHF thousand	2024	2023
Balance of deferred fees as of 1 January	57,772	62,723
Deferred fees of structured investment products		
Recognition of deferred fees in the income statement	(25,415)	(23,296)
Deferral of fees collected	26,101	22,428
Deferred fees of long-term savings and retirement products		
Recognition of deferred fees in the income statement	(15,303)	(12,754)
Deferral of fees collected	5,800	8,671
Balance of deferred fees as of 31 December	48,955	57,772
of which recognised within the next 12 months	14,204	15,133
of which recognised after 12 months	34,751	42,639

Deferred fees are included in the consolidated statement of financial position in the line item "accrued expenses and deferred income". The balance of deferred fees is recognised in the consolidated income statement when the respective service obligations are satisfied.

For structured investment products, performance obligations that are not satisfied upon issuance of the product are deemed to be satisfied over the average effective lifetime of issued products, which is estimated to be 9 months as of 31 December 2024 (31 December 2023: 9 months).

Due to the long-term nature of the pension savings business, performance obligations arising from long-term savings and retirement products are satisfied over a period of up to 48 years (31 December 2023: 48 years). CHF 17.7 million are expected to be recognised as fee income between 2 and 5 years, CHF 12.4 million between 6 and 20 years and CHF 4.6 million after 20 years.

10 Result from trading activities and the fair value option

CHF thousand	2024	2023
Debt securities (including funds)	26,875	22,765
Equity securities (including funds)	2,034	3,705
Forex	3,088	2,648
Precious metals / commodities / crypto assets	(20,827)	(1,508)
Multi Asset Class	10,320	8,982
Result from trading activities and the fair value option	21,490	36,592
of which result due to financial assets designated at fair value	8,050	12,047
of which result due to financial liabilities designated at fair value	(335,665)	(395,659)
of which effective interest income from debt instruments at FVOCI	47,404	44,060
of which effective interest income from financial instruments at amortised cost	9,029	4,834
of which effective interest expense from financial instruments at amortised cost	(16,217)	(18,837)

Positive contributions from hedging activities were recorded on the back of the short-term increase in market volatility in August, while negative hedging contributions resulted from an operational risk event in October as well as a continued reduction in market volatility in November and December 2024 following the US elections. As a result, the result from trading activities and the fair value option decreased to CHF 21.5 million in 2024, compared to CHF 36.6 million in 2023.

The result from trading activities due to financial liabilities designated at fair value represents the gross results from products issued. The offsetting result from hedging activities is reflected in various components of the trading result (excluding trading related costs). The net result from trading inventories (crypto assets) is reflected in the line item "Precious metals / commodities / crypto assets". The table above shows the net results from trading activities and the fair value option allocated to risk categories based on the underlying (broken down by asset class).

11 Net result from interest operations

CHF thousand	2024	2023
Interest income from financial assets measured at amortised cost	7,315	15,148
Total interest income	7,315	15,148
Interest expense from financial liabilities measured at amortised cost	(8,236)	(10,633)
Total interest expenses	(8,236)	(10,633)
Gross result from interest operations	(921)	4,515
Credit loss (expense) / recovery	475	1,937
Net result from interest operations	(446)	6,452

In view of the new regulatory regime, Leonteq extended available credit facilities, which negatively impacted its 2024 net interest result totalling CHF -0.4 million compared to CHF 6.5 million in 2023.

For further information on credit loss expense and recovery, refer to Note 36.

12 Other operating income

CHF thousand	2024	2023
Rental income	2,603	2,496
Other fee income from platform partners	—	646
Other	395	517
Total other operating income	2,998	3,659

Other operating income mainly consists of rental income generated through the sub-leasing of office space and non-recurring income earned in connection with other services rendered to platform partners (i.e. onboarding, technical integration). In 2024, other operating income decreased to CHF 3.0 million, compared to CHF 3.7 million in the prior year, mainly due to the absence of non-recurring income from platform partners.

13 Personnel expenses

CHF thousand	2024	2023
Salaries and variable compensation	107,409	119,569
of which share-based compensation	9,820	16,895
Social security contributions	8,658	9,986
Pension plan expenses	5,899	6,263
of which expenses for defined benefit plans	3,570	2,217
of which expenses for defined contribution plans	2,329	4,046
Other personnel expenses	1,913	2,189
Total personnel expenses	123,879	138,007

Personnel expenses declined by 10% to CHF 123.9 million in 2024, mainly reflecting a further reduction in variable compensation for the year 2024 as well as a stricter approach to new hires and replacements.

The Group employed 592 employees as of 31 December 2024 (31 December 2023: 600 employees). It had 583 full-time equivalents as of 31 December 2024 (31 December 2023: 591 FTEs).

For information on retirement benefit obligations, refer to Note 35.

Variable compensation plans for employees

Personnel expenses include the impact of variable compensation plans which are operated by the Group for its employees. A portion of each employee's variable compensation is deferred if the variable compensation is equal to or greater than CHF 50 thousand. Depending on the function of the employee and the individual variable compensation amount granted, the deferred proportion ranges from 20% to 80% of their total variable compensation.

Non-deferred variable compensation component is paid in cash and recognised as personnel expenses in the income statement during the service period. The deferred variable compensation component of less than CHF 40 thousand is fully paid in cash over a three-year period in three equal instalments (stage vesting). For deferred variable compensation of CHF 40 thousand or more, one half is generally paid in cash over a three-year period, in three equal instalments, and one half is paid in form of restricted share units (RSUs) over a vesting period of three years (stage vesting). The awards are subject to vesting conditions.

Deferred variable compensation expenses incurred in cash are recognised as personnel expenses in the income statement with one third of the expenses recognised each year on a straight-line basis. Deferred variable compensation expenses incurred in RSUs are recognised as personnel expenses in the income statement over the respective vesting period based on the grant value of the RSUs.

Restricted share unit plans

The Group operates restricted share unit (RSU) plans for eligible Leonteq employees who receive part of their deferred compensation in the form of RSUs. The RSUs are converted into Leonteq AG shares at the end of the vesting period, whereby one RSU is equivalent to one Leonteq AG share. RSUs carry no dividend entitlement or voting rights during the vesting period.

The number of RSUs granted is determined by the amount of deferred variable compensation awarded to the employee, as well as the fair value of Leonteq AG shares at the grant date. Allocations made under this plan are based on deferred compensation for services rendered in the financial year ending on 31 December prior to the grant date. Eligible employees earn the RSUs over the pre-defined vesting period (stage vesting), provided they fulfil the vesting conditions in March of each of the following years.

The Group also operates an employee long-term incentive plan (ELTIP). The plan comprises RSUs only, is fully deferred and is subject to cliff-vesting after a period of three and a half years. If employees leave the Group voluntarily before the granted awards are vested, the respective RSUs are forfeited. Expenses incurred in RSUs are recognised as personnel expenses in the income statement over the respective vesting period based on the grant value of the RSUs.

RSU plans align the deferred variable compensation of eligible employees with the long-term performance of the Group and are therefore aligned with the interests of shareholders.

Number of RSUs	Employees	Executive Committee	Total 2024
Unvested committed RSUs at the beginning of the year	516,938	5,184	522,122
Allotted RSUs in the year under review	148,374	19,464	167,838
Reclassification between categories	(3,727)	3,727	—
Forfeited RSUs in the year under review	(8,663)	(12,725)	(21,388)
Settlement of RSUs by Leonteq AG shares	(247,114)	(7,762)	(254,876)
Unvested committed RSUs at the balance sheet date	405,808	7,888	413,696

CHF

Average grant price of unvested committed RSUs (programmes 2021 to 2029)	47.06
--	-------

CHF thousand	Employees	Executive Committee	Total 2024
Personnel expenses to be recognised over the vesting period for RSUs	19,227	242	19,469
Market value of RSUs at the allocation date	19,227	242	19,469
Charged as personnel expenses in the year under review	8,805	232	9,037
Cumulative charges recognised as personnel expenses up to the balance sheet date	14,544	114	14,658
Estimated personnel expenses for the remaining vesting periods excluding future terminations	4,683	128	4,811

Number of RSUs	Employees	Executive Committee	Total 2023
Unvested committed RSUs at the beginning of the year	413,887	5,963	419,850
Allotted RSUs in the year under review	214,565	—	214,565
Forfeited RSUs in the year under review	(13,163)	—	(13,163)
Settlement of RSUs by Leonteq AG shares	(98,351)	(779)	(99,130)
Unvested committed RSUs at the balance sheet date	516,938	5,184	522,122

CHF

Average grant price of unvested committed RSUs (programmes 2021 to 2026)	55.28
--	-------

CHF thousand	Employees	Executive Committee	Total 2023
Personnel expenses to be recognised over the vesting period for RSUs	28,627	235	28,862
Market value of RSUs at the allocation date	28,627	235	28,862
Charged as personnel expenses in the year under review	13,025	72	13,097
Cumulative charges recognised as personnel expenses up to the balance sheet date	18,787	194	18,981
Estimated personnel expenses for the remaining vesting periods excluding future terminations	9,840	41	9,881

Variable compensation plans for members of the Executive Committee

The Group operates short- and long-term incentive plans for the members of the Executive Committee.

Variable compensation for the short-term incentive plan (STIP) is deferred at a rate of 50% and paid in cash. The non-deferred variable component of the STIP plan is recognised in the income statement during the service period. The deferred variable compensation component is fully paid in cash over a three-year period in three equal instalments (stage vesting). Deferred variable compensation expenses incurred in cash are recognised as personnel expenses in the income statement on a straight-line basis, with one third of the expense recognised each year.

Performance share units plans

Variable compensation for the long-term incentive plan (LTIP) for the members of the Executive Committee is granted in form of performance share units (PSUs). The number of PSUs is calculated as a multiple of the annual base salary for each member of the Executive Committee, with the volume-weighted average share price from the last quarter prior to the start of the three-year performance period serving as the grant reference price. The PSUs allocated vest after a period of three years (cliff vesting) and are converted into Leonteq AG shares. PSUs carry no dividend entitlement or voting rights during the vesting period. The number of shares that vest depends on the level of achievement of the performance target.

Two thirds of the performance target is measured against the Group's return on shareholder's equity (RoE) target, while one third is measured against the total shareholder return (TSR) of the Leonteq share compared with the performance of a basket of equity indices.

Compensation expense arising from the LTIP performance condition RoE is recognised over the service period based on the estimated number of shares expected to vest. The number of shares and the recognition of the related expense are adjusted over the three-year performance period to reflect the anticipated actual outcome. Compensation expense arising from the LTIP performance condition TSR is determined based on its fair value at grant date and recognised over the service period, even if vesting awards may change or be forfeited. Share-based compensation arising from the performance condition TSR is not re-measured unless the condition would be modified in such a way that the fair value after modification exceeds the fair value prior to modification.

	2024	2023
Maximum number of PSUs granted for the compensation year	106,101	97,290
Fair value of each PSU at the grant date (in CHF)	32.30	52.70
Anticipated expense recognition arising from PSUs granted over vesting period (in CHF thousand)	356	849
Estimated fair value of PSUs granted over vesting period (in CHF thousand)	28	229

As of 31 December 2024, estimated LTIP financial impacts amounted to CHF 0.4 million for the newly established plan in the year under review for the three-year performance period. The grant reference price of CHF 36.39 of each PSU granted reflects the volume-weighted average share price from the last quarter prior to the start of the three-year performance period (i.e. the fourth quarter of the year 2023).

The anticipated expense recognition arising from the LTIP performance condition RoE reflects the estimated number of shares expected to vest over the three-year performance period applying the fair value at grant date. For the LTIP performance condition TSR, the expense recognition is determined based on the fair value at grant date. The fair value for the performance criteria TSR has been determined using a Monte Carlo pricing model and was estimated to be 33.56%, corresponding to CHF 356 thousand at the measurement date. Leonteq chose to value the market condition TSR internally given its valuation capabilities. Share-based compensation arising from the performance condition TSR is not re-measured.

The basis for the estimated fair value of the PSUs granted are the anticipated achievement rates as of year-end 2024 for the RoE and the TSR performance conditions as well as the fair value of the underlying Leonteq AG shares at the end of the financial year (CHF 19.74 for 2024). For further information on the variable compensation of the Executive Committee including LTIP, refer to the compensation report (pages 88 to 113).

14 Other operating expenses

CHF thousand	2024	2023
Occupancy costs	2,303	2,117
Information and communication technology	27,908	31,444
Office equipment expenses	71	272
Audit fees	2,015	1,588
of which for financial and regulatory audit by external auditor	1,099	1,051
of which for other services by external auditors	79	27
Other administrative expenses	27,407	25,467
of which for professional services other than audits	11,741	9,114
Total other operating expenses	59,704	60,888

Other operating expenses decreased slightly to CHF 59.7 million in 2024 from CHF 61.1 million in 2023. This was mainly driven by lower expenses for information and communication technology, partially offset by higher expenses for professional services primarily related to the new regulatory regime.

15 Income Taxes

Income taxes comprise current and deferred income taxes. The Group is subject to income taxes in numerous jurisdictions.

Current income taxes are calculated based on the applicable tax laws in the relevant jurisdictions and recognised as an expense in the period in which the related profits are generated. The current tax assets and current tax liabilities reported as of the balance sheet date, as well as the resulting current tax expense for the year under review, are based partly on estimates and assumptions and may therefore differ from the amounts determined by the tax authorities in the future. In certain cases where complex tax questions arise, external tax specialists are consulted, or a preliminary clarification is obtained from the tax authorities.

Deferred income taxes are considered for the expected future tax consequences of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax values.

Deferred tax assets arising from temporary differences and from loss carry-forwards eligible for offsetting are capitalised if it is likely that enough taxable profits will be available against which those temporary differences or loss carry-forwards can be offset in the future. The level of recognised deferred tax assets is essentially based on budget figures and mid-term planning. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are calculated at the tax rates expected to apply in the period in which the tax assets will be realised or the tax liabilities settled.

Current and deferred taxes are credited or charged to other comprehensive income if the taxes refer to items that are credited or charged to other comprehensive income. Otherwise, taxes are recognised in the income statement.

Income taxes

CHF thousand	2024	2023
Income tax expenses		
Switzerland	—	(1,050)
Foreign	2,114	(1,435)
Current income tax expenses	2,114	(2,485)
Switzerland	(64)	198
Foreign	22	51
Deferred income tax (benefit)/expenses	(42)	249
Total income tax expenses	2,071	(2,237)
Profit before tax	7,907	18,362
Income tax expenses calculated at the statutory group tax rate	1,550	3,608
Explanations for higher/(lower) tax expenses		
Tax rate differential	(12,016)	(8,688)
Impact due to IFRS 16 lease accounting	34	11
Intercompany interest adjustments	—	—
Addition/(utilisation) of unrecognised tax loss carry-forwards	11,117	1,932
Adjustments related to prior years	29	(4,001)
Impact of uncertain tax position	—	—
Revaluation pension fund	(110)	184
Impact from FX translation on equity	—	2,192
Non-deductible expenses	1,427	2,409
Other impacts	39	116
Total income tax expenses	2,071	(2,237)

The above table is based on an income tax rate of 19.61% (2023: 19.65%), which corresponds to the statutory tax rate in Zurich, Switzerland, where the Group is headquartered. The difference between the calculated statutory income tax expense and the actual corporate tax expense is mainly attributable to the Group's foreign operations, which are taxed at varying rates.

Both Swiss entities, the ultimate Swiss parent company of the Group, Leonteq AG, and the Swiss operating entity, Leonteq Securities AG, apply the tax participation relief for Swiss income taxes at Federal as well as Cantonal/Communal level leading to the following reduction in the Swiss income tax base:

CHF thousand	2024	2023
Income tax expenses		
Leonteq AG	4,456	12,544
Leonteq Securities AG	—	—

The Group applied the participation relief for Swiss income tax purposes in 2023, as well as in prior year, line with the applicable Swiss legislation. The Group's position remains unchanged regarding the tax assessments of Leonteq Securities AG issued by the Zurich Cantonal Tax Office for the fiscal years 2013 to 2015, for which the tax authority applied a different method of calculating the income tax participation relief. Upon an appeal of Leonteq Securities AG, the Zurich Cantonal Tax Appeal Court (1st instance) decided widely in favour of Leonteq Securities AG in March 2023. The Zurich Cantonal Tax Office appealed against the ruling of the Zurich Cantonal Tax Appeal Court to the Zurich Cantonal Administrative Court (2nd instance). The latter generally confirmed the Zurich Cantonal Tax Appeal Court's decision in February 2024 while it however concluded that (further) financial expenses attributable to the option component of capital-protected structured products are to be considered for the calculation of the participation relief. The Cantonal Administrative Court therefore sent the case back to the Zurich Cantonal Tax Office to further assess the relevant financial expenses. In April 2024, Leonteq Securities AG filed an appeal against the Zurich Cantonal Administrative Court's ruling to the Swiss Federal Supreme Court that however decided to not enter into the legal case. The Swiss Federal Supreme Court thereby confirmed that the inclusion of additional financing expenses does not constitute a final decision. The assessment of relevant financial expenses by the Zurich Cantonal Tax Office is pending at the time of this report being published.

Until its expiry at the end of the fiscal year 2018, the Group applied a tax ruling regarding its international allocation of net issuance proceeds agreed with the Zurich Cantonal Tax Office. Since 2019, the Group has applied a transfer pricing method defined by an external tax advisor and based on an OECD recognised standard to account for the international allocation of net issuance proceeds.

