

2025

Half-Year Report





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Highlights

Underlying profit before taxes increased by **33%** to **CHF 17.1 million** year on year

Strong CET1 and total capital ratio of **14.4%**

Official launch of listed leverage products in the Swiss market under the **retail flow business initiative**

New collaboration with **MoraBanc** for the manufacturing and distribution of structured products

Turnover from new partners increased by **14%** to **CHF 3.2 billion** year on year

New partnership announced with **Emirates Islamic** for Shari'a-compliant structured products

Extended market making activities on BX Swiss to **exchange-traded products** (ETPs)

Click'n'trade ratio on LYNQS increased to **34%** from 21% year on year

At a glance

	H1 2025	H2 2024	H1 2024	Change from H1 2024	Change from H2 2024
Reported results (CHF million)					
Total operating income	124.3	105.1	133.4	(7%)	18%
Total operating expenses	(109.7)	(110.1)	(120.5)	(9%)	(0%)
Profit before taxes	14.1	(5.0)	12.9	9%	N/A
Group net profit	9.3	(9.9)	15.7	(41%)	N/A
Underlying results (CHF million)					
Total operating income	124.3	105.1	133.4	(7%)	18%
Total operating expenses	(107.2)	(109.4)	(120.5)	(11%)	(2%)
Profit before taxes	17.1	(4.3)	12.9	33%	N/A
Group net profit	12.3	(9.2)	15.7	(22%)	N/A
Key ratios					
Underlying cost/income ratio	88%	105%	90%	(2 pp)	(17 pp)
Return on tangible equity	3%	(1%)	4%	(2 pp)	4 pp
Business metrics and KPIs					
Platform assets (CHFbn) ¹	12.7	13.4	13.1	(3%)	(5%)
of which historic partner business (CHFbn) ¹	4.3	4.8	5.8	(26%)	(10%)
of which new partner business (CHFbn) ¹	3.5	3.5	2.8	25%	0%
of which Leonteq business (CHFbn) ¹	4.9	5.1	4.5	9%	(4%)
Turnover (CHFbn)	14.5	11.8	15.8	(8%)	23%
of which historic partner business (CHFbn)	2.9	2.7	4.2	(31%)	7%
of which new partner business (CHFbn)	3.2	3.0	2.8	14%	7%
of which Leonteq business (CHFbn)	8.4	6.1	8.8	(5%)	38%

	H1 2025	H2 2024	H1 2024	Change from H1 2024	Change from H2 2024
Balance sheet-light turnover (CHFbn)	2.8	1.4	3.1	(11%)	93%
Share of balance sheet-light turnover	19%	12%	20%	(1 pp)	7 pp
Number of active clients	763	N/A	839	(9%)	N/A
Number of client transactions	122,409	129,411	146,409	(16%)	(5%)
Number of issued products	23,086	22,521	23,946	(4%)	3%
Number of pension savings contracts ¹	54,350	56,036	56,840	(4%)	(3%)
Balance sheet¹					
Total assets (CHF million)	10,925.3	10,667.3	10,612.9	3%	2%
Total shareholders' equity (CHF million)	717.4	803.8	814.4	(12%)	(11%)
Risk-weighted assets (CHF million)	4,580.0 ²	4,636.0 ³	N/A	N/A	(1%)
CET1 capital ratio	14.4% ²	16.0% ³	N/A	N/A	N/A
Total capital ratio	14.4% ²	16.0% ³	N/A	N/A	N/A
Share information					
Market capitalisation (CHFm) ¹	355	365	412	(14%)	(3%)
Number of shares outstanding ¹	18,494,242	18,494,242	18,494,242	0%	0%
Share price (CHF) ¹	19.18	19.74	22.30	(14%)	(3%)
Book value per share (CHF) ¹	40.60	46.10	46.20	(12%)	(12%)
Basic earnings per share (CHF)	0.53	(0.56)	0.89	(40%)	N/A
Employees					
Number of full-time equivalent employees ¹	567	583	573	(1%)	(3%)
Credit rating					
Long-term issuer default rating (Fitch)	BBB/negative	BBB/negative	BBB/stable	N/A	N/A

¹ At the end of the respective period

² The SSA is applied to calculate market risk RWA following scaling factors at 25% phase-in level - refer to pages 39-41 of this report for a pro-forma calculation of the scaling factors under different phase-in levels

³ Risk-weighted assets are calculated pro forma according to B3F with market risk according to the SSA and scaling factors all 1 equivalent to 0 phase-in

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Our results

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Regulatory
framework
and capital
management

MANAGEMENT REPORT

Our results

Leonteq's financial performance in the first half of 2025 reflects several challenges that have been building up over the past years. In addition, the implementation of the new regulatory regime demanded significant internal resources. Uncertainty around legacy compliance matters also weighed on client activity. Against this backdrop, the company reported total operating income of CHF 124.3 million (down 7%) whilst delivering a well-managed cost base of CHF 109.7 million (down 9%). As a result, underlying profit before taxes amounted to CHF 17.1 million (+33% YoY) for H1 2025 and Leonteq is on track to deliver profitable underlying results for the full-year 2025. Under the new regulatory regime, Leonteq reported strong CET1 and total capital ratio according to SSA of 14.4% as of end-June 2025.

Income statement

CHF million	H1 2025	H2 2024	H1 2024	Change from H1 2024	Change from H2 2024
Net fee income	88.0	96.5	117.9	(25%)	(9%)
Net trading result	39.5	10.3	11.2	253%	283%
Net interest result	(4.9)	(3.3)	2.9	N/A	48%
Other operating income	1.7	1.6	1.4	21%	6%
Total operating income	124.3	105.1	133.4	(7%)	18%
Personnel expenses	(59.4)	(57.6)	(66.3)	(10%)	3%
Other operating expenses	(30.3)	(31.7)	(28.0)	8%	(4%)
Depreciation	(17.8)	(18.0)	(18.0)	(1%)	(1%)
Changes to provisions	(2.2)	(2.8)	(8.2)	(73%)	(21%)
Total operating expenses	(109.7)	(110.1)	(120.5)	(9%)	(0%)
Profit, loss and value adjustment of joint venture	(0.5)	—	—	N/A	N/A
Profit / (loss) before taxes	14.1	(5.0)	12.9	9%	N/A
Taxes	(4.8)	(4.9)	2.8	N/A	(2%)
Group net profit / (loss)	9.3	(9.9)	15.7	(41%)	N/A

Total operating income

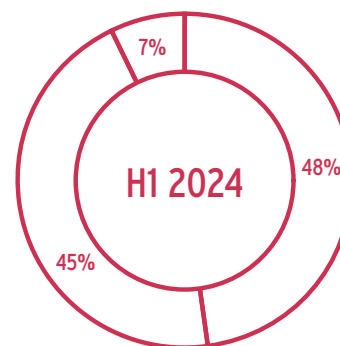
Total operating income declined by 7% to CHF 124.3 million in the first half of 2025, compared to CHF 133.4 million in the first half of 2024. This decrease was mainly driven by lower net fee income and a reduction in the net interest result, which was offset by a significant increase in the net trading result.

From a regional perspective, total operating income in Leonteq's Swiss home market decreased to CHF 57.7 million in the first half of 2025 (H1 2024: CHF 63.4 million). Operations in Europe generated total operating income of CHF 41.6 million, 31% lower than in the prior-year period (H1 2024: CHF 60.1 million). Total operating income in Asia & Middle East grew by 153% to CHF 25.0 million (H1 2024: CHF 9.9 million). As a result of this significant increase, the contribution from business activities in Asia to total operating income rose to 20% (H1 2024: 7%), while the contribution from Europe decreased to 33% in the first half of 2025 (H1 2024: 45%).

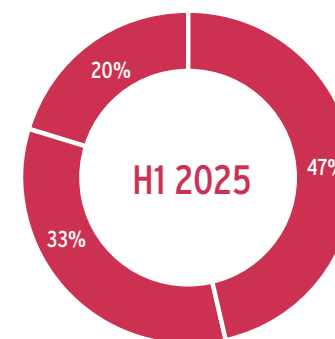
Breakdown of total operating income by region

CHF million	H1 2025	H2 2024	H1 2024	Change from H1 2024	Change from H2 2024
Switzerland	57.7	55.4	63.4	(9%)	4%
Europe (excl. Switzerland)	41.6	40.3	60.1	(31%)	3%
Asia & Middle East	25.0	9.4	9.9	153%	166%
Total operating income	124.3	105.1	133.4	(7%)	18%

Total operating income by regions

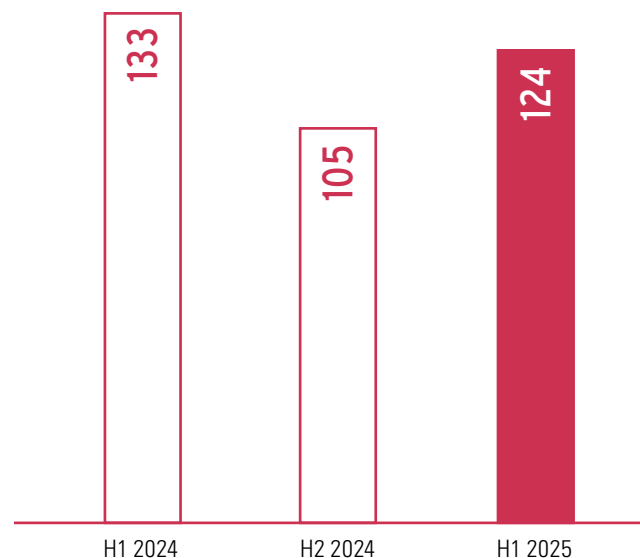


Switzerland	48%
Europe (excl. Switzerland)	45%
Asia & Middle East	7%



Switzerland	47%
Europe (excl. Switzerland)	33%
Asia & Middle East	20%

Total operating income (CHF million)



Net fee income decreased by 25% to CHF 88.0 million, compared to CHF 117.9 million in the first half of 2024. The reduction was driven by a combination of lower net fee income from traditional business as well as new business.

Net fee income from traditional business mainly reflected a reduction in margins as well as a decrease in large ticket transactions to CHF 2.4 million (or 3% of the Group's net fee income) in the first half of 2025, compared to CHF 10.6 million (or 9% of the Group's net fee income) in the first half of 2024.

Among new business initiatives, net fee income from the pension savings, fund derivatives and balance sheet-light business declined notably, while the Group's AMC business continued to experience growth in terms of both outstanding volumes and net fee income. The contribution from Leonteq's new retail flow business initiative also increased. In this context, Leonteq announced the official launch of its offering of listed leverage products in the Swiss market in the first half of 2025 and expanded its market making activities on BX Swiss to exchange traded products (ETPs).

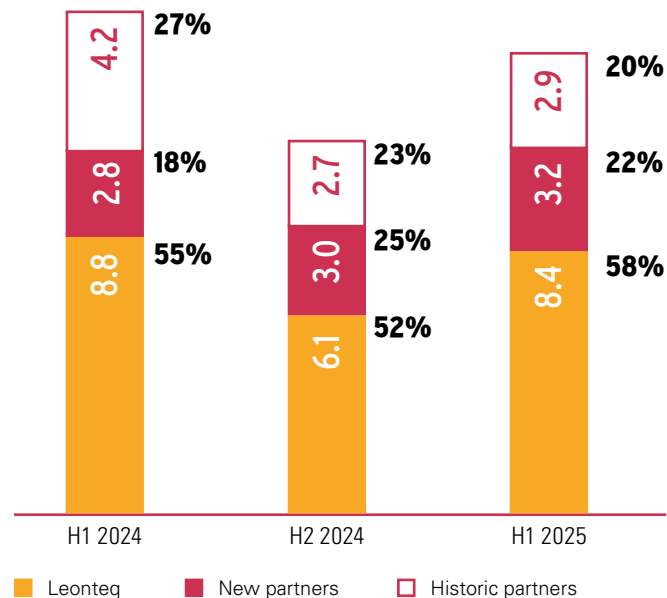
CHF million	H1 2025	H2 2024	H1 2024	Change from H1 2024	Change from H2 2024
New business	47.3	50.6	59.8	(21%)	(7%)
Traditional business	40.7	45.9	58.1	(30%)	(11%)
Net fee income	88.0	96.5	117.9	(25%)	(9%)

In terms of turnover, volumes decreased by 8% to CHF 14.5 billion, compared to the very high volumes of CHF 15.8 billion seen in the first half of 2024. This reduction was mainly due to a 31% decrease in turnover with historic partners to CHF 2.9 billion which was partially offset by a 14% increase in turnover with new partners to CHF 3.2 billion. As a result, the contribution to turnover from new partners increased to 22% reflecting continued efforts to diversify volumes across issuers. At the same time, turnover generated with own issued products demonstrated resilience with turnover totalling CHF 8.4 billion (H1 2024: CHF 8.8 billion), corresponding to an increased contribution of 58% (H1 2024: 55%).

In the first half of 2025, Leonteq further expanded its network of white-labelling partners by entering into a new partnership with Emirates Islamic for Shari'a-compliant structured products. As part of this new partnership, Emirates Islamic is co-designing certain trust certificates issued by IBDA, a dedicated Islamic issuance entity as issuer of trust certificates, and is distributing products within their client network. Leonteq provides end-to-end services, including issuance arrangement, Shari'a-compliant hedging, and lifecycle management. Leonteq also started a collaboration with MoraBanc for the manufacturing and distribution of structured products. The technical onboarding was completed in the first half of 2025. As of 31 December 2024, the Andorran bank had EUR 18 billion assets under management and reported a capital ratio of 19.5%.

Turnover by issuer category

(CHF billion)



An increase in contributions from hedging activities was recorded, mainly on the back of the short-term increase in market volatility in April. As a result, the **net trading result** increased to CHF 39.5 million compared to CHF 11.2 million in the prior-year period.

In the context of the new regulatory regime, Leonteq increased the amount and usage of available credit facilities. This negatively impacted the **net interest result**, which totalled CHF -4.9 million, compared to CHF 2.9 million in the first half of 2024.

Other operating income increased in the first half of 2025 by 21% to CHF 1.7 million from CHF 1.4 million in the first half of 2024, mainly due to higher rental income.

Total operating expenses

In the following analysis and discussion of the results, underlying operating expenses exclude one-off costs in connection with Leonteq's resizing programme (CHF 1.3 million in H1 2025, and CHF 0.0 million in H1 2024), as well as one-off costs in the context of the introduction of the new regulatory regime (CHF 1.2 million in H1 2025, and CHF 0.0 million in H1 2024).

The reconciliations to the corresponding IFRS line items are provided on page 77 and 80 of this report in the section "Alternative Performance Measures".

Total operating expenses decreased by CHF 10.8 million, or 9%, to CHF 109.7 million, mainly reflecting the combined impact of a decrease in personnel expenses and a decrease in provisions, partly offset by higher other operating expenses.

Adjusted for one-off resizing and regulatory transition costs, **underlying operating expenses** decreased by CHF 13.3 million, or 11%, to CHF 107.2 million in the first half of 2025 compared to CHF 120.5 million in the first half of 2024.

Personnel expenses decreased year on year by 10% to CHF 59.4 million (H1 2024: 66.3 million) due to lower recognition of deferred compensation from prior years and a reduction in bonus accruals for the current year. **Underlying personnel expenses** decreased year on year by 14% to CHF 57.3 million (H1 2024: 66.3 million).

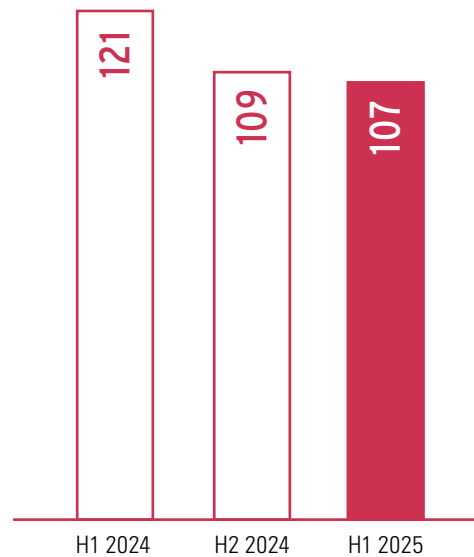
Leonteq's staff base was reduced by 6 FTEs to 567 FTEs compared to the first half of 2024. This reduction was mainly driven by a decrease in the number of FTEs in Switzerland and Asia, which was partially offset by growth in our European offices, primarily in Lisbon reflecting our ambition to increase the size of our local workforce, and in Germany in connection with the retail flow business initiative.

Other operating expenses increased by 8% to CHF 30.3 million in the first half of 2025, compared to CHF 28.0 million in the prior-year period. The increase was driven by higher IT-related expenses for network, data centre and market data services, partially offset by lower expenses for professional services.