The Group performs an in-depth risk analysis of uncertainties in the application and acceptance of transfer pricing methods, developments in international transfer pricing rules, changes of respective practices by tax authorities and resulting litigation exposure on a semi-annual basis. The update of the calculation of uncertain tax positions as of 31 December 2024 did not lead to any financial impact in the reporting period.

Deferred taxes

CHF thousand	Assets 31.12.2024	Assets 31.12.2023	Liabilities 31.12.2024	Liabilities 31.12.2023
Composition of deferred taxes				
Pension liability	1,473	1,906	—	—
Tangible assets	124	386	—	—
Tax loss carry-forwards	34	52	—	—
Other	295	72	—	544
Total deferred taxes	1,925	2,415	—	544

CHF thousand	Assets 2024	Assets 2023	Liabilities 2024	Liabilities 2023
Changes in deferred taxes				
Balance at the beginning of the year	2,415	1,798	544	390
Changes affecting the income statement	42	(247)	—	—
Changes affecting the statement of other comprehensive income	(533)	864	(544)	154
Translation adjustments	—	—	—	—
Balance at the end of the year	1,925	2,415	—	544

16 Tax effects relating to components of other comprehensive income

	2024		
CHF thousand	Amount before tax	Tax yield / (Tax expense)	Amount net of tax
Other comprehensive income/(loss) that will not be reclassified to the income statement			
Remeasurement of defined benefit plan	2,719	(533)	2,186
Changes in own credit spread	2,412	45	2,457
Other comprehensive income/(loss) that may be reclassified to the income statement			
Net unrealised gains/(losses) on debt instruments measured at fair value through other comprehensive income	5,789	498	6,288
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	(588)	—	(588)
Currency translation adjustments	26,228	—	26,228
Total Other comprehensive income	36,560	12	36,572

	2023		
CHF thousand	Amount before tax	Tax yield / (Tax expense)	Amount net of tax
Other comprehensive income/(loss) that will not be reclassified to the income statement			
Remeasurement of defined benefit plan	(4,386)	862	(3,524)
Changes in own credit spread	156	(45)	111
Other comprehensive income/(loss) that may be reclassified to the income statement			
Net unrealised gains/(losses) on debt instruments measured at fair value through other comprehensive income	18,259	(110)	18,149
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	(1,605)	—	(1,605)
Currency translation adjustments	(33,469)	—	(33,469)
Total Other comprehensive income	(21,046)	707	(20,339)

17 Earnings per share

	2024	2023
Group net profit (CHF thousand)	5,836	20,599
Weighted average number of shares issued	18,494,242	18,934,097
Less weighted average number of treasury shares	920,662	1,006,290
Weighted average number of shares outstanding - undiluted	17,573,580	17,927,807
Effect of dilution of share-based payments (weighted number of shares)	644,415	674,011
Weighted average number of shares outstanding - diluted	18,217,995	18,601,818
Basic earnings per share CHF	0.33	1.15
Diluted earnings per share CHF	0.32	1.11

The dilution effect (number of shares) includes the effects of employee share-based benefit plans as explained in Note 13.

18 Fair values of financial instruments and trading inventories

The fair value of financial instruments and trading inventories contained in the Group's statement of financial position based on the valuation methods explained below is the same as the book value. There is no difference between fair value and book value.

Initial recognition

Purchases and disposals of financial assets are recognised in the balance sheet at the trade date. At the time of initial recognition, all financial instruments are measured at fair value and assigned to one of the following categories in accordance with IFRS 9 criteria: "Fair value through profit or loss (FVTPL)", "Fair value through other comprehensive income (FVOCI)" or "Amortised cost". In the case of financial instruments in the categories "Fair value through other comprehensive income" and "Amortised cost", this original fair value is adjusted to reflect the directly attributable transaction costs.

Measurement methodologies

Derivative financial instruments, traded financial assets and liabilities, other financial assets designated at fair value and other financial liabilities designated at fair value are recognised at fair value in the statement of financial position. Transaction costs that are directly attributable to the acquisition or issuance are recognised in "result from trading activities and the fair value option" at the date of the transaction. Trading inventories comprises crypto assets held as an economic hedge for issued structured products and are measured under the commodity broker exemption at fair value less costs to sell (see also Note 25). Changes in the fair values, gains and losses on the sale and redemption of these instruments, interest and dividend income are recognised in the income statement as "result from trading activities and the fair value option".

Financial investments measured at fair value through other comprehensive income are recognised at fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset, in the statement of financial positions and changes in fair values attributable to changes in the issuer credit risk or the benchmark interest rate are initially recognised in the statement of other comprehensive income (OCI). Either due to the application of hedge accounting or upon disposal of the respective investment, amounts initially recognised in OCI are reallocated to the income statement as "result from trading activities and the fair value option".

The transaction price represents the best indication of the fair value of financial instruments unless the fair value of the instrument can be better determined by comparing it with other observable current market transactions involving the same instrument (level 1 instrument) or it is based on a valuation method that uses only observable market data (level 2 instrument). In this case, any difference between fair value and the transaction price is recognised as day-1 profit or loss in the line item "result from trading activities and the fair value option". For level 3 instruments, day-1 result is deferred over the duration of the product.

Fair value is determined using quoted prices in active markets when these are available. In other cases, fair value is determined using a valuation model. Valuation models use inputs and rates derived from observable market data, such as interest rates and foreign exchange rates, when available. Valuation models are primarily used for the valuation of issued structured products and derivatives.

The output of a model is typically an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques employed may not fully reflect all factors relevant to the positions held. Significant risks arise when models are used to value financial instruments and calculate hedging ratios. The consequence of an inadequate model could be an incorrect valuation, leading to an incorrect risk assessment and an incorrect hedging position, both of which could have a financial impact.

All models are validated before they are used as a basis for financial reporting, and they are periodically reviewed thereafter by qualified specialists who operate independently from model developers and users. Whenever possible, the valuations derived from models are compared with the prices of similar financial instruments and with actual values once realised in order to further validate and calibrate the models. Valuation models are generally applied consistently across products from one period to the next, ensuring the comparability and continuity of valuations over time.

There were no significant changes in the valuation models used for the year ended 31 December 2024.

Fair value hierarchy

All financial instruments and trading inventories carried at fair value are assigned to one of three fair value hierarchy levels at year-end, depending on how fair value has been determined.

Transfers between levels resulting from changes due to the availability of market prices or market liquidity are made when a change of market liquidity occurs.

Level 1 instruments

The fair value of level 1 instruments is based on unadjusted quoted prices in active markets. Equity securities, interest rate or debt securities issued by governments, public sector entities or companies, quoted investment funds, precious metals, trading inventories, commodities and positive or negative replacement values of exchange traded derivatives are allocated to this category. The quoted market price used for the Group's equity securities, debt securities, quoted funds and exchange traded derivative instruments is the exit price. Generally accepted market prices are used for foreign currencies, precious metals, trading inventories and commodities. Mid-market prices are used for the valuation of debt securities, which are categorised as financial assets designated at fair value through profit or loss if the market price risks of these positions are offset fully or to a significant extent by issued structured products or other trading positions.

Level 2 instruments

The fair value of level 2 instruments is based on quoted prices in markets that are not active or on a valuation method using significant input parameters that are directly or indirectly observable. Level 2 instruments comprise positive or negative replacement values of derivative instruments, issued structured products, debt securities with reduced market liquidity and investment funds that are not quoted. The Group uses valuation methods to determine the fair value of positive and negative replacement value of derivative instruments and issued structured products if there is no active market pursuant to the definition in IFRS 13 or if market liquidity varies significantly over time. For the valuation of derivative instruments, including the option components and interest rate components of structured products, generally recognised option pricing models and generally recognised valuation methods – e.g. discounted cash flow models – are used. If quoted prices for instruments are available but low trading volumes indicate that there is no active market or quoted prices are not available, then the fair values of equity securities, debt securities, other securities and trading inventories are based on pricing information from counterparties, brokers or other pricing services. In the case of investment funds, published net asset values are used. The input parameters for the valuation models are contract-specific and include the market price of the underlying asset, foreign exchange rates, yield curves, default risk, dividend estimates, volatilities and correlations. Derivative instruments are traded on a collateralised basis. The Group's own credit risk, as well as third-party credit risk in the case of assets, is not included in the valuation of collateralised derivative instruments.

Level 3 instruments

The fair value of level 3 instruments is based on a valuation method that uses at least one significant input parameter that cannot be observed directly or indirectly in the market. The Group's level 3 instruments comprise unlisted equity instruments presented in financial investments measured at fair value through other comprehensive income and positive or negative replacement values for long-term derivative financial instruments.

The fair value of the unlisted equity instrument is based on an independent valuation assessment using a multiple approach, taking account of any further valuation-relevant factors.

For the determination of the fair value of derivative financial instruments, the Group uses generally recognised pricing valuation models. The input parameters for the valuation models are contract-specific and include the market prices of the underlying asset, yield curves, volatilities and possibly other parameters. Derivative financial instruments are traded predominantly on a collateralised basis and the Group's own credit risk, as well as third-party credit risk in the case of assets, is not included in the valuation of collateralised derivative instruments. Whenever possible, the Group uses input parameters observable in the market to determine the fair value of financial instruments. However, due to the long-term nature of some instruments, significant input parameters are not always observable for those long-dated products and they are therefore classified as level 3 instruments. The Group estimates these unobservable input parameters using market information as well as historical data. The estimated input parameters are reviewed during monthly independent price verification processes and are further reviewed by an independent risk control function.

Valuation adjustments

The fair values of level 2 and level 3 instruments are based on valuation methods and therefore a level of uncertainty is inherent in those values. The valuation methods used do not always reflect all relevant factors when determining fair values. The Group considers additional factors in the case of issued structured products as well as derivative instruments to ensure that the valuations are appropriate. The factors include uncertainties in relation to models used, to parameters used, to liquidity risks and, in the case of structured products, to the risk of early redemption. The adjustments reflect the uncertainty in model assumptions and input parameters in relation to the valuation method used. The adjustments relating to the liquidity risk take into account the expected cost of hedging open net risk positions. The Group believes that it is necessary and appropriate to take these factors into account to determine the fair value of these instruments correctly.

Clearly defined processes, methods and independent controls are applied to ensure that an appropriate valuation is assigned to financial instruments. The controls comprise the analysis and approval of new instruments, the approval and regular assessment of the valuation models used, the daily analysis of profit and loss, and regular independent price verification, including the review of the input parameters used. The controls are performed by risk control specialists who possess the relevant knowledge and operate independently from trading and treasury functions

Own credit risk

Under IFRS 9, changes in fair value related to own credit risk for other financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income. The changes in own credit risk recognised in other comprehensive income are subsequently transferred within equity to retained earnings when the associated liability is deemed to be derecognised.

Leonteq regularly determines its own credit spread based on a model using observable market inputs such as market capitalisation, debt and product type-specific adjustments. Management compares the determined credit spread with observable and paid credit spreads for publicly distributed products of Leonteq to ensure that all available market information is reflected in the determined credit spread. In 2024, the own credit spread was adjusted for callable products denominated in US dollars, euros and Swiss francs, with an impact of CHF 2.4 million on OCI (2023: CHF 111 thousand).

Day 1 result

According to IFRS 13, the transaction price represents the best indication of the fair value of a financial instrument unless the fair value of the instrument can be better determined by comparing it with another observable current market transaction involving the same instrument (level 1 instrument) or it is based on a valuation method that uses only observable market data (level 2 instrument). If this is the case, the difference between the transaction price and the fair value is recognised as day-1 profit or loss in the line item “result from trading activities and the fair value option”.

For level 3 instruments, day-1 result is deferred over the duration of the product. During the current and previous reporting period, the Group had no positions with deferred day-1 result.

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2024
Financial assets				
Trading financial assets				
Debt securities (listed)	385,494	104,074	—	489,568
Equity securities	1,616,618	1,370	—	1,617,988
Funds	1,467,923	9,936	—	1,477,859
Other securities	—	68,425	—	68,425
of which hybrid financial instruments	—	68,425	—	68,425
Total trading financial assets	3,470,035	183,805	—	3,653,840
Positive replacement values of derivative instruments	1,728,742	1,036,722	—	2,765,464
Other financial assets designated at fair value through profit or loss	—	148,368	—	148,368
Financial investments measured at fair value through other comprehensive income	2,458,903	14,180	1,075	2,474,158
Total financial assets	7,657,680	1,383,075	1,075	9,041,830
Trading inventories	407,411	—	—	407,411
Total trading inventories	407,411	—	—	407,411

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2024
Financial liabilities				
Trading financial liabilities				
Debt securities (listed)	3,889	130	—	4,019
Equity securities	132,963	—	—	132,963
Funds	185	—	—	185
Other securities	—	—	—	—
of which hybrid financial instruments	—	—	—	—
Total trading financial liabilities	137,037	130	—	137,167
Negative replacement values of derivative instruments	1,466,954	945,429	8,947	2,421,330
Other financial liabilities designated at fair value through profit or loss				
Interest rate instruments	—	583,115	—	583,115
Equities	—	4,029,092	—	4,029,092
Foreign currency	—	6,326	—	6,326
Commodities (including precious metals and crypto assets)	—	567,094	—	567,094
Total other financial liabilities designated at fair value through profit or loss	—	5,185,627	—	5,185,627
Total financial liabilities	1,603,991	6,131,186	8,947	7,744,124

In 2024, there were no significant reclassifications of positions between level 1 and level 2 and vice versa.

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2023
Financial assets				
Trading financial assets				
Debt securities (listed)	194,865	41,799	—	236,664
Equity securities	1,494,403	980	—	1,495,383
Funds	783,521	696	—	784,217
Other securities	—	209,697	—	209,697
of which hybrid financial instruments	—	209,697	—	209,697
Total trading financial assets	2,472,789	253,172	—	2,725,961
Positive replacement values of derivative instruments	1,334,018	1,064,639	—	2,398,657
Other financial assets designated at fair value through profit or loss	—	180,821	—	180,821
Financial investments measured at fair value through other comprehensive income	2,583,698	24,588	900	2,609,187
Total financial assets	6,390,505	1,523,221	900	7,914,626
Trading inventories	287,072	—	—	287,072
Total trading inventories	287,072	—	—	287,072

CHF thousand	Level 1	Level 2	Level 3	Total 31.12.2023
Financial liabilities				
Trading financial liabilities				
Debt securities (listed)	—	—	—	—
Equity securities	53,141	—	—	53,141
Funds	878	—	—	878
Other securities	—	—	—	—
of which hybrid financial instruments	—	—	—	—
Total trading financial liabilities	54,019	—	—	54,019
Negative replacement values of derivative instruments	1,150,213	841,391	7,991	1,999,595
Other financial liabilities designated at fair value through profit or loss				
Interest rate instruments	—	432,020	—	432,020
Equities	—	3,843,704	—	3,843,704
Foreign currency	—	6,402	—	6,402
Commodities (including precious metals and crypto assets)	—	384,838	—	384,838
Total other financial liabilities designated at fair value through profit or loss ¹	—	4,666,964	—	4,666,964
Total financial liabilities	1,204,232	5,508,355	7,991	6,720,578

In 2023, there were no significant reclassifications of positions between level 1 and level 2 and vice versa.

Level 3 financial instruments

CHF thousand

	Financial investments measured at fair value through other comprehensive income	2024 Total Financial Assets	Negative replacement values of derivative instruments	2024 Total Financial Liabilities
Statement of financial position				
Balance at the beginning of the year	900	900	7,991	7,991
Additions	175	175	532	532
Disposals	—	—	(997)	(997)
Result recognised in the income statement	—	—	3,222	3,222
Result recognised in the statement of other comprehensive income	—	—	—	—
Reclassifications to level 3	—	—	—	—
Reclassifications from level 3	—	—	(1,801)	(1,801)
Translation differences	—	—	—	—
Total at balance sheet date	1,075	1,075	8,947	8,947
Income in the period on holdings at balance sheet date				
Unrealised income/(loss) recognised in trading income	—	—	(4,219)	(4,219)
Unrealised income/(loss) recognised in other income	—	—	—	—
Unrealised income/(loss) recognised in other comprehensive income	—	—	—	—

CHF thousand

	Financial investments measured at fair value through other comprehensive income	2023 Total Financial Assets	Negative replacement values of derivative instruments	2023 Total Financial Liabilities
Statement of financial position				
Balance at the beginning of the year	—	—	4,041	4,041
Additions	900	900	2,147	2,147
Disposals	—	—	(355)	(355)
Result recognised in the income statement	—	—	3,368	3,368
Result recognised in the statement of other comprehensive income	—	—	—	—
Reclassifications to level 3	—	—	—	—
Reclassifications from level 3	—	—	(1,209)	(1,209)
Translation differences	—	—	—	—
Total at balance sheet date	900	900	7,991	7,991
Income in the period on holdings at balance sheet date				
Unrealised income/(loss) recognised in trading income	—	—	(3,723)	(3,723)
Unrealised income/(loss) recognised in other income	—	—	—	—
Unrealised income/(loss) recognised in other comprehensive income	—	—	—	—

Financial instruments are reclassified into or out of levels 2 or 3 based on changes in the observability of the significant input parameter “volatility of interest rates” for the valuation of financial instruments.

Based on the change in the observability of significant input parameters, CHF 1.8 million of level 3 financial instruments were reclassified to level 2 (2023: CHF 1.2 million). No level 2 financial instruments were reclassified to level 3 in 2024 and 2023, respectively.

The result recognised in the income statement relates to trading (gains)/ losses in connection with the decrease in long-term interest rates in 2024.