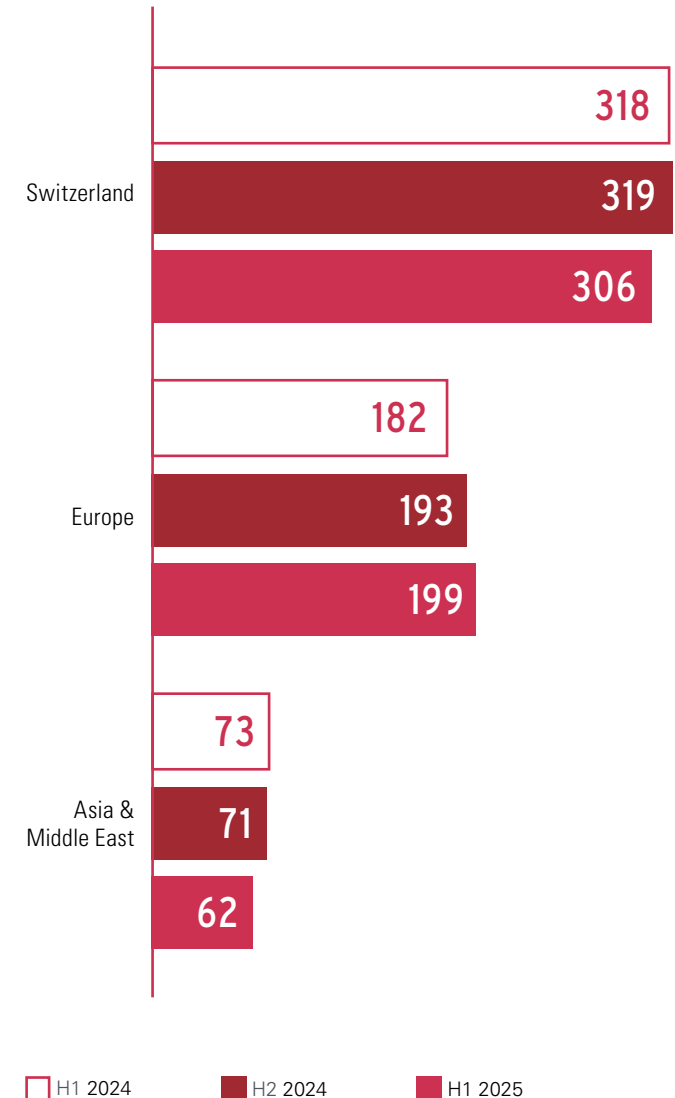
Underlying other operating expenses increased by 7% to CHF 30.0 million in the first half of 2025, compared to CHF 28.0 million in the prior-year period.

During the reporting period, the Group recorded significantly lower **net provisions** in the amount of CHF 2.2 million, compared to CHF 8.2 million in the prior-year period that were recognised in connection with the conclusion of regulatory matters. **Underlying net provisions** decreased to CHF 2.1 million in the first half of 2025 (H1 2024: CHF 8.2 million).

Underlying operating expenses (CHF million)



FTEs per region



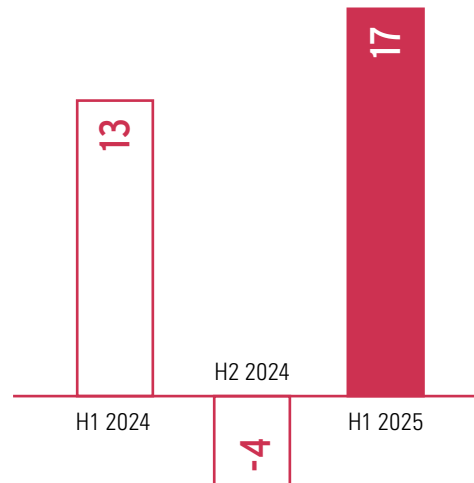
Profitability

Leonteq reported **profit before taxes** of CHF 14.1 million in the first half of 2025, an increase of 9% year on year. With income tax expenses of CHF 4.8 million, and share of loss of a joint venture of CHF 0.5 million, Group net profit was CHF 9.3 million and earnings per share (EPS) totalled CHF 0.53. In the first half of 2024, income taxes were positive at CHF 2.8 million, reflecting an increase in deferred tax assets. As a result, Group net profit was CHF 15.7 million and EPS totalled CHF 0.89 in the prior-year period.

Underlying profit before taxes rose by 33% to CHF 17.1 million in the first half of 2025, compared to CHF 12.9 million in the prior-year period. Income tax expenses amounted to CHF 4.8 million in the first half of the year. In comparison, income taxes were positive at CHF 2.8 million in the first half of 2024. **Underlying Group net profit** amounted to CHF 12.3 million in the first half of 2025, compared to CHF 15.7 million in the first half of 2024.

Underlying EPS amounted to CHF 0.70, compared to CHF 0.89 in the prior-year period. Return on tangible equity was 3% for the first half of 2025 (H1 2024: 4%).

Underlying profit before taxes
 (CHF million)



Total operating income
 (CHF million)

124.3

-7%

Underlying operating expenses
 (CHF million)

107.2

-11%

Underlying profit before taxes
 (CHF million)

17.1

+33%

Balance sheet

Leonteq's total assets rose by 2%, or CHF 258.0 million, to CHF 10,925.3 million as of 30 June 2025, compared to CHF 10,667.3 million as of 31 December 2024. This was mainly due to an increase in trading financial assets, partially offset by a decrease in positive replacement values of derivative financial instruments. Trading financial assets rose by CHF 610.9 million, or 15%, mainly due to higher inventory of shares and funds related to hedging requirements of the outstanding products. Positive replacement values declined by CHF 443.9 million, or 16%, to CHF 2,321.6 million, primarily reflecting positive market development and a slight reduction in outstanding product volumes. Financial assets / investments, that reflect Leonteq's investment portfolio, remained stable at CHF 2,622.3 million as of 30 June 2025 (31 December 2024: CHF 2,622.5 million).

Total liabilities increased by 3%, or CHF 344.4 million, to CHF 10,207.9 million, driven mainly by the increase in securities financing transactions as a result of the higher inventory of trading financial assets. In contrast, volumes of derivatives with negative replacement values declined, on the back of positive market developments and the decrease in outstanding product volumes.

Shareholders' equity totalled CHF 717.4 million as of 30 June 2025, down 11% from CHF 803.8 million as of 31 December 2024. This reduction was predominantly driven by a CHF 52.9 million distribution to shareholders and currency translation adjustments for structural US dollar positions in the amount of CHF 45.9 million in the context of the depreciation of the US dollar against the Swiss franc in the first half of 2025.

Balance sheet

CHF million	30.06.2025	31.12.2024	30.06.2024	Change from YE 2024 in %	Change from YE 2024
Cash and receivables	1,171.0	1,085.8	1,239.9	8%	85.2
Trading financial assets ¹	4,672.2	4,061.3	3,472.0	15%	610.9
PRV ² of derivative financial instruments	2,321.6	2,765.5	2,959.2	(16%)	(443.9)
Financial assets / investments ³	2,622.3	2,622.5	2,801.7	(0%)	(0.2)
Other assets	138.2	132.2	140.1	5%	6.0
Total assets	10,925.3	10,667.3	10,612.9	2%	258.0
Short-term credit and liabilities	3,119.9	1,932.9	2,211.0	61%	1,187.0
Trading financial liabilities	23.0	137.1	108.2	(83%)	(114.1)
NRV ⁴ of derivative financial instruments	2,049.2	2,421.3	2,620.3	(15%)	(372.1)
Own structured investment products ⁵	4,854.7	5,185.7	4,665.4	(6%)	(331.0)
Other liabilities	117.2	137.5	136.6	(15%)	(20.3)
Deferred fee income	43.9	49.0	57.0	(10%)	(5.1)
Total liabilities	10,207.9	9,863.5	9,798.5	3%	344.4
Shareholders' equity	717.4	803.8	814.4	(11%)	(86.4)
Total liabilities and shareholder's equity	10,925.3	10,667.3	10,612.9	2%	258.0

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

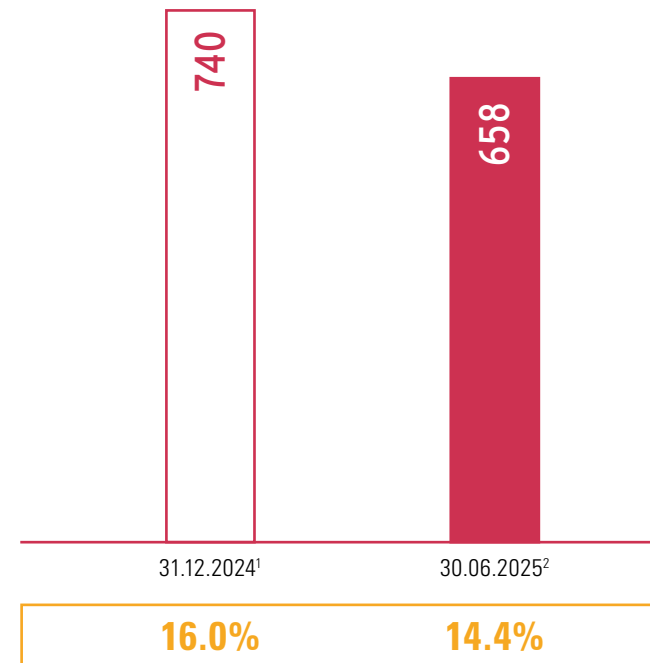
Since 1 January 2025, Leonteq is subject to enhanced capital and large exposure requirements as defined by the Swiss Capital Adequacy Ordinance. Under this regime, eligible capital decreased to CHF 658 million at end-June 2025, compared to CHF 740 at end-December 2024, mainly driven by dividend distributions totalling CHF 52.9 million as well as the strengthening of the Swiss franc against the US dollar impacting Leonteq's structural FX position.