No day-1 gains or losses were recognised as a result of transactions involving level 3 instruments during the year. In 2024, an unrealised loss of CHF 4.2 million (2023: loss of CHF 3.7 million) for fair value movements was recognised in the line item “result from trading activities and the fair value option”. The closing balance of level 3 financial liabilities as of 31 December 2024 totalled CHF 8.9 million (31 December 2023: CHF 8.0 million).

Valuation techniques and inputs used in the fair value measurement of level 3 liabilities

The following table shows significant level 3 liabilities together with the valuation techniques used to measure their fair value, significant inputs used in the valuation method that are considered unobservable, and a range of values for unobservable inputs. The range of values represents the highest and lowest level input used in the valuation techniques. Consequently, the range does not reflect the level of uncertainty regarding a particular input but rather the different underlying characteristics of the relevant liabilities. The ranges will therefore vary from period to period and parameter to parameter based on the characteristics of the instruments held at each balance sheet date. Further, the ranges of unobservable inputs may differ across other financial institutions due to the diversity of the products in each firm’s inventory.

Significant unobservable inputs in level 3 liabilities

This section discusses the significant unobservable inputs used in the valuation of level 3 instruments and assesses the potential effect that a change in each unobservable input in isolation may have on fair value measurement. It also provides information to facilitate an understanding of factors that give rise to the input ranges shown.

CHF thousand

	31.12.2024	31.12.2023
Negative replacement values of derivative financial instruments	8,947	7,991

¹ A generic replication model is used to price interest rate derivatives.

Volatility measures the variability of interest rates and is generally expressed as an absolute number in basis points (bps). The minimum level of volatility is 0 bps and there is no theoretical maximum. Volatility is a key input in option models, where it is used to derive a probability-based distribution of forward rates. The effect of volatility on individual positions within the portfolio is determined primarily on the basis of whether the option contract is a long or short position. In most cases, the fair value of an option increases as a result of a rise in volatility and is reduced following a decrease in volatility. In general, volatility used in the measurement of fair value is derived from active market option prices (referred to as implied volatility). A key feature of implied volatility is the volatility “smile” or “skew”, which represents the effect of pricing options of different option strikes at different implied volatility levels.

		Range of unobservable inputs				
		31.12.2024		31.12.2023		
Valuation method	Significant unobservable input	low	high	low	high	Unit
Generic Replication Model ¹	Volatility of interest rates	45	69	65	79	basis points

Sensitivity of fair values of Level 3 derivatives

The Group's management believes, based on the valuation approach used for the calculation of fair values and the related controls, that the level 3 fair values are appropriate.

The following table shows the impact of reasonably possible alternative assumptions to the unobservable input parameters used. These results show no significant impact on the Group's net profit, comprehensive income or shareholders' equity.

CHF thousand	31.12.2024	31.12.2023
Impact of shifts in unobservable input parameters on fair values		
Increase of volatility of interest rates (+5 bps)	48	44
Decrease of volatility of interest rates (-5 bps)	(48)	(44)

Sensitivity of fair values of Level 3 equity instrument

A change in the multiples used for the valuation of the unlisted equity instrument leads to a proportional change in fair value. A reasonably realistic change in input parameters has no significant impact on the Group's consolidated financial statements.

Financial assets and liabilities at amortised cost

The following table shows the carrying amount of financial assets and liabilities measured at amortised cost. All these positions have short-term maturities (i.e. less than three months) and the carrying amount is a reasonable approximation of fair value.

CHF thousand	31.12.2024	31.12.2023
Financial assets at amortised cost		
Cash and balances at central banks	136,867	142,697
Amounts due from banks	514,950	462,923
Amounts due from securities financing transactions	43,307	20,667
Amounts due from customers	390,673	291,654
Other financial assets ¹	23,923	20,406
Total financial assets at amortised cost	1,109,720	938,347
Financial liabilities at amortised cost		
Amounts due to banks	320,861	252,242
Liabilities from securities financing transactions	1,136,406	805,197
Amounts due to customers	475,608	483,992
Other financial liabilities ²	45,055	63,298
Total financial liabilities at amortised cost	1,977,930	1,604,729

¹ Other financial assets mainly comprise withholding tax receivables.

² Other financial liabilities mainly includes lease liabilities.

19 Hedge accounting

In accordance with the risk management framework, the Group hedges its exposure to the benchmark (market) interest rate risk related to its investment activities. Benchmark interest levels may have a positive impact (declining interest rates) or a negative impact (increasing interest rates) on the market price of bonds. Payer interest rate swaps or other derivative financial instruments are used to offset the interest rate risk arising from the investment portfolio. For bonds measured at fair value through profit or loss, the changes in fair value of the hedging instruments as well as the hedged item are recognised in the income statement. For bonds measured at fair value through other comprehensive income (FVOCI), changes in fair value of the respective bonds are first recognised in the statement of other comprehensive income and only recycled to the income statement if bonds are disposed of, whereas the changes in fair value of the hedging instruments are recognised directly in the income statement. To avoid this accounting mismatch, fair value hedge accounting is used. To apply hedge accounting, various criteria set out in IFRS 9 must be met:

- The hedging relationship must consist only of eligible hedging instruments and eligible hedged items.
- At inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship, risk management objective and strategy for undertaking the hedge.
- Hedges must be expected to be effective, so that there is an economic relationship between the hedged item and the hedging instrument, the effect of credit risk does not dominate the value changes that result from the economic relationship, and the hedging ratio is adequately weighted.

If the criteria for fair value hedge accounting are met, the Group reports the change in fair value on the financial investments measured at FVOCI attributable to the benchmark interest rate risk (hedged item) as the “result from trading activities and the fair value option” in the income statement instead of in the statement of other comprehensive income. The ineffectiveness of the fair value hedge is also recognised in the income statement in the line item “result from trading activities and the fair value option”. Elements other than the benchmark interest rate risk are not part of the hedge. The portfolios are managed dynamically, and the hedging relationship is designated on a daily basis. Hedge effectiveness is tested prospectively by applying different scenarios on a daily basis. Similarly, retrospective hedge effectiveness is measured on a daily basis by comparing the change in fair value of hedging instruments and the change in

fair value of bonds that is attributable to the benchmark interest rate risk. Ineffectiveness is mainly expected to arise due to the different maturities of the bonds that fall within the scope of the hedging relationship and the hedging instruments, as well as differences in overall sensitivities to movements in benchmark interest rate curves. Credit risk is limited by entering into derivatives transactions (related to hedging instruments) only with central clearing counterparties or on a collateralised basis. In the event of an early termination of the hedge, the cumulative adjustment of the carrying amount of the bonds that fall within the scope of the respective hedging relationship is recognised as “result from trading activities and the fair value option” in the income statement over their remaining term.

For further information on risk management activities, refer to the separate Risk section.

The following table provides an overview of the effect of fair value hedge accounting on financial investments measured at FVOCI:

CHF thousand	31.12.2024	31.12.2023
Hedging instruments		
Positive replacement values of hedging instruments	86,955	126,532
Notional amount of derivative financial instruments used as hedging instruments	2,308,973	2,572,604
Negative replacement value of hedging instruments	29,756	36,850
Notional amount of derivative financial instruments used as hedging instruments	1,196,827	1,281,716

CHF thousand	31.12.2024	31.12.2023
Hedged item		
Carrying amount of financial investments measured at FVOCI	2,463,077	2,439,032
of which accumulated amount of fair value hedge gain/(loss) included in the carrying amount	(106,261)	(143,939)

CHF thousand	2024	2023
Hedge effectiveness		
Change in the fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness	22,353	90,296
Change in the fair value of the hedged item used as the basis for recognising hedge ineffectiveness	(22,682)	(89,081)
Amount of hedge ineffectiveness recognised in the income statement	(329)	1,215

The accumulated amount of fair value hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses is zero as of 31 December 2024 (31 December 2023: zero). The carrying amount of the hedging instruments is presented as the positive and/or negative replacement values of derivative financial instruments. All hedged items are included in the line item "financial investments measured at fair value through other comprehensive income".

20 Cash and balances at central banks

Cash and balances at central banks consist of sight deposit accounts held at the Swiss National Bank and are recognised at their nominal value.

21 Amounts due from/to banks

Amounts due from banks include receivables from banks on demand, term deposits and settlement receivables. Amounts due from banks are recognised initially at fair value and subsequently at amortised cost, less expected credit loss.

Amounts due to banks include bank overdrafts and settlement payables to banks and parties regulated by a banking supervisory authority. Amounts due to banks are recognised initially at fair value and subsequently at amortised cost.

CHF thousand	31.12.2024	31.12.2023
Amounts due from banks		
Due from banks on demand (cash and cash equivalents)	181,106	237,247
Due from banks on demand (precious metals)	2,282	415
Security deposit with banks	6,643	6,631
Cash collateral paid to banks or regulated financial institutions	287,652	147,874
Settlement receivables from banks or regulated financial institutions	34,583	66,776
Settlement receivables with platform partners – banks or regulated financial institutions	2,684	3,980
Total amounts due from banks	514,950	462,923
Amounts due to banks		
Cash overdrafts (cash and cash equivalents)	60,518	4,176
Cash collateral received from banks or regulated financial institutions	240,134	218,181
Settlement liabilities with banks or regulated financial institutions	17,328	27,285
Settlement liabilities with platform partners – banks or regulated financial institutions	2,881	2,600
Total amounts due to banks	320,861	252,242

Amounts with related parties are disclosed in Note 40.

22 Amounts due from/to customers

Amounts due from customers include receivables (including settlement receivables and other receivables, as well as cash collateral paid) from counterparties other than banks. Amounts due from customers are recognised initially at fair value and subsequently at amortised cost, less expected credit loss.

Amounts due to customers include payables (including settlement payables and other payables, as well as cash collateral received) to counterparties other than banks. Amounts due to customers are recognised initially at fair value and subsequently at amortised cost.

CHF thousand	31.12.2024	31.12.2023
Amounts due from customers		
Amounts due from financial market infrastructure entities (cash and cash equivalents)	77,748	13,365
Cash collateral paid to non-banks	1,062	1,138
Settlement receivables with financial market infrastructure entities	240,224	219,126
Settlement receivables with platform partners – non-banks	62,410	7,847
Other amounts due from platform partners – non-banks	5,079	4,208
Settlement and other receivables due from customers	4,150	45,970
Total amounts due from customers	390,673	291,654
Amounts due to customers		
Amounts due to financial market infrastructure entities (cash and cash equivalents)	3,808	23
Cash collateral received from non-banks	210,323	193,332
Settlement payables to financial market infrastructure entities	256,145	255,531
Settlement and other payables to platform partners – non-banks	1,575	28,329
Settlement and other payables to customers	3,757	6,777
Total amounts due to customers	475,608	483,992

Amounts with related parties are disclosed in Note 40.

23 Securities financing transactions (assets and liabilities)

The Group generally enters into securities lending and securities borrowing transactions on a collateralised basis. In the case of such transactions, the Group typically lends or borrows securities in exchange for securities or cash collateral. Additionally, the Group's lending and borrowing activities are performed in exchange for a fee.

The majority of securities lending and borrowing agreements involve shares, funds or bonds. The transactions are conducted on the basis of standard agreements employed by financial market participants and are undertaken with counterparties subject to the Group's normal credit risk control processes. The Group monitors the market value of the securities received or delivered on a daily basis and requests or provides additional collateral or returns, or recalls surplus collateral in accordance with the underlying agreements. Securities that have been transferred, be it in the context of a lending/borrowing transaction or as collateral, are not recognised or derecognised in the statement of financial position unless the risks and rewards of ownership are also transferred. In such transactions where the Group transfers owned securities without transferring the risks and rewards of ownership and where the borrower is granted the right to sell or repledge them, the securities are presented as "trading financial assets" or "other financial assets designated at fair value through profit or loss", in the sub-line item "of which pledged as collateral". Cash collateral received is recognised with a corresponding obligation to return it which is disclosed in the line item "liabilities from securities financing transactions". Cash collateral delivered is derecognised with a corresponding receivable, reflecting the right to receive it back. The cash collateral delivered is disclosed in the line item "amounts due from securities refinancing transactions". Additionally, the sale of securities received in a lending or borrowing transaction triggers the recognition of a trading financial liability (short sale).

Consideration exchanged in such transactions (i.e. interest received or paid) is accrued in the period in which it incurred.

Repurchase and reverse repurchase agreements

Securities purchased under agreements to resell, reverse repurchase agreements, and securities sold under agreements to repurchase, as well as repurchase agreements, are all treated as collateralised financing transactions. Nearly all repurchase and reverse repurchase agreements involve debt securities (i.e. bonds, notes or money market papers) and equity securities. The transactions are normally conducted under standard agreements employed by financial market participants and are undertaken with counterparties subject to the Group's normal credit risk control processes. The Group monitors the market value of the securities received or delivered on a daily basis and requests or provides additional collateral or returns, or recalls surplus collateral in accordance with the underlying agreements.

The transfer of securities in the case of repurchase and reverse repurchase agreements is not recognised or derecognised in the statement of financial position unless the risks and rewards of ownership are also transferred. In reverse repurchase agreements, cash collateral provided is derecognised with a corresponding receivable being recognised, reflecting the right to receive it back. The cash collateral provided is disclosed in the line item "amounts due from securities financing transactions". In repurchase agreements, the cash collateral received is recognised with a corresponding obligation to return it. The cash collateral received is presented in the line item "liabilities from securities financing transactions".

In repurchase agreements where the Group transfers owned securities and where the recipient is granted the right to resell or repledge them, the securities are presented in the statement of financial position in the line items "trading financial assets" or "other financial assets designated at fair value through profit or loss", in the sub-line item "of which pledged as collateral". Securities received in a reverse repurchase agreement are disclosed as off-balance sheet items if the Group has the right to resell or repledge them, with securities that the Group has resold or repledged being disclosed if applicable. Additionally, the sale of securities received in reverse repurchase transactions triggers the recognition of a trading financial liability (short sale).

Interest income from reverse repurchase agreements and interest expenses from repurchase agreements are accrued in the period in which they are incurred.

2024

CHF thousand	Book value of assets as reported on balance sheet	Cash collateral received	Securities lent or used for collateralisation ¹	Total Net amount
Amounts due from securities financing transactions	43,307	—	—	43,307
Trading financial assets	3,653,840	1,136,406	(2,163,623)	2,626,623
Other financial assets designated at fair value through profit or loss	148,368	—	—	148,368
Total as of 31 December 2024	3,845,515	1,136,406	(2,163,623)	2,818,298
with unrestricted right to resell or repledge	—	—	(544,793)	(544,793)

CHF thousand	Book value of liabilities as reported on balance sheet	Cash collateral paid	Securities borrowed or received for collateralisation	Total Net amount
Amounts due in respect of securities financing transactions	1,136,406	—	—	1,136,406
Trading financial liabilities	137,167	43,307	(96,447)	84,027
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	—	5,185,627
Total as of 31 December 2024	6,459,200	43,307	(96,447)	6,406,060
of which resold	—	—	(96,447)	(96,447)

2023

CHF thousand	Book value of assets as reported on balance sheet	Cash collateral received	Securities lent or used for collateralisation ¹	Total Net amount
Amounts due from securities financing transactions	20,667	—	—	20,667
Trading financial assets	2,725,961	805,197	(1,265,360)	2,265,798
Other financial assets designated at fair value through profit or loss	180,821	—	—	180,821
Total as of 31 December 2023	2,927,449	805,197	(1,265,360)	2,467,286
with unrestricted right to resell or repledge	—	—	(434,350)	(434,350)

CHF thousand	Book value of liabilities as reported on balance sheet	Cash collateral paid	Securities borrowed or received for collateralisation	Total Net amount
Amounts due in respect of securities financing transactions	805,197	—	—	805,197
Trading financial liabilities	54,019	20,667	(15,846)	58,840
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	—	4,666,965
Total as of 31 December 2023	5,526,181	20,667	(15,846)	5,531,002
of which resold	—	—	(15,846)	(15,846)

¹ Securities lent or used for collateralisation of securities financing transactions are equal to the amounts of collateral received or paid (taking haircuts into account). The remaining amount is used as collateral for other purposes (i.e. initial margin for ETDs or add-ons).

24 Trading financial assets and liabilities

CHF thousand	31.12.2024	31.12.2023
Trading financial assets		
Debt securities (listed)	489,568	236,664
of which pledged as collateral	281,208	90,305
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	31,115	5,415
Equity securities	1,617,988	1,495,383
of which pledged as collateral	395,841	370,045
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	508,667	423,218
Funds	1,477,859	784,217
of which pledged as collateral	962,186	370,660
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	5,011	5,717
Other securities	68,425	209,697
of which hybrid financial instruments	68,425	209,697
Total trading financial assets	3,653,840	2,725,961
of which based on valuation-model (see Note 18)	183,805	253,172
Trading financial liabilities		
Debt securities (listed)	4,019	—
Equity securities	132,963	53,141
Funds	185	878
Total trading financial liabilities	137,167	54,019
of which based on valuation-model (see Note 18)	130	—

Trading financial assets are purchased to offset the economic exposures arising from the non-host debt component of the Group's issued products or other financial liabilities.

25 Trading inventories

The Group issues certificates that replicate the performance of single crypto assets and thematic crypto baskets. The Group issues products on a universe of 37 crypto assets as underlyings. To hedge the exposure resulting from the issuance of these certificates, the Group purchases or sells the respective underlyings.

The Group classifies crypto assets held as an economic hedge for issued structured products as "trading inventories" and applies the commodity broker-trader exemption (IAS 2.3) and therefore measures crypto assets at fair value less costs to sell. The fair market values for crypto assets held as assets are determined based on generally accepted prices. The changes in fair value are recognised in the line item "result from trading activities and the fair value option".

26 Replacement values of derivative instruments

Derivative instruments are recognised at fair value (which is equal to replacement value) in the statement of financial position and are reported as positive replacement values or negative replacement values. As the Group enters into derivative contracts for trading purposes, realised and unrealised gains and losses are recognised in "result from trading activities and the fair value option".

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and arise predominantly from the issuance of structured debt instruments. The values of embedded derivatives are presented with the host debt as other financial liabilities designated at fair value. Gains and losses from financial liabilities are reported in the income statement as "result from trading activities and the fair value option".

For derivative financial instruments used for hedge accounting in accordance with IFRS 9, refer to Note 19.

2024

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Interest rate instruments						
Swaps	275,189	242,753	18,721,743	84,371	29,756	3,196,964
Futures	0	—	14,158,919	—	—	292,360
Options (OTC)	47,729	144,798	12,867,604	—	—	—
Foreign currencies/precious metals						
Forward contracts	10,576	42,764	2,110,957	2,584	—	16,476
Swaps	—	1	191	—	—	—
Futures	—	—	2,025	—	—	—
Options (OTC)	10,353	13,571	999,800	—	—	—
Precious metals						
Swaps	8	169	10,283	—	—	—
Futures	—	—	47,571	—	—	—
Options (OTC)	—	643	26,691	—	—	—
Options (exchange traded)	—	—	—	—	—	—
Equities/indices						
Swaps	449,956	189,698	7,567,927	—	—	—
Futures	—	—	939,193	—	—	—
Options (OTC)	64,249	188,752	6,804,797	—	—	—
Options (exchange traded)	1,748,928	1,544,905	28,329,053	—	—	—

2024

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Credit instruments						
Credit default swap	7,592	12,162	437,403	—	—	—
Total return swap	36,649	1,160	1,543,282	—	—	—
Other credit derivatives	22,134	2,527	722,231	—	—	—
Other						
Swaps	4,004	787	232,464	—	—	—
Futures	—	—	116,622	—	—	—
Options (OTC)	272	2,129	79,437	—	—	—
Options (exchange traded)	870	4,756	796,981	—	—	—
Total before deduction of netting agreements (including cash collaterals) as of 31 December 2024	2,678,508	2,391,574	96,515,174	86,955	29,756	3,505,800
of which based on valuation-model (see Note 18)	1,036,722	945,429	—	—	—	—
Total after deduction of netting agreements (including cash collaterals) as of 31 December 2024¹	294,990	104,271				
of which balances against central clearing institutions	288,757	3,775	—	—	—	—
of which balances against banks or securities firms	5,868	53,023	—	—	—	—
of which balances against other customers	365	47,473	—	—	—	—

¹ Replacement values of derivative instruments includes both trading and hedging instruments.

2023

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Interest rate instruments						
Swaps	313,423	308,613	17,291,603	121,772	36,850	3,813,650
Futures	—	—	6,346,490	—	—	—
Options (OTC)	51,970	113,171	18,177,546	—	—	—
Foreign currencies/precious metals						
Forward contracts	47,261	4,492	1,440,390	4,760	—	40,670
Swaps	21	20	2,539	—	—	—
Futures	—	—	149	—	—	—
Options (OTC)	10,128	13,727	845,044	—	—	—
Precious metals						
Swaps	74	88	11,250	—	—	—
Futures	—	—	35,968	—	—	—
Options (OTC)	—	290	13,734	—	—	—
Options (exchange traded)	—	2,751	56,859	—	—	—
Equities/indices						
Swaps	399,006	175,847	6,774,594	—	—	—
Futures	—	—	946,448	—	—	—
Options (OTC)	73,410	141,729	4,252,812	—	—	—
Options (exchange traded)	1,336,093	1,168,387	21,209,122	—	—	—

2023

CHF thousand

	Trading instruments			Hedging instruments		
	Positive RV	Negative RV	Contract volume	Positive RV	Negative RV	Contract volume
Credit instruments						
Credit default swap	9,430	15,568	1,077,341	—	—	—
Total return swap	21,745	17	661,717	—	—	—
Other						
Swaps	5,858	63	147,219	—	—	—
Futures	—	—	88,147	—	—	—
Options (OTC)	620	584	31,437	—	—	—
Options (exchange traded)	3,083	17,399	424,596	—	—	—
Total before deduction of netting agreements (including cash collaterals) as of 31 December 2023	2,272,124	1,962,745	79,835,004	126,532	36,850	3,854,320
of which based on valuation-model (see Note 18)	1,064,639	841,391	—	—	—	—
Total after deduction of netting agreements (including cash collaterals) as of 31 December 2023	252,037	115,534				
of which balances against central clearing institutions	222,964	—	—	—	—	—
of which balances against banks or securities firms	13,989	54,369	—	—	—	—
of which balances against other customers	15,084	61,165	—	—	—	—

27 Other financial assets and liabilities designated at fair value through profit or loss

CHF thousand	31.12.2024	31.12.2023
Other financial assets designated at fair value through profit or loss		
Debt securities (listed) ¹	—	—
of which pledged as collateral	—	—
Other securities	32,523	49,649
of which hybrid financial instruments	32,523	49,649
Receivables from counterparties in connection with long-term savings and retirement products	115,845	131,172
Total other financial assets designated at fair value through profit or loss	148,368	180,821
of which based on valuation-model (see Note 18)	148,368	180,821
of which repo-eligible securities	—	—
Other financial liabilities designated at fair value through profit or loss		
Interest rate instruments ¹	583,115	432,020
with own debt component	574,136	423,192
without own debt component	8,979	8,828
Equities ¹	4,029,092	3,843,704
with own debt component	3,925,481	3,775,008
without own debt component	103,611	68,696
Foreign currency	6,326	6,402
with own debt component	6,295	6,402
without own debt component	31	—
Commodities (including precious metals and crypto assets)	567,094	384,839
with own debt component	154,096	97,347
without own debt component	412,998	287,492
Total other financial liabilities designated at fair value through profit or loss	5,185,627	4,666,965
of which based on valuation-model (see Note 18)	5,185,627	4,666,965

¹ All issued structured products are recognised as financial liabilities designated at fair value through profit or loss.

Bonds are used to offset exposures to similar term components of the Group's issued products, principally the host debt component of structured products issued. An issued structured product with its own debt component exists if the repayment mode of this product provides for full or partial cash repayment, regardless of whether this cash repayment is made in any case or based on an option is replaced by another compensation.

Receivables from long-term savings and retirement solutions counterparties relate to expenses incurred to purchase economic hedges for interest rate risks on behalf of these counterparties prior to the inception of their specific client contracts. These expenses are reimbursed to the Group by the respective counterparty.

CHF thousand	31.12.2024	31.12.2023
Classification in accordance with SVSP Swiss Derivative Map		
Capital protection	521,963	351,013
Yield enhancement	2,437,883	2,466,295
Participation	2,211,822	1,835,112
Leverage	13,959	14,545
Total other financial liabilities designated at fair value through profit or loss	5,185,627	4,666,965

28 Financial investments measured at fair value through other comprehensive income

The Group holds debt instruments within a business model whose objective is achieved both by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

These debt instruments are recognised at fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset, in the statement of financial positions line item “financial investments measured at fair value through other comprehensive income”.

Effective interest and foreign exchange gains and losses are recognised in the income statement in the line item “result from trading activities and the fair value option”. Other changes in fair value that are mainly attributable to changes in the benchmark interest rate or issuer credit risk are recognised in the statement of other comprehensive income.

Since issuer credit risk is initially recognised in other comprehensive income, the expected credit loss is accounted for in the portfolio of debt instruments measured at FVOCI. The change in the expected credit loss is recognised in the income statement in the line item “credit loss (expense) / recovery”, while the reverse entry is recognised in the statement of other comprehensive income.

If a bond measured at FVOCI is disposed of, the amount recognised in the statement of other comprehensive income is reclassified to the income statement. The cumulative changes in fair value are transferred to “results from trading activities and the fair value option” and the corresponding expected credit loss amount is credited to “credit loss (expense) / recovery”. For information on the application of hedge accounting, refer to Note 19.

The following table provides an overview of financial investments measured at FVOCI:

CHF thousand	31.12.2024	31.12.2023
Government bonds	295,754	393,959
of which pledged as collateral	28,048	99,315
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	23,440	71,986
Supranational agency bonds	278,028	163,934
of which pledged as collateral	—	106,715
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	9,824	678
Corporate bonds	1,177,160	1,109,166
of which pledged as collateral	589,497	611,159
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	382,414	209,681
Financial institution bonds	722,141	941,227
of which pledged as collateral	426,496	455,999
of which lent as collateral in securities lending and borrowing transactions with the right to resell or repledge	138,644	105,167
Total debt financial instruments measured at FVOCI	2,473,083	2,608,286
Equity Interest	1,075	900
Total equity measured at FVOCI	1,075	900
Total instruments measured at FVOCI	2,474,158	2,609,186
of which listed	2,473,083	2,608,286
of which unlisted	1,075	900

29 Accrued income and prepaid expenses/ Accrued expenses and deferred income

The Group recognises fee income from services rendered over a specific period of time on a pro rata basis for the anticipated duration of the service. This includes the initial margin earned upon the issuance of products, as well as service and management fees related to the long-term savings and retirement solutions products.

Interest income is accrued as earned. Dividends are recognised when there is a right to receive the payment. Accrued and deferred income are presented as a separate asset or liability in the statement of financial position.

CHF thousand	31.12.2024	31.12.2023
Accrued income and prepaid expenses		
Prepaid operating expenses	6,830	6,064
Accrued interest	243	61
Other	184	461
Total accrued income and prepaid expenses	7,257	6,586
Accrued expenses and deferred income		
Accrued operating expenses	38,516	55,316
Deferred fee income	48,956	57,772
Accrued interest	210	592
Other	14,036	12,480
Total accrued expenses and deferred income	101,718	126,160

Prepaid operating expenses relate to office lease, Insurance and other operating expense items.

Accrued operating expenses include staff, audit fees and other operating expense items. For more details on deferred fee income, refer to Note 9. Other accrued expenses consist of outstanding social security expenses as well as accrued distribution fees.

30 Other assets and liabilities

CHF thousand	31.12.2024	31.12.2023
Other assets		
Withholding and other tax receivables	25,466	21,804
Other assets	199	490
Total other assets	25,665	22,294
Other liabilities		
Other tax liabilities	3,860	3,424
Pension liability	7,511	9,670
Lease liability	28,800	36,897
Other liabilities	13,434	479
Total other liabilities	53,605	50,470

The derivative component of structured products with Swiss equity underlyings may be hedged with the acquisition of Swiss shares. Withholding taxes on dividends from such Swiss shares are generally included in withholding tax receivables.

For further information on the change in net pension liability, refer to Note 35.

The CHF 8.1 million decrease in lease liability is mainly due to regular lease payments and interest recognised in the income statement.

Other liabilities mainly comprise unpaid supplier invoices which relate to 2024.

31 Tangible and intangible assets

Tangible assets (furniture, equipment, leasehold improvements, IT equipment) and intangible assets (internally developed and purchased software) are recognised at cost less accumulated depreciation and amortisation as well as impairment losses. Right-of-use assets are reported at the amount equivalent to the capitalised lease payments less accumulated depreciation. Tangible and intangible assets are reviewed periodically for impairment, with any impairment charge being recognised in the income statement.

Certain personnel costs directly attributable to the internal development of software are capitalised as intangible assets. Capitalised costs include salaries and bonuses, social security contributions and pension costs.

Capitalised software acquisition costs are based on the costs of acquiring the software and the costs incurred in bringing it into its intended state. Direct costs attributable to the internal development of software are capitalised when such items meet the definition of capitalisation. These costs relate to the design and implementation phases for internally developed software.

Depreciation is calculated using the straight-line method. Tangible assets are depreciated over their useful lives, as follows:

- Furniture and equipment: 5 to 10 years
- Leasehold improvements: 5 to 10 years
- Right-of-use assets: 2 to 15 years
- IT equipment: 3 to 5 years

Intangible assets are depreciated over their useful lives, as follows:

- Purchased IT software: 3 to 5 years
- Internally developed software: 3 to 5 years
- Other intangible assets: 5 years

The useful lives and residual values of tangible and intangible assets are estimated by the management on the basis of the anticipated period over which economic benefits will accrue to the Group from the use of those assets. Useful economic lives are reviewed annually on the basis of historical and forecast expectations concerning future technological developments, economic and legal changes as well as further external factors.

Impairment of non-financial assets

For all non-financial assets not measured at fair value, the Group assesses at the end of each reporting period whether there is objective evidence that a non-financial asset or a group of non-financial assets is impaired. A non-financial asset or a group of non-financial assets is considered to be impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a loss event), and that loss event (or events) has (or have) an impact on estimated future cash flows of the non-financial asset or group of non-financial assets that can be reliably estimated.

CHF thousand

	Tangible assets					Intangible assets			
	Furniture / equipment	Leasehold improvement	Right-of-use asset	IT equipment	Total 31.12.2024	Internally developed software	Purchased software	Other intangible assets	Total 31.12.2024
Historical costs									
Balance as of 1 January 2024	3,209	11,853	106,537	24,210	145,809	155,995	63,125	1,600	220,720
Additions	8	99	,23	3,235	3,365	15,443	7,652	—	23,095
Disposals	(31)	—	(20)	(1)	(52)	(606)	(95)	—	(701)
Remeasurements	—	—	1,684	—	1,684	—	—	—	—
Translation adjustments	24	56	521	15	616	—	4	—	4
Balance as of 31 December 2024	3,210	12,008	108,745	27,459	151,422	170,832	70,686	1,600	243,118
Accumulated depreciation costs									
Balance as of 1 January 2024	2,921	9,914	70,316	17,847	100,998	115,044	46,608	—	161,652
Depreciation	110	506	9,919	2,500	13,035	16,039	6,708	240	22,987
Disposals	(8)	—	(20)	(1)	(29)	(606)	(95)	—	(701)
Impairment losses	—	—	—	—	—	—	—	—	—
Reversals	—	—	—	—	—	—	—	—	—
Remeasurements	—	—	(4)	—	(4)	—	—	—	—
Translation adjustments	17	25	275	9	326	—	4	—	4
Balance as of 31 December 2024	3,040	10,445	80,486	20,355	114,326	130,477	53,225	240	183,942
Net book value as of 31 December 2024	170	1,563	28,259	7,104	37,096	40,355	17,461	1,360	59,176

Leonteq's IT platform consists of different components: Leonteq developed proprietary front-end tools for product construction, product set-up and product documentation. The position and risk management system is based on off-the-shelf software. Leonteq enhanced the software through the addition of specific functionalities such as in-built model libraries developed by Leonteq. The back-office tools used by Leonteq comprise standard software.

CHF thousand

Tangible assets

Intangible assets

	Furniture / equipment	Leasehold improvement	Right-of-use asset	IT equipment	Total 31.12.2023	Internally developed software	Purchased software	Other intangible assets	Total 31.12.2023
Historical costs									
Balance as of 1 January 2023	3,231	11,938	102,947	22,129	140,245	138,492	56,009	—	194,501
Additions	102	74	3,569	2,134	5,879	17,503	7,124	1,600	26,227
Disposals	(63)	—	(1,462)	(7)	(1,532)	—	—	—	—
Remeasurements	—	—	2,596	—	2,596	—	—	—	—
Translation adjustments	(61)	(159)	(1,112)	(46)	(1,378)	—	(8)	—	(8)
Balance as of 31 December 2023	3,209	11,853	106,537	24,210	145,809	155,995	63,125	1,600	220,720
Accumulated depreciation costs									
Balance as of 1 January 2023	2,903	8,595	63,198	15,538	90,234	99,818	40,102	—	139,920
Depreciation	128	1,404	9,677	2,354	13,563	15,226	6,513	—	21,739
Disposals	(63)	—	(1,462)	(7)	(1,532)	—	—	—	—
Impairment losses	—	—	—	—	—	—	—	—	—
Reversals	—	—	—	—	—	—	—	—	—
Remeasurements	—	—	(415)	—	(415)	—	—	—	—
Translation adjustments	(47)	(85)	(682)	(38)	(852)	—	(7)	—	(7)
Balance as of 31 December 2023	2,921	9,914	70,316	17,847	100,998	115,044	46,608	—	161,652
Net book value as of 31 December 2023	288	1,939	36,222	6,363	44,812	40,951	16,517	1,600	59,068

Leases

The Group's leasing activities mainly relate to office space, data centre and equipment. The lease liability reflects the present value of future lease payments, excluding any reinstatement cost provision, which is accounted for in accordance with IAS 37 and presented as a provision (Note 37). In contrast, expected reinstatement costs are included in the right-of-use asset. The right-of-use asset is presented in the line item "tangible assets" and the lease liability in "other liabilities". The right-of-use asset is amortised on a straight-line basis over the lease term, unless it is determined to be subject to impairment according to IAS 36. Lease payments are deducted from the lease liability. The lease liability is measured at the present value of remaining lease payments, discounted at the interest rate determined at the commencement date or at the transition of the lease.

When the Group enters into new lease agreements, it exercises judgement regarding the effective lease term in cases where the lease agreements include one or more early termination or extension options. Extension options (or periods after termination options) are only included if the lease is reasonably certain to be extended or not terminated. In most cases, the extension options are included, given that the Group currently has no intention to vacate its various office locations in the near future. In cases where the original lease will only mature several years in the future (e.g. after more than five years), the respective extension options are not yet considered given the inherent uncertainty about office space required at that point in time. The applicability of the lease terms and termination or extension options is reassessed in the event of a material occurrence or change in circumstances that may affect the previous assessment, where this is within the Group's control. As of 31 December 2024, the effect of revising lease terms to reflect the effect of exercising extension and termination options would result in an increase in right-of-use assets and lease liabilities of approximately CHF 24.5 million (31 December 2023: CHF 24.5 million).