Under the temporary application of the simplified standardised approach for market risk, risk-weighted assets (RWA) amounted to CHF 4.6 billion (of which market risk accounted for CHF 2.7 billion in RWA). CET1 capital ratio and total capital ratio both were both strong at 14.4%, compared to the regulatory minimum levels of 7.0% for CET1 ratio, and 10.5% for total capital ratio, respectively.

As previously announced, Leonteq is currently transitioning to capital calculations according to the standardised approach for market risk introduced under the Fundamental Review of the Trading Book (SA-FRTB). This transition is on track and will replace capital calculations under the SSA in due course. Upon full implementation of the SA-FRTB, Leonteq expects to report a CET1 ratio of at least 14%.

More details on the new regulatory framework and capital management can be found in the risk management & control section of this report on pages 39 to 41.

CET1 capital (CHF million)



CET1 capital ratio

¹ Risk-weighted assets are calculated pro forma according to B3F with market risk according to the SSA and scaling factors all 1 equivalent to 0 phase-in

² The SSA is applied to calculate market risk RWA following scaling factors at 25% phase-in level - refer to pages 39-41 of this report for a pro-forma calculation of the scaling factors under different phase-in levels

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Risk
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and control
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Risk
categories and
measurement

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Capital
management

RISK MANAGEMENT & CONTROL

Reviewed information

These risk management and control disclosures form part of the financial statements included in the "Interim consolidated financial statements" section of this report and are reviewed 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, changes to the risk profile, and the evolution of the regulatory framework.

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 risks
- 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.

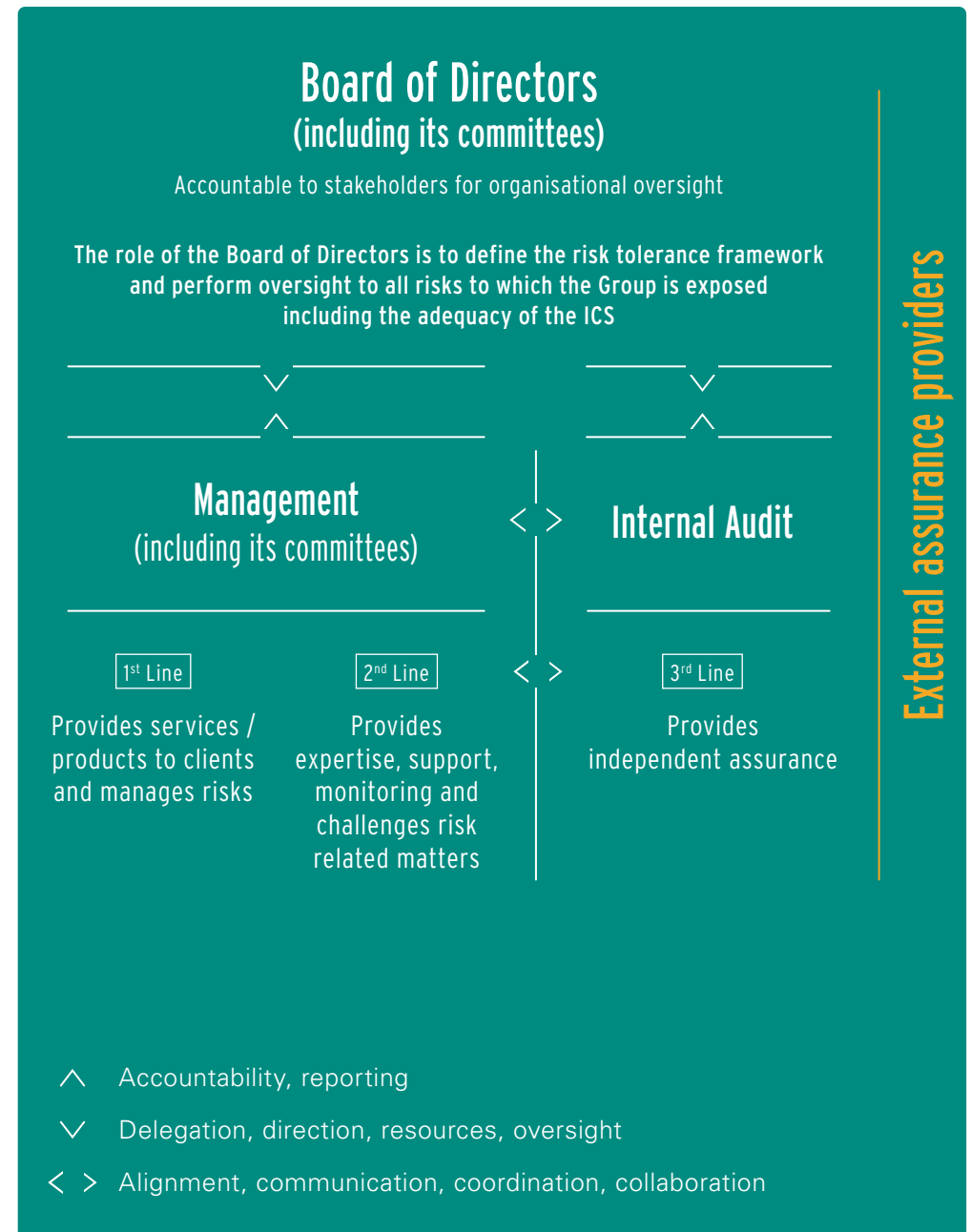
Overall responsibility for the Group-wide Internal Control System lies with the Board of Directors and its committees. The Board of Directors defines the overall guidelines and performs an assessment of the internal control system on a regular basis. It delegates the implementation and maintenance of 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 that the activities of the management are performed within such tolerance, as well as 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 oversees 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 of the Group 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 that 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 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 overseeing 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 and Senior Management;
- 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 the proactive identification of vulnerabilities, robust risk management, and continuous improvement based on lessons learned.

The goal of operational resilience is to ensure the organisation's viability, enabling Leonteq to continue delivering its critical functions even during severe but plausible disruption scenarios. This ensures that Leonteq remains operational under adverse conditions. Moreover, operational resilience is essential to preventing disruptions to the smooth functioning of financial markets.

Since 2023, Leonteq has developed an operational resilience framework designed to enhance risk management, ensure regulatory compliance, and provide assurance to clients and partners regarding the organisation's resilience. This framework was introduced in alignment with FINMA Circular 2023/01 "Operational Risks and Resilience," exceeding the requirements currently applicable to Leonteq. By the end of 2024, the framework was further extended to cover compliance with the Digital Operational Resilience Act (DORA), which took effect in January 2025. Additionally, a multi-year testing plan is in place, employing a risk-based testing approach. Initial scenario tests have been 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.

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.