Lease payments associated with short-term leases and low-value leases are recognised over the lease term as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value leases comprise IT and other small items of office equipment.

The carrying amounts of right-of-use assets and lease liabilities and changes in these values, are shown in the following table:

CHF thousand	31.12.2024	31.12.2023
Right-of-use asset		
Balance as of 1 January	36,222	39,749
Additions	23	3,569
Disposals	—	—
Effect of contract modifications	1,687	3,011
Amortisations	(9,919)	(9,677)
Currency translation adjustments	246	(429)
Balance as of 31 December	28,259	36,222
Lease liability		
Balance as of 1 January	36,897	40,217
Additions	23	3,537
Disposals	—	—
Effect of contract modifications	1,742	2,998
Interest expenses	431	481
Payments ¹	(10,553)	(9,749)
Currency translation adjustments	260	(588)
Balance as of 31 December	28,800	36,897
Contractual liabilities (excluding short-term or low-value assets) as of 31 December	30,770	39,609
of which due within 1 year	10,830	10,605
of which due within 2 and 5 years	19,734	28,400
of which due after 5 years	206	604

¹ Payments lead to a cash outflow for the group.

The carrying amount of right-of-use asset as of 31 December 2024 comprises CHF 27.3 million for office space and CHF 0.9 million for data centre (31 December 2023: CHF 35.3 million for office space and CHF 0.9 million for data centre).

In 2024, the amount of CHF 36 thousand (2023: CHF 23 thousand) relating to short-term and low-value leases are accounted for as other operating expenses.

Commitments arising from operational leases

CHF thousand	31.12.2024	31.12.2023
Due within one year	31	27
Due between two and five years	16	13
Commitments for minimum payments under operational leases	47	40

Future rental income arising from sublet office space

CHF thousand	31.12.2024	31.12.2023
Due within one year	2,769	2,496
Due between two and five years	6,346	1,501
Future rental income arising from sublet office space	9,114	3,997

In 2024 and 2023, the Group sublet office space that it does not expect to use in the coming years. Subleases are classified as operational leases since the terms of the headleases are substantially longer than the terms of the subleases.

For detailed information on rental income generated through the sub-leasing of office space, refer to Note 12.

32 Interest in a joint venture

The Group has a 50% interest in Bench Services AG, a joint venture involved in the management and administration of a pillar 3a foundation in Switzerland (31 December 2023: 50%). Bench Services AG was established on 17 November 2023 with a capital contribution of both joint venture partners in the amount of CHF 958 thousand.

The interest is accounted for using the equity method in the consolidated financial statements. The interest in Bench Services AG is considered to be immaterial for the Group.

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements. The net amount shown reflects the net credit exposure per asset class.

2024

CHF thousand	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amount of financial liabilities as reported in IFRS balance sheet	Effect of master netting agreements	Effect of collateral paid	Net amount
Amounts due to banks	320,861	—	320,861	(12,582)	(290,241)	18,038
Liabilities from securities financing transactions	1,136,406	—	1,136,406	—	(1,134,742)	1,664
Amounts due to customers	475,608	—	475,608	(61,755)	(127)	413,726
Negative replacement values of derivative instruments	2,421,330	—	2,421,330	(2,091,330)	(225,729)	104,271
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	5,185,627	—	(1,735)	5,183,892
Total as of 31 December 2024	9,539,832	—	9,539,832	(2,165,667)	(1,652,574)	5,721,591

2023

CHF thousand	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the balance sheet	Net amount of financial liabilities as reported in IFRS balance sheet	Effect of master netting agreements	Effect of collateral paid	Net amount
Amounts due to banks	252,242	—	252,242	(1,311)	(149,627)	101,304
Liabilities from securities financing transactions	805,197	—	805,197	—	(794,699)	10,498
Amounts due to customers	483,992	—	483,992	(6,682)	(119,739)	357,571
Negative replacement values of derivative instruments	1,999,595	—	1,999,595	(1,796,955)	(87,105)	115,535
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	4,666,965	—	(398,332)	4,268,633
Total as of 31 December 2023	8,207,991	—	8,207,991	(1,804,948)	(1,549,502)	4,853,541

For the financial assets and financial liabilities subject to enforceable master netting arrangements or similar agreements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial asset and financial liability when both parties elect to settle on a net basis. If this is not the case, financial assets and financial liabilities are settled on a gross basis. However, each party to the master netting arrangement or similar agreement will have the option to settle all such amounts on a net basis in the event of a default by the other party.

The principal types of acceptable collateral include cash and high quality liquid bonds.

34 Maturity of assets and liabilities

The following tables show the amount expected to be recovered or settled after more than twelve months for each asset and liability.

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2024
Assets					
Financial assets					
Cash and balances at central banks	136,867	—	—	—	136,867
Amounts due from banks	514,950	—	—	—	514,950
Amounts due from securities financing transactions	43,307	—	—	—	43,307
Amounts due from customers	390,673	—	—	—	390,673
Trading financial assets	3,653,840	—	—	—	3,653,840
Positive replacement values of derivative financial instruments	2,765,464	—	—	—	2,765,464
Other financial assets designated at fair value through profit or loss	148,368	—	—	—	148,368
Financial investments measured at fair value through other comprehensive income	2,473,083	—	—	1,075	2,474,158
Other financial assets	5	420	23,498	—	23,923
Total financial assets	10,126,557	420	23,498	1,075	10,151,550
Non-Financial assets					
Trading inventories	407,411	—	—	—	407,411
Current tax assets	—	—	156	—	156
Deferred tax assets	—	—	—	1,925	1,925
Interests in joint ventures	—	—	—	958	958
Tangible assets ¹	—	—	—	37,096	37,096
Intangible assets ¹	—	—	—	59,176	59,176
Other non-financial assets	—	7,031	1,968	—	8,999
Total non-financial assets	407,411	7,031	2,124	99,155	515,721
Total assets	10,533,968	7,451	25,622	100,230	10,667,271

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2024
Liabilities					
Financial liabilities					
Amounts due to banks	320,861	—	—	—	320,861
Liabilities from securities financing transactions	1,136,406	—	—	—	1,136,406
Amounts due to customers	475,608	—	—	—	475,608
Trading financial liabilities	137,167	—	—	—	137,167
Negative replacement values of derivative financial instruments	2,421,330	—	—	—	2,421,330
Other financial liabilities designated at fair value through profit or loss	5,185,627	—	—	—	5,185,627
Other financial liabilities ²	11,806	13,623	10,288	18,664	54,381
Total financial liabilities	9,688,805	13,623	10,288	18,664	9,731,380
Non-Financial liabilities					
Current tax liabilities ³	—	—	1,673	12,000	13,673
Deferred tax liabilities	—	—	—	—	—
Other non-financial liabilities ⁴	—	13,403	45,277	42,262	100,942
Provisions	—	—	3,917	13,529	17,446
Total non-financial liabilities	—	13,403	50,867	67,791	132,061
Total liabilities	9,688,805	27,026	61,155	86,455	9,863,441

¹ Immobilised.

² Other financial liabilities with a long-term maturity mainly comprises lease liabilities (see Note 31).

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions (see Note 15).

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 9).

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2023
Assets					
Financial assets					
Cash and balances at central banks	142,697	—	—	—	142,697
Amounts due from banks	462,923	—	—	—	462,923
Amounts due from securities financing transactions	20,667	—	—	—	20,667
Amounts due from customers	291,654	—	—	—	291,654
Trading financial assets	2,725,961	—	—	—	2,725,961
Positive replacement values of derivative financial instruments	2,398,656	—	—	—	2,398,656
Other financial assets designated at fair value through profit or loss	180,821	—	—	—	180,821
Financial investments measured at fair value through other comprehensive income	2,608,286	—	—	900	2,609,186
Other financial assets	160	364	19,883	—	20,407
Total financial assets	8,831,825	364	19,883	900	8,852,972
Non-Financial assets					
Trading inventories	287,072	—	—	—	287,072
Current tax assets	—	—	279	—	279
Deferred tax assets	—	—	—	2,415	2,415
Interests in joint ventures	—	—	—	958	958
Tangible assets ¹	—	—	—	44,812	44,812
Intangible assets ¹	—	—	—	59,068	59,068
Other non-financial assets	—	6,552	1,921	—	8,473
Total non-financial assets	287,072	6,552	2,200	107,253	403,077
Total assets	9,118,897	6,916	22,083	108,153	9,256,049

CHF thousand	On demand to 1 month	1-3 months	3-12 months	Over 12 months	Total 31.12.2023
Liabilities					
Financial liabilities					
Amounts due to banks	252,242	—	—	—	252,242
Liabilities from securities financing transactions	805,197	—	—	—	805,197
Amounts due to customers	483,992	—	—	—	483,992
Trading financial liabilities	54,019	—	—	—	54,019
Negative replacement values of derivative financial instruments	1,999,595	—	—	—	1,999,595
Other financial liabilities designated at fair value through profit or loss	4,666,965	—	—	—	4,666,965
Other financial liabilities ²	1,998	23,791	10,490	27,019	63,298
Total financial liabilities	8,264,008	23,791	10,490	27,019	8,325,308
Non-Financial liabilities					
Current tax liabilities ³	—	—	1,184	12,000	13,184
Deferred tax liabilities	—	—	—	544	544
Other non-financial liabilities ⁴	—	43,077	17,947	52,308	113,332
Provisions	—	—	5,316	18,232	23,548
Total non-financial liabilities	—	43,077	24,447	83,084	150,608
Total liabilities	8,264,008	66,868	34,937	110,103	8,475,916

¹ Immobilised.

² Other financial liabilities with a long-term maturity mainly comprises lease liabilities (see Note 31).

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions (see Note 15).

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 9).

35 Retirement benefit obligations

The Group operates a defined benefit plan and defined contribution plans. On behalf of employees domiciled outside Switzerland, the Group contributes to pension schemes that qualify as defined contribution plans. The Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions totalling CHF 2.3 million and CHF 4.0 million for the years ended 31 December 2024 and 31 December 2023, respectively, related to defined contribution plans, were recognised in personnel expenses.

In Switzerland, the Group operates a defined benefit plan in accordance with Swiss law and provides cover against retirement, death and disability for all staff employed in Switzerland. The pension plan is maintained by a collective foundation, managed by AXA Leben AG. The foundation is governed by a Board of Trustees and is supervised by the BVG und Stiftungsaufsicht (BVS) of the Canton of Zurich. In addition, the pension scheme includes the Leonteq Pension Committee, which has three employee and three employer representatives.

The foundation covers all actuarial and investment risks and has elected to fully insure death and disability insurance risks within the Swiss pension plan with a third-party insurance company. The insurance contract is renewable on an annual basis. In addition to the aforementioned risks, the pension plan is exposed to other risks such as asset volatility, changes in bond yields and changes in life expectancy. These risks have a significant impact on the pension plan: Asset volatility could increase or reduce the plan assets. Bond yields are the basis for the discount rate. Low yields (or discount rates) and a higher life expectancy lead to a higher plan obligation. The managers of the pension plan address these risks as part of their efforts to ensure the consistency and sustainability of the pension plan's assets and liabilities based on a diversified investment strategy that is aligned with the volatility and maturity of the pension obligation.

The Group's obligations arising from its Swiss pension scheme are to pay defined contributions. However, in accordance with the Swiss "BVG/LPP" law, the pension scheme incorporates certain guarantees, such as minimum interest accumulation at defined rates, conversion of capital at defined rates upon transfer of vested benefits, and potential life-long pension annuities. The pension scheme has therefore been reported as a defined benefit pension plan in accordance with IFRS.

In the case of defined benefit plans, the pension obligations and expenses are determined annually by actuarial appraisals prepared by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. The net amount recognised in the statement of financial position corresponds to the funding surplus or funding deficit of the defined benefit pension plans, taking account of any possible restrictions on the amount of a surplus that can be recognised as an asset (asset ceiling). The net interest based on the net liability or net asset of the defined benefit pension plans, the current and past service costs (due to plan amendments or plan curtailments), the administration costs (excluding asset management costs) and the gains and losses arising from plan settlements are recorded in personnel expenses. Actuarial gains and losses on pension liabilities as well as the return on plan assets and changes due to the asset ceiling are recognised in the statement of other comprehensive income.

The below table outlines where the Group's post-employment amounts related to the Swiss pension scheme are included in the financial statements.

CHF thousand	31.12.2024	31.12.2023
Reconciliation of the amount recognised in the statement of financial position		
Defined benefit obligation (DBO)	83,328	76,139
Fair value of plan assets	(75,817)	(66,469)
Net defined benefit liability/(asset)	7,511	9,670
of which recognised as separate liability	7,511	9,670

CHF thousand	2024	2023
Components of defined benefit cost in profit or loss		
Current service cost (employer)	3,819	3,807
Past service cost	—	(1,372)
Interest expenses on defined benefit obligation	1,133	1,447
Interest (income) on plan assets	(1,014)	(1,349)
Administration cost (excluding cost for managing plan assets)	75	75
Net expenses recognised in the income statement	4,013	2,608
of which service and administration cost	3,894	2,510
of which net interest on the net defined benefit liability/(asset)	119	98

CHF thousand	2024	2023
Components of defined benefit cost in OCI		
Actuarial (gain)/loss on defined benefit obligation	3,342	5,775
(Gain)/loss on plan assets (excluding interest income)	(6,060)	(1,387)
Defined benefit cost/(income) recognised in OCI	(2,718)	4,388

CHF thousand	2024	2023
Reconciliation in net defined benefit liability/(asset)		
Net defined benefit liability/(asset) as of 1 January	9,670	6,216
Defined benefit cost recognised in profit or loss	4,013	2,608
Defined benefit cost/(income) recognised in OCI	(2,718)	4,388
Contributions by the employer	(3,454)	(3,542)
Net defined benefit liability/(asset) as of 31 December	7,511	9,670

CHF thousand	2024	2023
Reconciliation of defined benefit obligation		
Defined benefit obligation as of 1 January	76,139	65,150
Interest expense on defined benefit obligation	1,133	1,447
Current service cost employer	3,894	3,882
Contributions by plan participants	2,540	2,578
Benefits (paid)/deposited	(3,720)	(1,321)
Past service cost and plan settlement	—	(1,372)
Actuarial (gain)/loss on defined benefit obligation	3,342	5,775
Defined benefit obligation as of 31 December	83,328	76,139

CHF thousand	2024	2023
Components of actuarial (gain)/loss on defined benefit obligation		
Actuarial (gain)/loss arising from changes in financial assumptions	4,239	4,358
Actuarial (gain)/loss arising from changes in demographical assumptions	—	—
Actuarial (gain)/loss arising from experience adjustments	(897)	1,417
Actuarial (gain)/loss on defined benefit obligation	3,342	5,775

Demographic assumptions (e.g. probability of death, disability or termination) are based on the Swiss BVG / LLP 2020 actuarial tables, which draw on observations of large insurance portfolios in Switzerland over a period of several years.

CHF thousand	2024	2023
Reconciliation of fair value of plan assets		
Fair value of plan assets as of 1 January	66,469	58,934
Interest income on plan assets	1,014	1,349
Contributions by employer	3,454	3,542
Contributions by plan participants	2,540	2,578
Benefits (paid)/deposited	(3,720)	(1,321)
Actuarial gain/(loss) on plan assets (excl. interest income)	6,060	1,387
Fair value of plan assets as of 31 December	75,817	66,469

31.12.2024 31.12.2023

Maturity profile of defined benefit obligation

Weighted average duration of defined benefit obligation in years	15.6	15.1
--	------	------

The significant actuarial assumptions were as follows:

CHF thousand	31.12.2024	31.12.2023
Significant actuarial assumptions		
Discount rate	0.95%	1.50%
Pension growth rate	0.00%	0.00%

The discount rate is used to determine the present value of pension obligations and is based on the yields on high-quality corporate bonds in Swiss francs.

	Change in assumption	DBO after increase in assumption (CHF thousand)	DBO after decrease in assumption (CHF thousand)
Sensitivity analysis			
Discount rate	0.25%	80,197	86,682
Pension growth rate	0.25%	84,624	82,096

The above sensitivity analyses are based on a change in one assumption, while all other assumptions remain constant. In practice, this is unlikely to occur and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

CHF thousand	Quoted	Unquoted	31.12.2024	31.12.2023
Composition of plan assets				
Cash and cash equivalents	1,222	—	1,222	1,483
Equity instruments	26,698	—	26,698	22,361
Debt instruments	22,327	3,152	25,479	22,574
Real estate	—	18,001	18,001	16,989
Other	—	4,417	4,417	3,062
Total plan assets	50,247	25,570	75,817	66,469

CHF thousand	31.12.2024	31.12.2023
Estimated contributions in the following year		
Contributions by employer	3,450	3,600
Contributions by plan participants	2,450	2,500

36 Expected credit loss

In accordance with IFRS 9, the Group applies the expected credit loss methodology to calculate and recognise an impairment provision for financial assets measured at amortised cost or at fair value measured through other comprehensive income. These assets comprise the balance sheet items, “cash and balances at central banks”, “amounts due from banks”, “amounts due from securities financing transactions”, “amounts due from customers” and “financial investments measured at fair value through other comprehensive income”.

Impairment of financial assets

For all debt financial assets measured at amortised cost and/or measured at fair value through other comprehensive income, the Group applies the expected credit loss methodology:

- Stage 1, performing assets: At initial recognition, the 12-months expected credit loss is recognised for all assets. The Group applies the low credit risk exemption for its bond portfolio measured at fair value through other comprehensive income.
- Stage 2, under-performing assets: If credit risk has increased significantly since initial recognition, the 12-months expected credit loss is increased to the life-time expected credit loss. In case of a significant decrease in credit risk, the life-time expected credit loss is reduced to a 12-month expected credit loss and the assets are reclassified to stage 1.
- Stage 3, non-performing assets: If there are significant indicators of impairment, the asset is transferred to stage 3.

The increase or decrease in the expected credit loss is recognised in the income statement in “credit loss (expense) / recovery”.

Credit risk management

Assets measured at amortised cost mainly consist of cash balances or cash collateral in connection with the Group’s business operations. The Group holds cash collateral in connection with its trading activities relating to derivatives instruments and/or securities financing transactions. Assets measured at fair value through other comprehensive income consists of bonds.

The credit quality of Leonteq’s counterparties is monitored continuously: The Risk Committee of the Executive Committee approves the counterparties and allocates individual counterparty limits to them. Risk Control monitors adherence to these limits on an ongoing basis. If signs of the deterioration of a counterparty credit risk are identified, business activities are reduced accordingly.

The Group’s assets usually have a short duration. Consequently, all credit exposure is of a short-term nature or could be reduced with risk-mitigating actions such as the unwinding of trades and removal of excess cash.

Expected credit loss calculation

The expected credit loss takes into account the exposure at default, probability of default, and loss given default. The Group considers a financial instrument defaulted for ECL calculations in all cases when the counterparty becomes 30 days past due on its contractual payments.

The starting point for the expected credit loss calculation is the determination of the input factors that are based on market observable inputs whenever possible. Exposure at default is based on exposures to different counterparties, taking into account the time value of money and risk-mitigating measures. The probability of default and loss given default are based on industry standard values, observable market inputs such as credit default swaps, and the extrapolation of observable market inputs. The calculation of the expected credit loss provision is performed at portfolio level.

Development of expected credit loss allowance

CHF thousand	31.12.2024	31.12.2023
Balance at the beginning of the period	6,107	8,074
Change in 12-month expected credit loss	(588)	(1,712)
Change in lifetime expected credit loss		
for non-credit impaired financial assets with significantly increased credit risk	—	—
for credit impaired financial assets ¹	129	(225)
for trade receivables, contract assets or lease receivables	—	—
Purchased or originated credit impaired assets	—	—
Currency translation adjustment	—	(30)
Balance at the end of the period	5,649	6,107

¹ In 2022, a lifetime expected credit loss provision in the amount of CHF 1.8 million for the outstanding return of collateral was recognised and deducted from the balance sheet item "Amounts due from banks".

As per 31 December 2024, a 12-month expected credit loss in the total amount of CHF 0.1 million (31 December 2023: CHF 0.1 million) is recognised for balance sheet items measured at amortised cost. In addition, a lifetime expected credit losses in the total amount of CHF 1.8 million (31 December 2023: CHF 1.6 million) is recognised in the balance sheet item "Amounts due from banks". The expected credit losses were directly deducted from the respective balance sheet items. For financial investment measured at fair value through other comprehensive income a 12-month expected credit loss in the total amount of CHF 3.8 million (2023: CHF 4.4 million) is recognised in equity.

Due to the short duration of financial assets measured at amortised cost or at fair value through other comprehensive income, no discounting of the expected credit loss provision is needed.

The expected credit loss allowance in connection with financial assets measured at fair value through other comprehensive income is recognised in other comprehensive income (equity).

37 Provisions

The Group recognises a provision if, as a result of a past event, the Group has a present obligation at the balance sheet date that will probably lead to an outflow of resources embodying economic benefits (which can include legal fees), the level of which can be reliably estimated. In cases where the disclosure of the amount of a provision would seriously prejudice the Group's position in respect of other parties involved in the matter, because it would reveal what the Group believes to be the probable and reliably estimable financial impact, the Group does not disclose that amount. The recognition and release of provisions are shown in the line item "changes to provisions, other value adjustments and losses" of the income statement. If it is not probable that a present obligation exists or the liability cannot be reliably estimated, an entity discloses a contingent liability (see Note 41). A contingent liability is also shown if, as a result of a past event, there is a possible liability at the balance sheet date whose existence depends on future developments that are not fully within the Group's control. If the possibility of an outflow of resources embodying economic benefits is remote, neither a provision nor a contingent liability is reported.

CHF thousand	2024		2023	
	Reinstatement obligations	Litigation, regulatory and similar matters	Total provisions	Total provisions
Balance at the beginning of the period	3,443	20,105	23,548	21,585
Utilisation in conformity with designated purpose	—	(17,131)	(17,131)	(5,283)
Increase in provisions recognised in the income statement	39	16,997	17,036	7,772
Release of provisions recognised in the income statement	—	(6,038)	(6,038)	(353)
Increase in provisions not recognised in the income statement	(2)	—	(2)	31
Translation differences	16	17	33	(205)
Balance at the end of the period	3,496	13,950	17,446	23,548
of which due within 1 year	—	3,917	3,917	5,316
of which due within 2 and 5 years	3,399	3,587	6,986	18,138
of which due after 5 years	96	6,446	6,542	94

Litigation, regulatory and similar matters

The Group operates in a legal and regulatory environment that exposes it to litigation, compliance, tax, reputational and other risks arising from disputes or regulatory or other proceedings. Non-compliance with regulatory or other mandatory requirements may result in competent authorities taking enforcement action or initiating proceedings against the Group and its employees. From time to time, the Group may also be subject to information and clarification requests and procedures from authorities and other third parties. As a matter of principle, the Group cooperates with competent authorities and within the confines of applicable laws and regulation. The risks described below may not be the only risks to which the Group is exposed. These and additional risks not presently known to Leonteq, may impair the Group's future business, results of operations, financial condition and prospects. The realisation of one or more of these risks may individually or together with other circumstances, have a material adverse impact on the Group's business, results of operations, financial condition and prospects. The impact on the financial position or profitability of the Group – depending on the status of related proceedings – is difficult to assess.

On 12 December 2024, FINMA announced the completion of proceedings against the Group which were opened due to a disclosure by the Group as well as allegations raised by the media and third parties. FINMA ordered a range of organisational measures for remediation and decreed a profit disgorgement of CHF 9.3 million. Leonteq decided to accept the order and to pay the profit disgorgement in accordance with the payment terms. Upon acceptance, the respective amount has been reclassified to the balance sheet item Other Liabilities.

Further to the proceedings by FINMA, Leonteq experiences ongoing regulatory scrutiny in some countries with respect to the allegations raised in the media articles as well as other business matters and the Group continues to maintain an active dialogue with the respective authorities. In compliance with applicable laws and regulation and to comply with its obligations, the Group may refrain from making any further disclosures given the prejudicial nature any such disclosures may have on the potential outcomes related thereto or other associated matters.

In 2022, the Group recognised a provision for potential indirect tax qualification risks deriving from certain fee payments for the financial years 2013 to 2022 in the light of a VAT audit that was ongoing at that time covering financial years 2013 to 2021. The Swiss Federal Tax Administration concluded on the audit in June 2024 and issued respective assessment notices. Leonteq Securities AG intends to appeal against certain elements

of the assessment. In the light of this appeal, the provision was reassessed and an amount of CHF 5.4 million of such provision was released.

The Group recognised in 2022 a receivable from its insurance companies for certain proceedings. Based on further developments, the Group reassessed the respective receivable and recognised a provision for the anticipated uncovered part of the receivable in the amount of CHF 1.6 million in the first half of 2024. The respective receivable with the insurance companies was finally settled in the second half of 2024 with the expected amount.

Reinstatement obligations

Provisions for reinstatement obligations are calculated based on estimates of future anticipated costs to restore the lease asset to the condition required according to the terms and conditions of the lease. The present obligation associated with reinstatement obligations is recognised and measured in accordance with IAS 37. While the point in time when these costs are expected to be incurred is aligned with the estimated duration of the underlying lease contract, the amount is determined based on inputs received from experts (e.g. architects) or derived from costs incurred when moving office locations in the past.

38 Shareholders' equity

Share capital

	31.12.2024			31.12.2023		
	Total par value (CHF)	Number of shares	Capital eligible for dividends	Total par value (CHF)	Number of shares	Capital eligible for dividends
Share capital	18,494,242	18,494,242	18,494,242	18,934,097	18,934,097	18,934,097
of which fully paid in	18,494,242	18,494,242	—	18,934,097	18,934,097	—
Total share capital	18,494,242	18,494,242	18,494,242	18,934,097	18,934,097	18,934,097
Authorised capital band						
of which capital increase range	1,849,424	1,849,424	N/A	—	—	N/A
of which capital reduction range	924,712	924,712	N/A	—	—	N/A
Conditional share capital	1,000,000	1,000,000	N/A	1,000,000	1,000,000	N/A

Capital reduction

On 28 March 2024, the Annual General Meeting approved a capital reduction through the cancellation of 439,855 shares repurchased in connection with the share buyback programme in 2023. The capital reduction was carried out on the 26 April 2024 and duly published in the federal gazette on that day.

Capital band

The Annual General Meeting on 28 March 2024 approved a capital band ranging from CHF 17,569,530 (lower limit) to CHF 20,343,666 (upper limit). The Board of Directors is authorised within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly until 28 March 2029 or an earlier expiry of the capital range. An increase of the share capital is only permissible to the extent required to comply with legal or regulatory capital and / or regulatory liquidity requirements.

Conditional share capital

Share capital may be increased by a maximum of CHF 1,000,000 by issuing 1,000,000 fully paid-in registered shares with a nominal value of CHF 1.00 each to cover potential exposures arising from restricted stock units (RSUs) granted to certain Group employees.

Own shares

The Leonteq AG shares held by the Group are deducted from shareholders' equity as "own shares" in the statement of equity at average cost paid. The Group does not recognise changes in the fair value of own shares. If a gain or loss is realised on disposal of own shares, it is recognised through equity. The Group purchases its own shares primarily in connection with its share-based benefit and RSU programmes as well as for equity-linked programmes for the EC and BoD in PSUs and blocked shares.

	31.12.2024			31.12.2023		
	Number of shares	Total purchase value (CHF thousand)	Average price (CHF)	Number of shares	Total purchase value (CHF thousand)	Average price (CHF)
Balance at the beginning of the period	1,378,256	65,305	47	806,443	42,027	52
Purchases for equity-linked compensation programmes	464,689	12,390	27	340,335	16,408	48
Used for equity-linked compensation programmes	(361,225)	(16,937)	47	(208,377)	(11,130)	53
Share buyback programme	—	—	—	439,855	18,000	41
Disposals	(439,855)	(18,000)	41	—	—	—
Balance at the end of the period	1,041,865	42,758	41	1,378,256	65,305	47

Profit and capital distribution

The Board of Directors plans to propose to the Annual General Meeting of Leonteq AG on 27 March 2025 that a distribution totalling CHF 4.6 million (CHF 0.25 per share) will be paid in equal amounts out of retained earnings (dividend) and out of reserves from capital contributions (share premium) for the financial year 2024, and that the remaining retained earnings as well as accumulated reserves from capital contributions be carried forward.

39 Significant shareholders

	31.12.2024		31.12.2023	
	Number of shares held	Voting rights in %	Number of shares held	Voting rights in %
Raiffeisen Switzerland Cooperative	5,494,996	29.71%	5,494,996	29.02%
Lukas T. Rufin ¹	1,631,255	8.82%	1,608,121	8.49%
Sandro Dorigo	300,000	1.62%	300,000	1.58%
Subtotal shareholders' agreement	7,426,251	40.15%	7,403,117	39.10%
Rainer-Marc Frey ²	1,146,620	6.20%	924,314	4.88%
Swisscanto Fondsleitung AG ³	N/A	N/A	941,404	4.97%
Alon Gonen ⁴	602,455	3.26%	N/A	N/A
Directors and executives ⁵	234,421	1.27%	185,391	0.98%
Total significant shareholders	9,409,747	50.88%	9,454,226	49.93%

¹ Lukas T. Rufin holds 462,325 call options issued by Raiffeisen subject to the following conditions: Strike price CHF 210 (adjusted by cumulative dividends per share and effects of corporate actions from 2015 to 2025); subscription ratio 1:1; maturity 19 October 2025; European style.

² Creation of obligation to notify: 12 December 2024; H21 Macro Limited, Cayman Islands, is the direct shareholder of part of these shares.

³ Creation of obligation to notify: 03 December 2024; Swisscanto Fondsleitung AG held <3% in Leonteq shares.

⁴ Creation of obligation to notify: 02 August 2024; Sparta 24 Ltd, Israel is the direct shareholder of these shares.

⁵ Excluding shareholdings of Lukas T. Rufin.

40 Related-party transactions

The Group entered into various transactions and agreements with related parties that are not part of the Group. Significant transactions and agreements can be categorised as financial and platform partner agreements with Raiffeisen Switzerland Cooperative and its affiliated companies.

CHF thousand	Amounts due from 31.12.2024	Amounts due from 31.12.2023	Amounts due to 31.12.2024	Amounts due to 31.12.2023	Income from 2024	Income from 2023	Expenses to 2024	Expenses to 2023
Significant shareholders								
Raiffeisen Switzerland Cooperative								
Amounts due from banks	5,788	2,247	—	—	—	—	—	—
Amounts due from securities financing transactions	4,500	3,000	—	—	—	—	—	—
Positive replacement values of derivative instruments	33,917	44,016	—	—	—	—	—	—
Amounts due to banks	—	—	9,032	16,905	—	—	—	—
Negative replacement values of derivative instruments	—	—	30,157	30,228	—	—	—	—
Accrued expenses and deferred income	—	—	65	—	—	—	—	—
Platform partner service fee income	—	—	—	—	2,109	939	—	—
Other fee expenses	—	—	—	—	—	—	649	407
Interest income	—	—	—	—	81	33	—	—
Interest expenses	—	—	—	—	—	—	100	366
Affiliated companies								
Raiffeisen Switzerland B.V. Amsterdam								
Amounts due from customers	1,264	1,707	—	—	—	—	—	—
Positive replacement values of derivative instruments	87,180	62,099	—	—	—	—	—	—
Accrued income and prepaid expenses	142	122	—	—	—	—	—	—
Amounts due to customers	—	—	81,699	50,135	—	—	—	—
Negative replacement values of derivative instruments	—	—	14,157	17,873	—	—	—	—
Platform partner service fee income	—	—	—	—	5,972	6,637	—	—
Interest income	—	—	—	—	—	1	—	—
Interest expenses	—	—	—	—	—	—	1,239	1,867

On 6 April 2018, Leonteq entered into a cooperation agreement with Raiffeisen (“the Raiffeisen Agreement”). Under the terms of the Raiffeisen Agreement, Leonteq and Raiffeisen agreed to cooperate in the structuring, issuance, hedging, distribution, market making and lifecycle management of structured products and the provision of related services. The Raiffeisen Agreement was originally due to expire on 31 March 2026 but was extended to 31 March 2030 in January 2022. The extension was subject to the successful implementation of the technological connection between a new Raiffeisen platform and the Leonteq service and technology platform. On 12 April 2024, Leonteq communicated that the work has been completed and the cooperation agreement between the two parties was extended.

Key management personnel compensation

The Group’s key management personnel comprises the members of the Board of Directors and the Executive Committee. As of 31 December 2024, the Board of Directors consisted of seven members, all of whom are non-executive directors. The Executive Committee consisted of seven members as of 31 December 2024.

Compensation awarded to the Board of Directors and the Executive Committee is proposed by the Group’s Nomination and Remuneration Committee and is reviewed annually. The Nomination and Remuneration Committee provides the Board of Directors with recommendations on the remuneration of members of the Board of Directors and the Executive Committee and defines the basic principles for the establishment, amendment and implementation of incentive plans. When reaching its decision regarding remuneration, the Board of Directors takes into account the maximum amounts approved prospectively by the Annual General Meeting (AGM) for members of the Board of Directors (maximum total compensation) and the members of the Executive Committee (fixed compensation and variable compensation for the long-term incentive plan). The total amount of variable compensation for the short-term incentive plan of members of the Executive Committee is approved by the AGM following the financial year with retrospective vote.

Total compensation for the Board of Directors and the Executive Committee of the Group (collectively defined as key management personnel) for the year ending 31 December 2024 is listed in the tables below. Additional information can be found in the Compensation Report on pages 88 to 113.

Compensation for members of the Board of Directors

CHF thousand	Salaries and other short-term employee benefits	Share-based payments ¹	Total compensation 2024	Total compensation 2023
Christopher M. Chambers (Chairman since EGM 2017)	219	175	394	394
Philippe Weber (Vice-Chairman since AGM 2020)	133	80	213	214
Sylvie Davidson (Member since AGM 2021)	85	75	160	160
Susana Gomez Smith (Chairperson ARC since AGM 2021)	127	76	203	203
Richard A. Laxer (Chairperson NRC since AGM 2019)	87	125	212	212
Philippe Le Baquer (Member since AGM 2021)	85	75	160	160
Thomas R. Meier (Member since EGM 2017)	85	75	160	160
Dominik Schärer (Member until AGM 2024)	21	19	40	160
Total	842	700	1,542	1,663

¹ These share-based payment amounts reflect the fair value of the shares at time of grant excluding employer’s social security contribution.