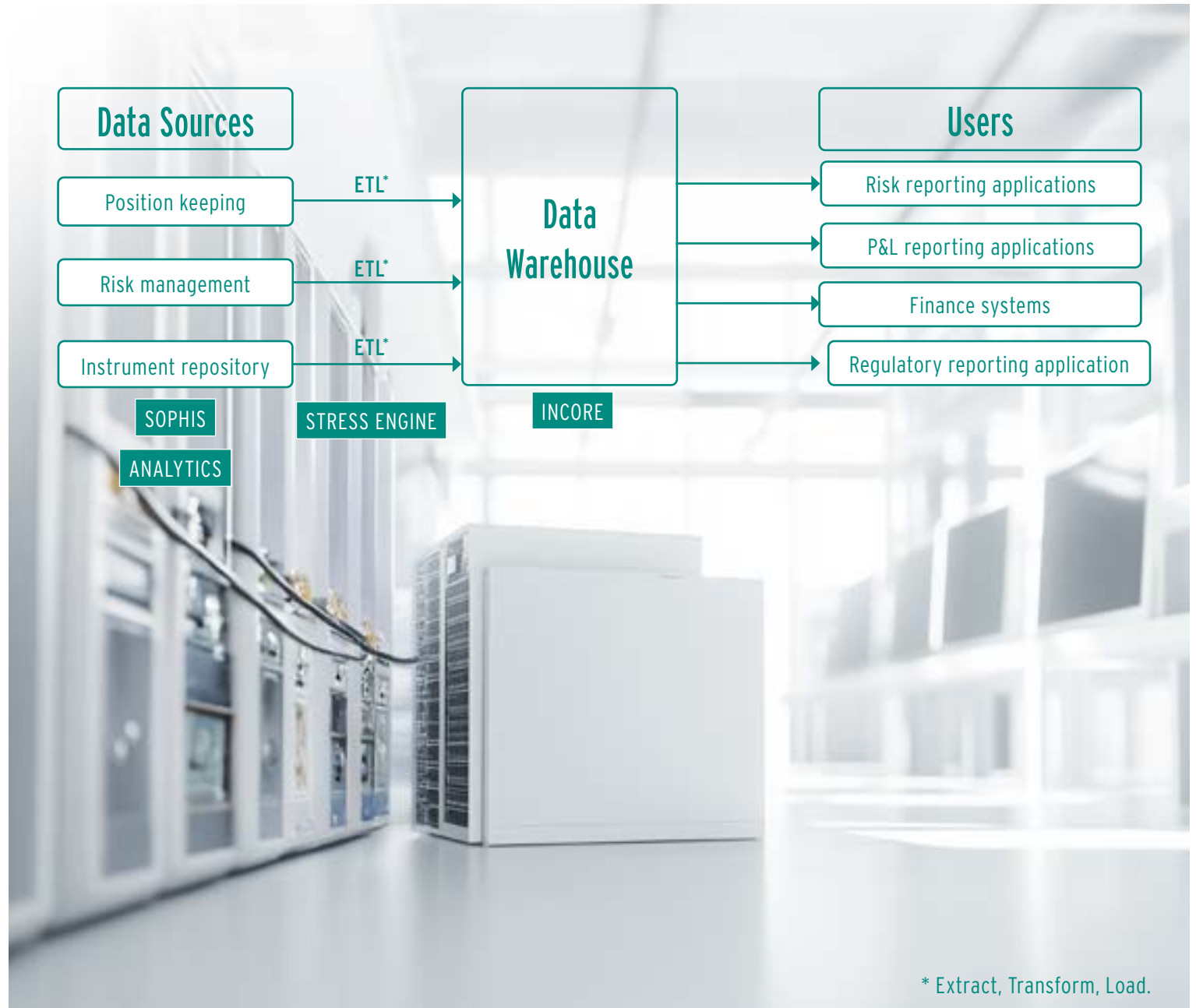
Sophis RISQUE is the Group's risk management, trading and position keeping system. Leonteq deploys Sophis RISQUE for all products across all asset classes in all its business lines, including for straight-through processing, covering a large part of the value chain from trading to the mid- and back-office 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 30 June 2025, the Group had the following exposures relating to its financial assets and liabilities.

Impact on the income statement

CHF thousand	30.06.2025	31.12.2024
Risk measure		
Commodity delta risk	(23)	22
Commodity vega risk	73	(89)
Crypto delta risk	(0)	(2)
Equity delta risk	(772)	(887)
Equity vega risk	9,262	7,252
Equity correlation risk	(2,928)	(3,171)
Equity dividend risk	(3,747)	(4,127)
Foreign exchange delta risk – G10	42	54
Foreign exchange delta risk – EM	(21)	(9)
Foreign exchange vega risk	(352)	(738)
Interest rate risk – G10	(355)	(425)
Interest rate risk – EM	9	32
Interest rate vega risk	(27)	12
Precious metal delta risk	76	88
Precious metal vega risk	257	225
Credit spread risk – Credit linked products	28	28
Credit spread risk – Government and agencies	(2)	(1)
Credit spread risk – Corporates and banks	(19)	(53)

Impact on shareholders' equity

CHF thousand	30.06.2025	31.12.2024
Risk measure		
Foreign exchange delta – G10	2,776	3,175
Credit spread risk – Government and agencies	(2,482)	(1,979)
Credit spread risk – Corporates and banks	(4,427)	(5,528)

The first half of 2025 was marked by significant economic uncertainty, changes in monetary policies, and ongoing geopolitical tensions. The risk characteristics of products issued by Leonteq and its partners remained stable supported by a consistent risk management approach. Dividend and correlation risks decreased, while equity vega risk increased compared to 31 December 2024. The credit quality of Leonteq's investment portfolio as of 30 June 2025 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 30 June 2025, 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 30 June 2025 and 31 December 2024.

Structured investment products

30 June 2025

CHF thousand	Spot -10%	Spot -5%	Spot -2%	Spot 0%	Spot +2%	Spot +5%	Spot +10%
Vol. -5%	(79,813)	(58,456)	(48,085)	(40,899)	(33,006)	(19,990)	496
Vol. -2%	(28,018)	(21,721)	(19,257)	(17,955)	(16,266)	(11,026)	36
Vol. 0%	5,321	3,585	1,419	0	(1,576)	(1,345)	3,093
Vol. +2%	37,174	29,069	23,276	19,059	15,064	11,093	9,420
Vol. +5%	81,723	67,349	57,194	49,931	42,718	33,990	24,633
Vol. +10%	149,043	129,171	114,803	104,360	94,099	80,010	61,702

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

Long-term savings and retirement products

30 June 2025

CHF thousand	Spot -50bp	Spot -25bp	Spot 0bp	Spot +25bp	Spot +50bp
Vol. -20bp	639	1,298	1,807	2,021	2,090
Vol. -10bp	437	527	656	660	660
Vol. 0bp	579	191	0	(192)	(283)
Vol. +10bp	969	180	(292)	(664)	(856)
Vol. +20bp	1,536	405	(320)	(857)	(1,151)

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)

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 collateral based on fair market valuation 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	30.06.2025 Exposure	31.12.2024 Exposure
OTC	38.7	25.3
SLB	196.4	93.8
Total	235.1	119.1

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 ratings.

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.

30 June 2025	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	379.5	134.4	167.7	180.2	49.6	170.7	1,082.3	43.5%
of which Aaa	78.1	32.2	77.6	108.2	49.6	100.0	445.7	17.9%
of which Aa1–Aa3	296.6	87.6	90.1	64.7	—	70.7	609.7	24.5%
of which A1–A3	4.8	14.6	—	7.4	—	—	26.8	1.1%
Corporates	71.4	184.1	153.6	153.1	168.6	321.0	1,051.8	42.3%
of which Aaa	1.8	27.5	—	—	—	42.9	72.2	2.9%
of which Aa1–Aa3	14.4	3.1	39.8	64.0	94.4	204.5	420.1	16.9%
of which A1–A3	45.7	138.6	111.2	89.1	74.3	73.6	532.4	21.4%
of which Baa1–Baa3	9.6	14.8	2.6	—	—	—	27.1	1.1%
Banks	59.2	75.2	121.1	73.6	25.4	—	354.6	14.2%
of which Aaa	17.8	4.1	49.3	30.0	—	—	101.2	4.1%
of which Aa1–Aa3	12.5	5.3	9.4	4.3	23.5	—	55.1	2.2%
of which A1–A3	28.9	52.3	62.4	39.3	1.9	—	184.8	7.4%
of which Baa1–Baa3	—	13.4	—	—	—	—	13.4	0.5%
Total	510.1	393.6	442.5	407.0	243.7	491.7	2,488.7	100.0%

¹ Includes bonds issued by governments, public sector bodies and supranational agencies

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.

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	Due				Total 30.06.2025
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
Assets					
Financial assets					
Cash and balances at central banks	64,720	—	—	—	64,720
Amounts due from banks	468,346	—	—	—	468,346
Amounts due from securities financing transactions	31,071	—	—	—	31,071
Amounts due from customers	606,857	—	—	—	606,857
Trading financial assets	4,393,795	—	—	—	4,393,795
Positive replacement values of derivative financial instruments	2,321,563	—	—	—	2,321,563
Other financial assets designated at fair value through profit or loss	132,526	—	—	—	132,526
Financial investments measured at fair value through other comprehensive income	2,488,663	—	—	1,075	2,489,738
Other financial assets	4	1,463	30,648	—	32,115
Total financial assets	10,507,544	1,463	30,648	1,075	10,540,730
Non-Financial assets					
Trading inventories	278,540	—	—	—	278,540
Current tax assets	—	—	1,033	—	1,033
Deferred tax assets	—	—	—	1,328	1,328
Interests in joint ventures	—	—	—	450	450
Tangible assets ¹	—	—	—	30,479	30,479
Intangible assets ¹	—	—	—	56,558	56,558
Assets in a disposal group held for sale	—	—	3,290	—	3,290
Other non-financial assets	—	9,863	3,036	—	12,899
Total non-financial assets	278,540	9,863	7,359	88,815	384,577
Total assets	10,786,084	11,326	38,007	89,890	10,925,308

CHF thousand	Due				Total 30.06.2025
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
Liabilities					
Financial liabilities					
Amounts due to banks	359,842	—	—	—	359,842
Liabilities from securities financing transactions	2,111,429	—	—	—	2,111,429
Amounts due to customers	648,662	—	—	—	648,662
Trading financial liabilities	23,025	—	—	—	23,025
Negative replacement values of derivative financial instruments	2,049,201	—	—	—	2,049,201
Other financial liabilities designated at fair value through profit or loss	4,854,632	—	—	—	4,854,632
Other financial liabilities ²	7,618	11,738	9,191	14,237	42,784
Total financial liabilities	10,054,407	11,738	9,191	14,237	10,089,573
Non-Financial liabilities					
Current tax liabilities ³	—	—	5,830	12,000	17,830
Liabilities in a disposal group held for sale	—	—	1,007	—	1,007
Other non-financial liabilities ⁴	—	12,516	34,234	35,186	81,936
Provisions	—	—	4,636	12,942	17,578
Total non-financial liabilities	—	12,516	45,707	60,128	118,351
Total liabilities	10,054,407	24,254	54,898	74,365	10,207,924

¹ Immobilised

² Other financial liabilities with a long-term maturity mainly comprise lease liabilities

³ Current tax liabilities with a long-term maturity comprise uncertain tax positions

⁴ Other non-financial liabilities with a long-term maturity mainly comprise deferred income (see Note 8)

CHF thousand	Due				Total 31.12.2024
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
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	Due				Total 31.12.2024
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
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
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

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 8)

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 was 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 2024 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.