Compensation for members of the Executive Committee

CHF thousand	2024	2023
Short-term employee benefits	6,147	4,972
Post-employment benefits	326	315
Other long-term employee benefits	486	521
Share-based payments ¹	259	368
Total compensation for members of the Executive Committee	7,218	6,176

¹ Share-based payments include the estimated value of performance share units granted with performance period 2024 - 2026 at the end of the period (valued at share price at time of grant) as well as restricted share units for individuals joining the Executive Committee replacing cancelled deferred compensation by their previous employers (forfeited amount of CHF 0.4 million not included). Amount including estimated employer's social security contribution.

The Group has not granted any loans or guarantee commitments to members of the Board of Directors or members of the Executive Committee.

41 Off-balance sheet items

CHF thousand	31.12.2024	31.12.2023
Off-balance sheet items		
Contingent liabilities	27,420	54,253

Contingent liabilities arise mainly from deferred payments in relation to employee variable compensation plans. For further information refer to Note 13.

On 10 August 2015, Leonteq AG signed a deed of guarantee with Teighmore Ltd. relating to the lease of the former office premises of the London branch of Leonteq Securities (Europe) GmbH. In October 2017, the lease was assigned to a third party. In connection with the transfer, it was agreed that this deed of guarantee will remain with Leonteq AG. As of 31 December 2024, the total commitment relating to future rental payments under the original lease contract was GBP 1.0 million (CHF 1.1 million) (31 December 2023: GBP 2.5 million or CHF 2.6 million, respectively), excluding taxes.

On 11 December 2017, Leonteq AG provided a guarantee relating to the lease of the office premises of its subsidiary Leonteq Securities (Japan) Ltd. On 23 August 2022, the guarantee was extended by 5 years. As of 31 December 2024, the total commitment relating to future rental payments under this lease was JPY 103.1 million (CHF 0.6 million) (31 December 2023: JPY 132.9 million or CHF 0.8 million, respectively), excluding taxes.

42 Group information

Subsidiaries

The Group's subsidiaries as of 31 December 2024 are listed below:

Name	Line of business	Country of incorporation	Currency	Share capital	Share of votes and capital in %
Leonteq Securities AG ¹	Securities firm	Switzerland	CHF	15,000,000	100
Leonteq Securities (Monaco) SAM	Financial services provider	Monaco	EUR	500,000	99.9
Leonteq Securities (Hong Kong) Ltd.	Financial services provider	Hong Kong	HKD	10,000,000	100
Leonteq Securities (Europe) GmbH ²	Financial services provider	Germany	EUR	200,000	100
Leonteq Securities (Singapore) PTE Ltd.	Financial services provider	Singapore	SGD	1,000,000	100
Leonteq Securities (Japan) Ltd.	Financial services provider	Japan	JPY	312,500,000	100
Leonteq (Middle East) Ltd.	Financial services provider	United Arab Emirates	USD	3,000,000	100

¹ Leonteq Securities AG has branches in Amsterdam and Guernsey.

² Leonteq Securities (Europe) GmbH has branches in Lisbon, London, Milan and Paris.

In 2024, there were no changes to the scope of consolidation or share of votes and capital.

Joint arrangement in which the Group is a joint venturer

The Group has a 50% interest in Bench Services AG with a fully paid-in share capital of CHF 100 thousand (31 December 2023: 50%). For more information refer to Note 32.

43 Unconsolidated structured entities

A structured entity is one that has been set up so that any voting rights or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights relate only to administrative tasks and the relevant activities are directed by contractual arrangements. A structured entity often has restricted activities and/or a narrow and well defined objective.

Structured entities are consolidated if the substance of the relationship between the Group and the structured entities indicate that the structured entities are controlled by the Group, as discussed in Note 4.

The Group is engaged in three business models with an involvement of structured entities which are designed to achieve the following specific business purpose:

Sponsor model – Offering standardised issuance model for private, commercial and retail banks allowing them to easily transform from an intermediary to a producer of structured investment products. The structured products, guaranteed by the sponsor bank, issued by a standalone securitization undertaking in Luxembourg. Leonteq Group is acting as arranger and may also act as hedger and other services provider (e.g. accounting) for the structured entity.

Shari'a-compliant offering – Offering of Shari'a-compliant trust certificates under a Shari'a-Compliant Trust Certificate Issuance and Offering Programme. The trust certificates are issued by a standalone structured entity and are designed to produce financial returns analogous to those of traditional structured investment products. Leonteq Group is acting as lead manager and may also act as hedger and offers other administrative services to the issuance entity.

Preference Share Linked Notes (PSLN) offering – The Group issues PSLN linked to the performance of one or more preference shares issued by an orphan structured entity incorporated in Jersey, sponsored by the Group. The amount of assets transferred to the sponsored structured entity in 2024 is not material.

These entities are not consolidated because the Group does not control them through voting rights, contract, funding agreements, or other means.

Interest in and maximum exposure to unconsolidated structured entities

The Group's interests in unconsolidated structured entities refer to contractual and non-contractual involvement that exposes the Group to variable returns from the structured entities. Interests in unconsolidated structured entities mainly include service fees which commensurate with the level of effort and are negotiated at arm's-length based on terms, conditions and amounts that are customarily present for such services. Hedging transactions (e.g. derivatives) are not regarded as interest in unconsolidated structured entities as these transactions introduce variability of returns into the structured entities.

The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for issued certificates and derivatives, as interpreted by the Group, is reflected by the fair value of the instruments. The fair value of the issued certificates is taken into account when the Group derives its interests through certificates it holds. The fair value of the derivatives serves as a measure when the Group's interests is in the form of derivatives. Such amounts or their development do not reflect the economic risks faced by the Group because they do not take into account the effects of collateral or hedges nor the probability of such losses being incurred.

As for 2024, the Group had only immaterial interests in these structured entities. On 31 December 2024, the net exposure in relation to positive and negative replacement values of derivatives is CHF 18.6 million (31 December 2023: CHF 9.1 million).

Size of unconsolidated structured entities

The Group considers the fair value of the issued certificates and derivatives as per the balance sheet date as appropriate indicators for evaluation of the size of the structured entities.

On 31 December 2024, based on the above definition, the total size of structured entities is CHF 22.9 million (31 December 2023: CHF 20.9 million).

During the year Leonteq has not provided any non-contractual financial or other support to these entities and has no current intention of providing any financial or other support.

44 Post-balance sheet events

No events occurred after the balance sheet date that would materially affect the financial statements.

45 Statutory banking regulations

The Group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). FINMA stipulates that banks or securities firms domiciled in Switzerland that report their financial statements according to US GAAP or IFRS must explain any material differences between Swiss accounting regulations for banks (Banking Ordinance, FINMA Accounting Ordinance and FINMA Circular 2020/1) and the reporting standard used. The most significant differences between IFRS and Swiss accounting regulations for banks that are of relevance to the Group are as follows:

Extraordinary profit

Under IFRS, all items of income and expense are allocated to ordinary operating activities. In accordance with Swiss accounting regulations for banks, income and expenses are classified as extraordinary if they are not recurring or not related to operating activities.

Pensions and post-retirement benefits

Under IFRS, the pension liability and related pension expenses are determined based on the projected unit credit actuarial calculation of the benefit obligation. Under the Swiss accounting regulation for banks, the pension liability and related pension expense are determined primarily on the basis of the pension plan valuation. A pension asset is recognised if a statutory overfunding of a pension plan leads to a future economic benefit, and a pension liability is recognised if a statutory underfunding of a pension plan leads to a future economic obligation. Pension expenses include the required contributions defined by the Swiss accounting regulation for banks, any additional contribution required by the pension fund trustees, and any change in the value of the pension asset or liability between two measurement dates, as determined on the basis of the annual year-end pension plan valuation.

Share based payments

Swiss accounting regulations for banks allow the same accounting treatment for share-based payments as IFRS with the following exceptions: the expenses for share-based payments are recognised in the income statement with a corresponding entry in accrued expenses and deferred income.

Lease accounting

IFRS 16 requires the Group to recognise a lease liability reflecting the present value of future lease payments and a corresponding right-of-use asset on the balance sheet. The right-of-use asset is recognised in the line item "tangible assets" and the lease liability in "other liabilities". The right of use asset is amortised over the period of the lease on a straight-line-basis. Lease payments are deducted from the lease liability after applying the interest charge for the period. Swiss accounting regulations for banks do not accept IFRS 16. Instead, lease payments made during the period are recognised as operating expense.

Crypto assets

Since crypto assets do not meet the criteria to qualify as financial instrument under IFRS, the respective balance is presented as trading inventories. Under the Swiss accounting regulations crypto assets held must be presented as trading financial assets.

Fair value through other comprehensive income

Swiss accounting regulations for banks do not allow financial instruments to be accounted for at fair value through other comprehensive income. Instruments held under this IFRS category are classified as other financial instruments at fair value under Swiss accounting regulations for banks. The full mark-to-market effect is reflected in the income statement, instead. The corresponding adjustments to the expected credit loss provision are also eliminated.

Expected credit loss

IFRS 9 requires entities to recognise credit losses on financial assets measured at amortised cost or at fair value through other comprehensive income using an expected credit loss (ECL) approach. Expected credit losses are measured through a loss allowance at an amount equal to 12-month expected credit losses or lifetime expected credit losses if the credit risk has increased significantly since initial recognition. The Swiss accounting regulations for banks allow the application of the IFRS 9 impairment model but the requirements regarding provisioning for counterparty default risks depend on the FINMA category of the banks. Leonteq Securities AG applies the IFRS 9 impairment model also in its statutory financial statements.

Hedge Accounting

Under IFRS, fair value movements of hedging instruments of cash flow hedges are recognised in comprehensive income. Swiss accounting regulations for banks do not allow for the recognition of expenses or income in comprehensive income. The fair value movements of hedging instruments of cash flow hedges are recognised in the compensation account instead. The effect was CHF 0 thousand for 2024 and 2023 respectively.

Deferred taxes

Swiss accounting regulations for banks generally do not recognise deferred tax assets. Deferred tax liabilities are recognised as provisions. Leonteq Securities AG does not recognise any deferred taxes for its stand-alone financial statement in accordance with Swiss accounting regulations for banks.

Current taxes

Swiss accounting regulations for banks recognise current tax assets (liabilities) for income taxes under accrued income and prepaid expenses (accrued expenses and deferred income).

Changes in own credit

Under IFRS 9, changes in fair value related to own credit risk for financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income. The changes to other comprehensive income in own credit risk are subsequently transferred within equity to retained earnings reserves over the same period as the sales fee income is deemed to be earned. Any fair value impact not related to changes in own credit risk is recognised in the income statement.

Under Swiss accounting regulations for banks, changes in own credit risk are recognised through the compensation account and amortised through the income statement over the same period as the sales fee income is deemed to be earned. Any fair value impact not related to changes in own credit risk is also recognised in the income statement.



Deloitte AG
Pfingstweidstrasse 11
CH-8005 Zürich

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

Report of the Statutory Auditor

To the General Meeting of
Leonteq AG, Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Leonteq AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including principal accounting policies.

In our opinion, the consolidated financial statements (pages 143 to 211) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none">Valuation of level 2 and level 3 financial instrumentsRevenue recognition (fee income)
Materiality	CHF 8.1 million
Scoping	Based on our understanding of Group operations, we conducted audits of the entire financial information for the two reporting units in Zurich, Switzerland: <ul style="list-style-type: none">Leonteq AGLeonteq Securities AG (including Guernsey and Amsterdam branches) In aggregate, these two reporting units represent scope coverage of 94.8% in terms of equity. All other reporting units were subject to analytical review procedures for the purpose of the Group audit.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Valuation of level 2 and level 3 financial instruments

➡ Similar level of risk as in previous year

Key audit matter

Financial instruments are classified as level 1 (unadjusted quoted prices in active markets), level 2 (input parameters can be observed directly or indirectly in the market) or level 3 (significant input parameters cannot be observed in the market) in accordance with IFRS 13 (Fair value measurement).

As at 31 December 2024, the Group reports total financial assets at fair value as follows:

(in CHF)	31.12.2024	31.12.2023
Total financial assets at fair value	9.0bn	7.9bn
of which level 2 financial instruments	1.4bn	1.5bn
Total financial liabilities at fair value	7.7bn	6.7bn
of which level 2 financial instruments	6.1bn	5.5bn
of which level 3 financial instruments	9m	8m

Financial liabilities mainly consist of issued structured products and derivative instruments.

As presented in notes 4 and 18 to the consolidated financial statements, determination of the fair value of complex or illiquid financial instruments, involves significant judgement (using complex valuation models and determination of input factors such as volatility and valuation adjustments). The extent of judgment applied by the Group in valuing the financial instruments varies with the nature of assets or liabilities, the markets in which they are traded, and the valuation methodology applied.

Audit response

Our procedures included:

- Gaining an understanding of the key controls in place;
- evaluating operating effectiveness testing of key controls (including data feeds and input to models) conducted by a third party;
- assessing the independent price verification (IPV) performed.

We utilised valuation specialists in the audit of the valuation and we performed the following procedures:

- Calculated a range of comparable values for a sample of financial instruments using an independent valuation model and considered reasonable alternative key assumptions based on comparable securities and compared results.

We further utilised financial modelling specialists in the audit and we performed the following procedures:

- Inspected the model documentation and the related processes to assess logic and method of determination, and reasonableness and completeness of model documentation and processes for a sample of models including the underlying model for the level 3 as well as level 2 financial instruments.

We assessed as well the adequacy of disclosures and sensitivity analysis.

Overall, in our view sufficient audit evidence was obtained to address the risk of valuation and we are satisfied that the valuation of level 2 and level 3 financial instruments is reasonable and in accordance with IFRS 13.

Deloitte.

Revenue recognition (fee income)

➡ Similar level of risk as in previous year

Key audit matter

As presented in notes 4 and 9 to the consolidated financial statements, management exercises judgment in allocating fees earned to the Group's performance obligations and in determining the timing of when performance obligations are satisfied.

For the year 2024 the Group reports net fee income of CHF 214.5 million (2023: CHF 213.3 million) and deferred fee income of CHF 49 million (2023: CHF 57.8 million) and given the extent of judgement involved in recognising fee income for such services, we considered this to be a key audit matter.

Fees from these services include, among others the initial margin earned upon the issuance of structured investment products (Investment Solutions business).

Audit response

Our procedures included:

- assessing the design and implementation of certain controls relating to the complete and accurate recognition of fee income, including the accuracy of data and inputs for fee calculations;
- evaluating operating effectiveness testing of key controls conducted by a third party;
- for issued structured products, reconciling fee income according to the Group's front office system with the amounts according to the accounting system;
- assessing the assumptions in connection with fee deferral and reperformed deferred revenue calculation on a sample basis; and
- reconciling on a sample basis the fee income received with cash receipts.

We assessed the adequacy of disclosures and consider these to be appropriate.

Overall, in our view sufficient audit evidence was obtained to address the risk of revenue recognition (fee income) and we consider judgments applied by management to be reasonable.

Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Deloitte.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Materiality	CHF 8.1 million
Basis for determining materiality	1% of total equity
Rationale for the applied benchmark	Due to the accelerated volatility of the result from operating activities (two-years average of that metric was determined as benchmark for the audit 2023) and in order to better reflect sustainable metrics of stakeholder interest we determined equity as benchmark for the calculation of materiality.

We agreed with the Audit & Risk Committee that we would report to the Board of Directors all audit differences in excess of CHF 405,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the consolidated financial statements.

Overview of the Scope of our Audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit work on the audit of Leonteq AG and Leonteq Securities AG (including Guernsey and Amsterdam branches).

In aggregate, the level of coverage of the audit of the entire financial information for the above reporting units is as presented below. All other reporting units were subject to analytical review procedures for the purpose of the Group audit.



Deloitte.

Annual statutory audits are conducted by Deloitte at the majority of the Group's affiliates, although these are predominantly completed subsequent to our audit report on the consolidated financial statements.

At the parent entity level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the statutory financial statements, the risk and control report and the audited sections of the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Deloitte.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte AG



Sandro Schönenberger
Licensed Audit Expert
Auditor in Charge



Christian Weber
Licensed Audit Expert

Zurich, 4 February 2025

Statutory financial statements

Content

Income statement for the years	217
Balance sheet	218
Proposal to the Annual General Meeting	219

Notes to the statutory financial statements

Accounting policies and valuation principles	220
1 Due from banks	221
2 Due from/to subsidiaries	221
3 Accrued income and prepaid expenses/accrued expenses and deferred income	221
4 Investments in subsidiaries and joint ventures	222
5 Interest income and expense	222
6 Personnel expenses	223
7 Other operating expenses	223
8 Taxes	223
9 Headcount	223
10 Guarantees and commitments	223
11 Significant shareholders	224
12 Share capital	224
13 Ownership of shares and options by members of the Board of Directors and Executive Committee	225
14 Auditor's remuneration	225
15 Collateralised assets	225
16 Events after the balance sheet date	225
17 Waiver due to publication of consolidated financial statements	225

Leonteq AG

Income statement for the years ended 31 December 2024 and 2023

CHF thousand	Note	2024	2023
Operating income			
Dividend income from subsidiaries		30,000	76,096
Interest income from subsidiaries	5	8	12
Interest expenses to subsidiaries	5	(273)	(23)
Interest income other	5	205	1
Total operating income		29,940	76,086
Operating expenses			
Personnel expenses	6	1,693	1,696
Other operating expenses	7	5,221	4,528
Depreciation and amortisation of intangible assets		240	—
Total operating expenses		7,154	6,224
Result from operating activities		22,786	69,862
Extraordinary income		—	—
Profit/(loss) before taxes		22,786	69,862
Taxes	8	(64)	3
Net profit/(loss)		22,722	69,865

Leonteq AG

Balance sheet as of 31 December 2024 and 2023

Assets

CHF thousand	Note	31.12.2024	31.12.2023
Current assets			
Due from banks	1	5,307	459
Due from subsidiaries	2	63	505
Accrued income and prepaid expenses	3	391	616
Total current assets		5,761	1,580
Non-current assets			
Financial investments		1,075	900
Investments in subsidiaries & joint ventures	4	299,045	299,045
Intangible assets		1,360	1,600
Total non-current assets		301,480	301,545
Total assets		307,241	303,125

Liabilities and shareholders' equity

CHF thousand	Note	31.12.2024	31.12.2023
Current liabilities			
Due to subsidiaries	2	6,997	11,931
Due to other customers		120	—
Other liabilities		6	302
Accrued expenses	3	853	615
Provisions		215	400
Total current liabilities		8,191	13,248
Total liabilities		8,191	13,248
Shareholders' equity			
Share capital	12	18,494	18,934
Legal reserves		214,495	232,082
of which general legal reserves		3,189	3,189
of which reserves from capital contributions		211,306	228,893
Retained earnings		86,097	34,301
Net profit/(loss)		22,722	69,865
Own shares	12	(42,758)	(65,305)
Total shareholders' equity		299,050	289,877
Total liabilities and shareholders' equity		307,241	303,125

Proposal to the Annual General Meeting

The Board of Directors plans to propose to the Annual General Meeting of Leonteq AG on 27 March 2025 that a distribution totalling CHF 4.6 million (CHF 0.25 per share) will be paid in equal amounts out of retained earnings (dividend) and out of reserves from capital contributions (share premium) for the financial year 2024, and that the remaining retained earnings as well as accumulated reserves from capital contributions be carried forward.