All purchases of financial instruments 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. The Operational Risk Framework strengthens proactive risk management, facilitates early identification of emerging risks, and provides a comprehensive view of Leonteq's operational risk landscape. Within that framework, any operational risk is "owned" by management of 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 and operational resilience to ensure continuity of critical operations in the event of a major disruptive event. Business continuity management encompasses back-up 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

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.

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 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 were implemented with high priority by the end of March 2025. Following notification by Leonteq that it has completed all measures, FINMA has appointed an audit mandatary in June 2025 as part of its ongoing supervision, who is auditing the correct implementation of these measures. As of 30 June 2025, this audit was still ongoing.

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

As of 1 January 2025, Leonteq is subject to enhanced capital and large exposure requirements as defined by the Swiss Capital Adequacy Ordinance. Under the new regime, Leonteq is required to hold a total capital of 10.5% of risk-weighted assets and to meet a 3% tier 1 leverage ratio. In addition, Leonteq is required to meet large exposure rules, whereby large exposure to a single counterparty group may not exceed 25% of Leonteq's tier 1 capital. 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 200,000 client transactions annually and generated annual turnover in investment products of more than CHF 25 billion in recent years. 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.

Basel III Final

The Swiss Capital Adequacy Ordinance governs capital requirements for banks in Switzerland. Effective January 2025, the revised capital adequacy requirements (Basel III Final, or B3F) entered into force. The reform in particular impacts the calculation risk-weighted assets (RWA) for market risks, which is most relevant from Leonteq's point of view.

Of the three approaches for the calculation of market risk RWA under B3F, the following two are relevant for Leonteq:

- The simplified standardised approach (SSA): The approach corresponds almost entirely to the previous standardised approach for market risks. However, the SSA can in general only be applied by banks with no complex trading activities, among other criteria. The approach categorises market risk into interest rate risk, FX risk (incl. gold), equity risk and commodity risk (incl. other precious metals) and applies asset class dependent scaling factors which increase capital charges compared to the previous standardised approach.
- The standardised approach (SA): The approach introduced under the B3F market risk framework (commonly known as the Fundamental Review of the Trading Book, or FRTB), must be applied by banks with complex trading activities. SA captures more adequately the risk profile related to market risks. The SA requires significant resources for its implementation due to significant changes to systems, data infrastructure, and calculation engines.

Leonteq's business model is largely driven by the issuance of structured investment products with embedded complex derivatives including hedging of the resulting risk profile. As a consequence, Leonteq is in principle required to perform capital calculations according to the SA.

Taking into account the complexity of RWA calculations according to the SA, the implementation of which will take time, Leonteq has been allowed to apply the SSA until end-2026. The provision includes a phase-in of the asset class dependent scaling factors over the transition period, meaning that the respective scaling factor is gradually increased from 1 – equivalent to the no scaling as under the previously standardised approach – to the respective scaling factor mandated under the SSA. Phase-in levels range from 0% to 100% representing scaling factors of 1 and as prescribed by the SSA, respectively, which is provided in the following table.

Phase-in of scaling factors	0%	25%	50%	75%	100%
Interest rate risk	1.00	1.08	1.15	1.23	1.30
Equity risk	1.00	1.63	2.25	2.88	3.50
FX risk (incl. gold)	1.00	1.05	1.10	1.15	1.20
Commodity risk	1.00	1.23	1.45	1.68	1.90

Leonteq is well advanced with implementing the transition to RWA calculations according to the SA, which will replace capital calculations under the SSA in due course. Upon full implementation of the SA-FRTB, Leonteq expects to report a CET1 ratio of at least 14%.

Leonteq also advanced its discussion with FINMA to define the final details of a business specific regulatory liquidity framework.

Capital ratios (including market risk RWA calculation according to SSA)

RWA are determined according to specific requirements, which reflect the varying levels of risk related to on- and off-balance sheet exposures and include in particular amounts in respect of market risk, credit risk, operational risk, and other risks. The following approaches are applied when determining the regulatory capital requirements of the Group:

- **Market risk:** The SSA is applied to calculate market risk RWA following scaling factors at 25% phase-in level, for interest rate risk, equity risk, FX risk (incl. gold) and commodity risk;
- **Credit risk:** The international standardised approach (SA-BIS) is applied to calculate credit risk RWA. Credit equivalents for derivatives are calculated according to the standardised approach for counterparty credit risk (SA-CCR). Collateral is recognised using the comprehensive approach. Requirements on credit valuation adjustment are calculated according to the simplified approach.

- **Operational risk:** The standardised approach is applied to calculate operational risk RWA.
- **Other risk:** RWA for crypto assets are calculated as specified by FINMA in their communication to Leonteq.

The tables below summarise eligible capital, risk-weighted assets (with market risk according to the SSA incl. phase-in) and capital ratios, calculated as of 30 June 2025:

CHF million	30.06.2025 ¹	31.12.2024 pro forma ²
CET1 capital	658	740
Tier 1 capital	658	740
Total BIS eligible capital	658	740
Market risk	2,670	2,317
Credit risk	1,205	1,279
Operational risk	484	601
Other risks	221	439
Total Risk-weighted assets	4,580	4,636
CET1 capital ratio (required 7.0%)	14.4%	16.0%
Tier 1 capital ratio (required 8.5%)	14.4%	16.0%
Total capital ratio (required: 10.5%)	14.4%	16.0%

¹ The SSA is applied to calculate market risk RWA following scaling factors at 25% phase-in level - refer to pages 39-41 of this report for a pro-forma calculation of the scaling factors under different phase-in levels

² Risk-weighted assets are calculated pro forma according to B3F with market risk according to the SSA and scaling factors all 1 equivalent to 0 phase-in

Eligible capital decreased to CHF 654 million at end-June 2025 mainly driven by a dividend distribution to shareholders totalling CHF 53 million, as well as the strengthening of the Swiss franc against the US dollar impacting Leonteq's structural FX position.

Risk-weighted assets stood at CHF 4.5 billion at end-June 2025 mainly driven by an increase in market risk on the back of the new regulatory regime which was offset by a reduction in other risk charges on crypto assets and a decline in operational risks.

For market RWA, Leonteq is applying scaling factors at 25% phase-in level as from 01 January 2025 to 30 June 2025. These factors will increase to 50% phase-in level as of 01 July 2025, to 75% as of 01 January 2026 and 100% as of 01 July 2026. The table below summarises the market RWA, and total capital ratio calculated pro-forma as of 30 June 2025 under the SSA for the scaling factors at the different phase-in levels.

Pro-forma calculation for phase-in of scaling factors	0%	25%	50%	75%	100%
Market risk (acc. to SSA) – RWA (CHF million)	2,045	2,670	3,294	3,918	4,543
Total capital ratio	16.6%	14.4%	12.6%	11.3%	10.2%

The reported total capital ratio according to SSA stood at 14.4% as of 30 June 2025 (following scaling factors at 25% phase-in). Leonteq is thus well in excess of the current capital requirements, which demonstrates that Leonteq has been prudently managing its capital base prior to being subject to the CAO.