Proposed appropriation of retained earnings

The Board of Directors plans to propose the following allocation of retained earnings.

CHF thousand	2024
Net profit/(loss)	22,722
Retained earnings	86,097
Retained earnings at the disposal of the Annual General Meeting	108,819
Distribution of profit	
Dividend distribution ¹	(2,312)
Allocation to general legal reserves	—
Allocation to other reserves	—
Retained earnings to be carried forward	106,507

¹ Depends on the number of dividend-entitled shares, max. 18'494'242 shares, as of 31 December 2024. The own shares held by Leonteq AG are not entitled to the distribution of dividends.

Proposed appropriation of reserves from capital contribution

The Board of Directors plans to propose the following allocation of reserves from capital contributions.

CHF thousand	2024
Reserves from capital contributions	
Balance carried forward 1 January	228,893
Distribution of reserves from capital contributions in 2024 ¹	(8,807)
Capital reduction	(8,780)
Balance per 31 December	211,306
of which confirmed by the tax authorities	210,719
Proposed distribution of reserves from capital contributions in 2025 ¹	(2,312)
Balance to be carried forward	208,994

¹ The own shares held by Leonteq AG are not entitled to the distribution out of reserves from capital contributions.

Notes to the statutory financial statements

Accounting policies and valuation principles

The financial statements of Leonteq AG, Zurich (Leonteq or “the Company”), have been prepared in accordance with the Swiss Code of Obligations. The most significant accounting policies are summarised below:

Recognition of transactions

All transactions are accounted for at the time of their contractual initiation. Spot and forward transactions are recorded as off-balance sheet items until their value date becomes effective.

Foreign currency transactions and translation

	Spot rate 31.12.2024	Spot rate 31.12.2023	Average rate 2024	Average rate 2023
EUR / CHF	0.9399	0.9290	0.9526	0.9716
USD / CHF	0.9073	0.8415	0.8806	0.8985
GBP / CHF	1.1355	1.0723	1.1252	1.1171
JPY / CHF	0.0058	0.0060	0.0058	0.0064
HKD / CHF	0.1168	0.1078	0.1129	0.1148
SGD / CHF	0.6644	0.6370	0.6589	0.6692

1 Due from banks

CHF thousand	31.12.2024	31.12.2023
Due from banks	5,307	459
Total due from banks	5,307	459

2 Due from/to subsidiaries

CHF thousand	31.12.2024	31.12.2023
Due from subsidiaries		
Leonteq Securities AG – other receivables	63	505
Total due from subsidiaries - current	63	505
Due to subsidiaries		
Leonteq Securities AG - other payables	306	214
Leonteq Securities AG - loan payables	2,300	11,700
Leonteq (Middle East) Ltd. – other payables	17	—
Leonteq (Middle East) Ltd. – loan payables	4,354	—
Leonteq Securities (Europe) GmbH, Paris branch - other payables	3	—
Leonteq Securities (Europe) GmbH, London branch - other payables	17	17
Total due to subsidiaries	6,997	11,931

3 Accrued income and prepaid expenses/ accrued expenses and deferred income

CHF thousand	31.12.2024	31.12.2023
Accrued income and prepaid expenses		
Accrued interest income from other	2	—
Accrued income - other	228	606
Prepaid expenses	161	10
Total accrued income and prepaid expenses	391	616
Accrued expenses and deferred income		
Accrued operating expenses	808	484
Accrued taxes	41	126
Accrued interest expense to subsidiaries	4	5
Total accrued expenses and deferred income	853	615

4 Investments in subsidiaries and joint ventures

Name	Domicile	Business activity	Share of votes and capital in %	Share capital (CHF thousand)	
				31.12.2024	31.12.2023
Subsidiaries					
Leonteq Securities AG ¹	Switzerland	Securities firm	100%	15,000	15,000
Leonteq Securities (Monaco) SAM	Monaco	Financial services provider	99.90%	759	759
Leonteq Securities (Europe) GmbH ²	Germany	Financial services provider	100%	256	256
Leonteq Securities (Hong Kong) Ltd.	Hong Kong	Financial services provider	100%	1,224	1,224
Leonteq Securities (Singapore) PTE Ltd.	Singapore	Financial services provider	100%	741	741
Leonteq Securities (Japan) Ltd.	Japan	Financial services provider	100%	2,763	2,763
Leonteq (Middle East) Ltd.	United Arab Emirates	Financial services provider	100%	2,751	2,751
Joint Ventures					
Bench Services AG ³	Switzerland	Management and administration of pension funds	50%	100	100

¹ Leonteq Securities AG has branches in Amsterdam and Guernsey.

² Leonteq Securities (Europe) GmbH has branches in London, Lisbon, Milan and Paris.

³ Bench Services AG was founded on 17 November 2023.

5 Interest income and expense

CHF thousand	2024	2023
Other interest income from Leonteq Securities AG	8	12
Other interest income	205	1
Total interest income	213	13
Other interest expense to Leonteq Securities AG	68	23
Other interest expense to Leonteq (Middle East) Ltd.	205	—
Total interest expense	273	23

6 Personnel expenses

CHF thousand	2024	2023
Board remuneration	1,542	1,663
Recruitment costs	151	33
Total personnel expenses	1,693	1,696

7 Other operating expenses

CHF thousand	2024	2023
Intercompany service recharges	840	520
Marketing expenses	184	230
Banking fees	21	46
Consulting fees	1,099	1,110
Internal and external audit fees	1,017	254
Insurances	1,630	1,723
Indirect taxes	(203)	(111)
T&E expenses	78	74
Provision	384	591
Other	171	91
Total other operating expenses	5,221	4,528

8 Taxes

CHF thousand	2024	2023
Income taxes	—	(60)
Capital taxes	64	57
Total taxes	64	(3)

9 Headcount

Leonteq AG did not have any employees in the financial years 2024 and 2023. All members of the Executive Committee are employed and paid by Leonteq Securities AG.

10 Guarantees and commitments

On 10 August 2015, Leonteq AG signed a deed of guarantee with Teighmore Ltd. relating to the lease of the former office premises of the London branch of Leonteq Securities (Europe) GmbH. In October 2017 the lease has been assigned to a third party. In connection with the transfer it was agreed that this deed of guarantee will remain with Leonteq AG. As of 31 December 2024, the total commitment relating to future rental payments under the original lease contract was GBP 1.0 million (CHF 1.1 million) (31 December 2023: GBP 2.5 million or CHF 2.6 million, respectively), excluding taxes.

On 11 December 2017, Leonteq AG provided a guarantee relating to the lease of the office premises of its subsidiary Leonteq Securities (Japan) Ltd. On 23 August 2022, the guarantee was extended by 5 years. As of 31 December 2024, the total commitment relating to future rental payments under this lease was JPY 103.1 million (CHF 0.6 million) (31 December 2023: JPY 132.9 million or CHF 0.8 million, respectively), excluding taxes.

11 Significant shareholders

	31.12.2024		31.12.2023	
	Number of shares held	Voting rights in %	Number of shares held	Voting rights in %
Raiffeisen Switzerland Cooperative	5,494,996	29.71 %	5,494,996	29.02 %
Lukas T. Rufli ¹	1,631,255	8.82 %	1,608,121	8.49 %
Sandro Dorigo	300,000	1.62 %	300,000	1.58 %
Subtotal shareholders' agreement	7,426,251	40.15 %	7,403,117	39.10 %
Rainer-Marc Frey ²	1,146,620	6.20 %	924,314	4.88 %
Swisscanto Fondsleitung AG ³	N/A	N/A	941,404	4.97 %
Alon Gonen ⁴	602,455	3.26 %	N/A	N/A
Directors and executives ⁵	234,421	1.27 %	185,391	0.98 %
Total significant shareholders	9,409,747	50.88 %	9,454,226	49.93 %

¹ Lukas T. Rufli holds 462,325 call options issued by Raiffeisen subject to the following conditions: Strike price CHF 210 (adjusted by cumulative dividends per share and effects of corporate actions from 2015 to 2025); subscription ratio 1:1; maturity 19 October 2025; European style.

² Creation of obligation to notify: 12 December 2024; H21 Macro Limited, Cayman Islands, is the direct shareholder of part of these shares.

³ Creation of obligation to notify: 03 December 2024; Swisscanto Fondsleitung AG held <3% in Leonteq shares.

⁴ Creation of obligation to notify: 02 August 2024; Sparta 24 Ltd, Israel is the direct shareholder of these shares.

⁵ Excluding shareholdings of Lukas T. Rufli.

12 Share capital

The Company's share capital consisted of 18,494,242 registered shares with a nominal value of CHF 1.00 each as of 31 December 2024 and 18,934,097 registered shares with a nominal value of CHF 1.00 each as of 31 December 2023, respectively.

Capital reduction

On 28 March 2024, the Annual General Meeting approved a capital reduction through the cancellation of 439,855 shares repurchased in connection with the share buyback programme in 2023. The capital reduction was carried out on the 26 April 2024 and duly published in the federal gazette on that day.

Capital band

The Annual General Meeting on 28 March 2024 approved a capital band ranging from CHF 17,569,530 (lower limit) to CHF 20,343,666 (upper limit). The Board of Directors is authorised within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly until 28 March 2029 or an earlier expiry of the capital range. An increase of the share capital is only permissible to the extent required to comply with legal or regulatory capital and / or regulatory liquidity requirements.

Conditional share capital

Share capital may be increased by a maximum of CHF 1,000,000 by issuing 1,000,000 fully paid-in registered shares with a nominal value of CHF 1.00 each to cover potential exposures arising from restricted stock units (RSUs) granted to certain Group employees.

Own shares

The Company held 1,041,865 and 1,378,256 own shares for potential future share deliveries as of 31 December 2024 and 31 December 2023, respectively. For further information, refer to Note 38 in the consolidated financial statements.

13 Ownership of shares and options by members of the Board of Directors and Executive Committee

For information pursuant to Art. 732 et seq. of the Swiss Code of Obligations on participations held by members of the Board of Directors and Executive Committee and on participation rights from the Group's compensation and incentive plans, refer to the Compensation Report on pages 88 to 113, as well as Note 13 of the consolidated financial statements.

Members of the Board of Directors did not hold any options to acquire shares as of 31 December 2024 and 31 December 2023, respectively. Except of one member of the Executive Committee, all other members did not hold any options to acquire shares as of 31 December 2024 and 31 December 2023, respectively. For further information refer to the Compensation Report on pages 88 to 113.

The Group has not granted any loans or guarantee commitments to members of the Board of Directors or members of the Executive Committee.

14 Auditor's remuneration

Audit fees

The Group paid Deloitte AG audit fees of CHF 1.1 million for 2024 and CHF 1.1 million for 2023.

Additional fees

Additional fees of CHF 79 thousand were paid to Deloitte AG in 2024 and CHF 27 thousand in 2023.

15 Collateralised assets

As of the balance sheet date, Leonteq AG has no transactions outstanding in relation to collateralisation or securitisation.

16 Events after the balance sheet date

No events occurred after the balance sheet date that would materially affect the financial statements.

17 Waiver due to publication of consolidated financial statements

In accordance with Swiss Code of Obligations, Art. 961d, we refer to the consolidated financial statements of the Group for the financial and operational review and the statement of cash flows.



Deloitte AG
Pfingstweidstrasse 11
CH-8005 Zürich

Phone: +41 (0)58 279 60 00
Fax: +41 (0)58 279 66 00
www.deloitte.ch

Report of the Statutory Auditor

To the General Meeting of
Leonteq AG, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Leonteq AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and valuation principles.

In our opinion, the financial statements (pages 216 to 225) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters The key audit matters that we identified in the current year were:

- Valuation of investments in subsidiaries

Materiality CHF 4.6 million



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries

↻ Similar level of risk as in previous year

Key audit matter

As presented in note 4 to the financial statements, the Company holds investments in Leonteq Group companies with a net carrying value representing 97% of total assets as at 31 December 2024 (2023: 99%).

Investments in subsidiaries are held at historical cost less impairments.

The Company identifies impairment by comparing the carrying value of the investment with the recoverable amount, which is calculated based on the net asset value.

The impairment test performed by management is subject to judgment around the valuation method, key assumptions used and the susceptibility to the expected future market developments that could affect the profitability and positive cash flows of these subsidiaries.

Accordingly, for the purposes of our audit, we identified judgments and estimates applied by management on the valuation of these investments as representing a key audit matter.

Audit response

We evaluated management's implementation of accounting policies regarding the valuation of investments in Group companies.

We obtained an understanding of internal controls around the valuation of investments in Group companies to determine whether appropriate controls are in place.

We examined the identification of impairment indicators performed by the Company.

We tested the valuations of investments in Group companies by critically assessing the methodology applied and the reasonableness of the underlying assumptions and judgments.

We validated the appropriateness and completeness of the related disclosures in the referenced note to the financial statements.

Overall, in our view and in the context of the inherent degree of judgement required, sufficient audit evidence was obtained to address the risk of valuation of investments in subsidiaries and we consider judgments and estimates applied by management on the valuation of investments in Group companies to be reasonable.

Deloitte.

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	CHF 4.6 million
--------------------	-----------------

Basis for determining materiality	1.5% of total assets
--	----------------------

Rationale for the applied benchmark	We selected total assets as the basis for determining our materiality, because, in our view, this measure best reflects the operations of a holding company.
--	--

We agreed with the Audit & Risk Committee that we would report to the Board of Directors all audit differences in excess of CHF 230,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the statutory financial statements, the risk and control report and the audited sections of the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms an integral part of our report."

Deloitte.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposed appropriation of available earnings of the Board of Directors complies with Swiss law and the Company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Deloitte AG



Sandro Schoenenberger
Licensed Audit Expert
Auditor in Charge



Christian Weber
Licensed Audit Expert

Zurich, 4 February 2025

**Leonteq's Annual Report 2024
can be accessed at**

www.leonteq.com/annual-report-2024

Legal disclaimer

This annual report of Leonteq AG (the "Company", together with its subsidiaries the "Group") serves for information purposes only and does not constitute research. This annual report and all materials, documents and information used therein or distributed in the context of its publication do not constitute or form part of and should not be construed as, an offer (public or private) to sell or a solicitation of offers (public or private) to purchase or subscribe for shares or other securities of the Company or any of its affiliates or subsidiaries in any jurisdiction or an inducement to enter into investment activity in any jurisdiction, and may not be used for such purposes. Copies of this annual report may not be made available (directly or indirectly) to any person in relation to whom the making available of the annual report is restricted or prohibited by law or sent to countries, or distributed in or from countries, to, in or from which this is restricted or prohibited by law.

This annual report may contain specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect", "forecast", "project", "may", "could", "might", "will" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the Company or any of its affiliates or subsidiaries and those explicitly or implicitly presumed in these statements. These factors include, but are not limited to: (1) general market, macroeconomic, governmental and regulatory trends, (2) movements in securities markets, exchange rates and interest rates and (3) other risks and uncertainties inherent in our business. Against the background of these uncertainties, you should not rely on forward-looking statements.

Neither the Company nor any of its affiliates or subsidiaries or their respective bodies, executives, employees and advisers assume any responsibility to prepare or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this annual report or to adapt them to any change in events, conditions or circumstances, except as required by applicable law or regulation.

The use by Leonteq AG of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Leonteq AG by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Any – including only partial – reproduction of any article or picture is solely permitted based on an authorisation from Leonteq AG. No responsibility is assumed in case of unsolicited delivery.

© Leonteq AG 2025. All rights reserved

Contact

Leonteq AG
Europaallee 39
CH-8004 Zurich
Switzerland

Investor Relations
+41 58 800 18 55
investorrelations@leonteq.com

Media Relations
+41 58 800 18 44
media@leonteq.com



Reflecting the company's commitment to sustainability, this publication was printed using a carbon-neutral process on FSC certified paper from sustainably managed forests. Only green electricity was used in the production of this publication and it was delivered using hybrid vehicles.