Leverage ratio

CHF million	30.06.2025	31.12.2024 pro forma ¹
Tier 1 capital	658	740
Total consolidated assets	10'925	10,667
Adjustments ²	102	(73)
Leverage ratio exposure	11'027	10,594
Leverage ratio (required: 3.0%)	6.0%	7.0%

¹ Pro-forma figures only

² Adjustments stem from capital deductions, derivative financial instruments, SFTs, and other off-balance sheet exposures

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Leonteq AG

Interim consolidated income statement for the six months ended 30 June 2025 and 2024

CHF thousand	Note	H1 2025	H1 2024
Fee income from securities trading and investment activities		87,923	117,780
Net fee income	8	87,923	117,780
Result from trading activities and the fair value option	9	39,519	11,232
of which interest revenue on FVOCI and amortised cost instruments related to trading activities		25,982	27,869
of which interest expense on amortised cost instruments related to trading activities		(8,076)	(9,036)
Interest income from financial assets measured at amortised cost		1,731	4,108
Interest expense from financial liabilities measured at amortised cost		(7,201)	(1,184)
Credit loss (expense) / recovery		593	—
Net result from interest operations	10	(4,878)	2,924
Other operating income		1,717	1,437
Total operating income		124,281	133,373
Personnel expenses		(59,439)	(66,307)
Other operating expenses		(30,287)	(28,039)
Depreciation and amortisation of tangible & intangible assets		(17,839)	(17,937)
Changes to provisions and other value adjustments, and losses	16	(2,178)	(8,190)
Total operating expenses		(109,743)	(120,473)
Share of loss of joint venture		(507)	—
Result from operating activities		14,031	12,900
Taxes	11	(4,768)	2,818
Group net profit		9,263	15,718
of which allocated to shareholders of Leonteq AG		9,263	15,718
Share information			
Basic earnings per share (CHF)		0.53	0.89
Diluted earnings per share (CHF)		0.51	0.86

Interim consolidated statement of other comprehensive income for the six months ended 30 June 2025 and 2024

CHF thousand	Note	H1 2025	H1 2024
Group net profit		9,263	15,718
Other comprehensive income/(loss) that will not be reclassified to the income statement (net of tax)			
Remeasurement of the defined benefit plan		1,738	1,858
Changes in own credit spread		—	1,230
Total other comprehensive income/(loss) that will not be reclassified to the income statement		1,738	3,088
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		(249)	7,797
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income		(384)	—
Currency translation adjustments		(45,920)	22,896
Total other comprehensive income/(loss) that may be reclassified to the income statement		(46,553)	30,693
Total other comprehensive income/(loss)		(44,815)	33,780
Total comprehensive income		(35,552)	49,498
of which allocated to shareholders of Leonteq AG		(35,552)	49,498

The notes on pages 48 to 75 form an integral part of these interim condensed consolidated financial statements.

Leonteq AG

Interim consolidated statement of financial position as of 30 June 2025 and 2024

CHF thousand	Note	30.06.2025	31.12.2024
Assets			
Cash and balances at central banks		64,720	136,867
Amounts due from banks		468,346	514,950
Amounts due from securities financing transactions		31,071	43,307
Amounts due from customers		606,857	390,673
Trading financial assets	13	4,393,795	3,653,840
of which assets lent as collateral with the right to sell or repledge		1,398,402	544,793
Trading inventories	13	278,540	407,411
Positive replacement values of derivative financial instruments	13	2,321,563	2,765,464
Other financial assets designated at fair value through profit or loss	13	132,526	148,368
Financial investments measured at fair value through other comprehensive income	13	2,489,738	2,474,158
of which assets lent as collateral with the right to sell or repledge		784,659	554,322
Accrued income and prepaid expenses		10,860	7,257
Other assets		34,154	25,665
Current tax assets		1,033	156
Deferred tax assets		1,328	1,925
Interests in joint ventures		450	958
Tangible assets		30,479	37,096
Intangible assets		56,558	59,176
Assets in a disposal group held for sale	14	3,290	—
Total assets		10,925,308	10,667,271

CHF thousand	Note	30.06.2025	31.12.2024
Liabilities			
Amounts due to banks		359,842	320,861
Liabilities from securities financing transactions		2,111,429	1,136,406
Amounts due to customers		648,662	475,608
Trading financial liabilities	13	23,025	137,167
Negative replacement values of derivative financial instruments	13	2,049,201	2,421,330
Other financial liabilities designated at fair value through profit or loss	13	4,854,632	5,185,627
Accrued expenses and deferred income		88,865	101,718
Current tax liabilities		17,830	13,673
Other liabilities		35,856	53,605
Provisions	16	17,577	17,446
Liabilities in a disposal group held for sale	14	1,007	—
Total liabilities		10,207,924	9,863,441
Equity			
Share capital	17	18,494	18,494
Share premium		169,394	195,857
Retained earnings ¹		642,358	665,888
Accumulated other comprehensive income/(loss)		(78,467)	(33,651)
Own shares	17	(34,397)	(42,758)
Total shareholders' equity		717,383	803,830
Total liabilities and equity		10,925,308	10,667,271

² Retained earnings comprise cumulated earnings, including Group net profit for the period ended 30 June 2025 and the year ended 31 December 2024, respectively

The notes on pages 48 to 75 form an integral part of these interim condensed consolidated financial statements.

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Interim consolidated statement of changes in equity as of 30 June 2025 and 2024

CHF thousand

	Note	Accumulated other comprehensive income/(loss)									
		Share capital	Share premium	Retained earnings	Defined benefit plan	Change in own credit	Unrealised income/(loss) related to debt instruments at fair value through OCI	Changes in expected credit loss on debt instruments at fair value through OCI	Currency translation adjustments	Own shares	Total shareholders' equity
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		—	—	(5,043)	—	—	—	—	—	11,618	6,575
Capital increase/(decrease)		(440)	(8,780)	(8,780)	—	—	—	—	—	18,000	—
Net disposal/(purchase) of own shares		—	—	—	—	—	—	—	—	(5,140)	(5,140)
Dividends and other distributions		—	(8,808)	(8,808)	—	—	—	—	—	—	(17,616)
Other allocations to/(transfers from) other comprehensive income		—	—	—	1,858	2,137	7,797	—	22,896	—	34,687
Transfers within equity ¹		—	—	907	—	(907)	—	—	—	—	—
Group net profit		—	—	15,718	—	—	—	—	—	—	15,718
Balance as of 30 June 2024		18,494	195,857	674,994	2,091	1,056	(1,152)	4,366	(40,520)	(40,827)	814,358

CHF thousand

	Note	Accumulated other comprehensive income/(loss)									
		Share capital	Share premium	Retained earnings	Defined benefit plan	Change in own credit	Unrealised income/(loss) related to debt instruments at fair value through OCI	Changes in expected credit loss on debt instruments at fair value through OCI	Currency translation adjustments	Own shares	Total shareholders' equity
Balance as of 1 January 2025		18,494	195,857	665,889	2,419	0	(2,662)	3,778	(37,187)	(42,758)	803,830
Equity-settled share-based payments		—	—	(6,331)	—	—	—	—	—	8,531	2,200
Net disposal/(purchase) of own shares		—	—	—	—	—	—	—	—	(170)	(170)
Dividends and other distributions		—	(26,463)	(26,463)	—	—	—	—	—	—	(52,925)
Other allocations to/(transfers from) other comprehensive income		—	—	—	1,738	—	(249)	(384)	(45,920)	—	(44,815)
Transfers within equity ¹		—	—	—	—	—	—	—	—	—	—
Group net profit		—	—	9,263	—	—	—	—	—	—	9,263
Balance as of 30 June 2025		18,494	169,395	642,359	4,157	0	(2,911)	3,394	(83,108)	(34,397)	717,383

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 13

The notes on pages 48 to 75 form an integral part of these interim condensed consolidated financial statements.

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Interim consolidated statement of cash flows for the six months ended 30 June 2025 and 2024

CHF thousand	H1 2025	H1 2024
Group net profit	9,263	15,718
Adjustments for non-cash items in Group net profit		
Depreciation and amortisation expense	17,841	17,937
Change in deferred taxes	395	(1,969)
Change in expected credit loss provision	(608)	—
Change in provision	2,275	8,187
Expenses from employee participation schemes	2,239	6,447
Share of loss of joint venture	508	—
Other non-cash income and expenses	(342)	1,713
Net (increase)/decrease in assets related to operating activities		
Amounts due from banks	(14,443)	(137,162)
Amounts due from securities financing transactions	12,236	(6,150)
Amounts due from customers	(244,118)	(201,765)
Trading financial assets	(790,215)	(480,631)
Trading inventories	128,871	(21,963)
Positive replacement values of derivative financial instruments	443,901	(560,573)
Other financial assets designated at fair value through profit or loss	15,842	24,629
Net (investment)/disposal of financial investments measured at fair value through other comprehensive income	(15,829)	(28,488)
Accrued income and prepaid expenses	(3,661)	(4,504)
Current tax assets	(877)	(1,150)
Other assets	(8,504)	(1,659)
Net increase/(decrease) in liabilities related to operating activities		
Amounts due to banks	43,934	(7,921)
Liabilities from securities financing transactions	975,023	571,135
Amounts due to customers	143,706	56,981
Trading financial liabilities	(114,142)	54,217
Negative replacement values of derivative financial instruments	(372,129)	620,701
Other financial liabilities designated at fair value through profit or loss	(330,995)	(1,504)
Accrued expenses and deferred income	(12,338)	(15,834)

CHF thousand	H1 2025	H1 2024
Current tax liabilities	5,569	1,366
Other liabilities	(10,337)	1,233
Utilisation of general provision	(2,035)	(5,557)
Dividends received	50,260	43,521
Interest received	1,731	4,108
Interest paid	(7,029)	(955)
Current taxes paid	(1,403)	(2,458)
Cash flow from operating activities	(75,412)	(52,351)
Purchases of tangible assets	(69)	(103)
Proceeds from sale of tangible assets	8	24
Purchases of intangible assets	(8,815)	(11,637)
Cash flow from investing activities	(8,875)	(11,716)
Lease payments (excluding short term/low-value leases)	(5,253)	(5,275)
Distribution of capital contribution reserves	(26,463)	(8,808)
Dividend distribution	(26,463)	(8,808)
Purchases of own shares	(170)	(5,140)
Cash flow from financing activities	(58,347)	(28,031)
Exchange rate differences	(45,794)	22,749
Net (decrease)/increase in cash and cash equivalents	(188,429)	(69,349)
Cash and cash equivalents at the beginning of the year	331,397	389,112
Cash and cash equivalents at the balance sheet date	142,968	319,763
Cash and balances at central banks	64,720	148,684
Due from banks on demand ¹	116,989	215,578
Due to banks on demand ¹	(55,565)	(50,228)
Due from financial market infrastructure entities ²	49,977	9,046
Due to financial market infrastructure entities ²	(33,153)	(3,316)
Net cash and cash equivalents at the balance sheet date	142,968	319,763

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"

The notes on pages 48 to 75 form an integral part of these interim condensed consolidated financial statements.

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 the 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 interim condensed consolidated financial statements were approved for publication by the Board of Directors on 22 July 2025. The interim condensed consolidated financial statements are reviewed, not audited.

2 Basis of presentation

The Group prepares its interim condensed consolidated financial statements in accordance with IAS 34 “Interim financial reporting”. These interim condensed consolidated financial statements for the six months ended 30 June 2025 should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2024, which were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Unless otherwise disclosed in the following notes, the Group’s accounting policies applied in this report are the same as for the consolidated financial statements for the year ended 31 December 2024.

These interim condensed consolidated 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 Critical accounting estimates and judgments in applying accounting policies

The preparation of interim condensed consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and assumptions are based on the best available information and are adapted continuously in line with new findings and circumstances but may involve significant uncertainty at the time they are made. Actual results may differ from these estimates. The Group believes that the estimates and assumptions it has made are appropriate, and that the Group's interim condensed consolidated financial statements are therefore a fair representation of its financial position and results in all material respects.

The significant judgements made by Management when applying the Group's accounting policies and the key sources of estimation uncertainty were the same as for the consolidated financial statements for the year ended 31 December 2024, unless otherwise disclosed in the following notes.

4 Changes to critical accounting estimates

No changes to critical accounting estimates were made compared to 31 December 2024.

5 Changes in accounting policies and presentation

New or revised standards and interpretations adopted

The following new or revised standards and interpretations became effective for the first time on 1 January 2025 and did not have any significant impacts on the Group when applied for the first time or were not relevant for the Group:

- Amendments to IAS 21 – Lack of exchangeability

6 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 13 to 41) 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 interim condensed consolidated financial statements.

7 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 report 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 distributor, servicing primarily banks, insurance companies and asset managers/financial intermediaries.

Total operating income decreased to CHF 124.3 million in the first half of 2025, compared to CHF 133.4 million in the prior-year period. In the first half of 2025, the office in Monaco generated approximately 13% of the Group's total operating income, (H1 2024: 20%).

The Group's net fee income decreased by 25% to CHF 88.0 million in the first half of 2025, compared to CHF 117.9 million in the prior-year period. Net fee income in Switzerland declined by 21% to CHF 41.9 million in the first half of 2025 (H1 2024: CHF 52.9 million). In Europe, net fee income totalled CHF 35.9 million (H1 2024: CHF 55.9 million). In the Asia & Middle East region, net fee income grew by 13% to CHF 10.2 million

(H1 2024: CHF 9.0 million). In the first half of 2025, no single client accounted for more than 10% of the Group's net fee income (H1 2024: no single client).

The Group saw a significant increase in its result from trading activities and the fair value option across all regions. In Switzerland, the result from trading activities and the fair value option increased to CHF 16.2 million (H1 2024: CHF 7.4 million), Europe contributed CHF 8.0 million (H1 2024: CHF 3.1 million), and Asia saw a growth to CHF 15.3 million in the first half of 2025 (H1 2024: CHF 0.7 million).

The net result from interest operations decreased to CHF -4.9 million in the first half of 2025, compared to CHF 2.9 million in the prior-year period, mainly reflecting the extension and usage of available credit facilities in the context of the new regulatory regime.

Other operating income comprises mainly rental income from office subleases as well as cost reimbursements from partners. In the reporting period, other operating income in Switzerland increased to CHF 1.7 million, compared to CHF 1.4 million in the first half of 2024.

Seasonality of operations

Fee income is driven by the level of client activity which may show seasonal patterns, especially during the summer months and end-of-year holiday season. Trading income is primarily driven by Leonteq's hedging activity, which is influenced by various factors, including but not limited to market volatility.

This information is provided to allow for a better understanding of the results. However, management has concluded that this is not 'highly seasonal' in accordance with IAS 34.

Information by geographic location

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia & Middle East	Total H1 2025
Net fee income	41,890	35,887	10,146	87,923
Result from trading activities and the fair value option	16,248	7,988	15,283	39,519
Net result from interest operations	(2,135)	(2,287)	(456)	(4,878)
Other operating income	1,678	—	39	1,717
Total operating income	57,681	41,588	25,012	124,281

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia & Middle East	Total 30.06.2025
Trading financial assets	2,082,826	2,310,969	—	4,393,795
Positive replacements values of derivative instruments	1,313,707	1,007,856	—	2,321,563
Other financial assets designated at fair value through profit or loss	102,796	29,730	—	132,526
Financial investments measured at fair values through OCI	835,174	1,654,564	—	2,489,738
Total financial assets measured at fair value	4,334,503	5,003,119	—	9,337,622
Non-current assets	82,430	5,484	648	88,562
Trading financial liabilities	8,797	14,228	—	23,025
Negative replacement values of derivatives	1,097,036	952,165	—	2,049,201
Other financial liabilities designated at fair value through profit or loss	754,333	4,100,299	—	4,854,632
Total financial liabilities measured at fair value	1,860,166	5,066,692	—	6,926,858

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 & Middle East consists of Dubai, Hong Kong, Singapore and Tokyo.

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia & Middle East	Total H1 2024
Net fee income	52,905	55,909	8,966	117,780
Result from trading activities and the fair value option	7,418	3,101	713	11,232
Net result from interest operations	1,600	1,066	258	2,924
Other operating income	1,430	—	7	1,437
Total operating income	63,353	60,076	9,944	133,373

CHF thousand	Switzerland	Europe (excl. Switzerland)	Asia & Middle East	Total 31.12.2024
Trading financial assets	2,139,099	1,514,741	—	3,653,840
Positive replacements 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 values 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

Financial assets and liabilities are shown in the booking location accordingly.

8 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 earned when a product is issued, while other types of fees are deemed 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 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 (as of 31 December 2024: 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 exercising 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	H1 2025	H1 2024
Fee income of structured investment products	82,125	106,549
of which recognised at a point-in-time	71,010	94,587
of which recognised over time	11,115	11,962
Fee income of long-term savings and retirement products	5,798	11,231
of which recognised at a point-in-time	214	3,501
of which recognised over time	5,584	7,730
Total fee income from securities trading and investment activities	87,923	117,780
Net fee income	87,923	117,780

Net fee income decreased by 25% to CHF 88.0 million in the first half of 2025, compared to CHF 117.9 million in the first half of 2024. This was driven by a decrease in margin and large ticket transactions in structured investment products. In addition, fee income from long-term savings and retirement products declined due to a decrease in the number of new policies sold and a decline in interest rate levels in Switzerland.

The following table shows a reconciliation of the balance of deferred fees:

CHF thousand	2025	2024
Balance of deferred fees as of 1 January	48,955	57,772
Deferred fees of structured investment products		
Recognition of deferred fees in the income statement	(11,115)	(25,415)
Deferral of fees collected	11,372	26,101
Deferred fees of long-term savings and retirement products		
Recognition of deferred fees in the income statement	(5,584)	(15,303)
Deferral of fees collected	265	5,800
Balance of deferred fees as of 30 June / 31 December	43,893	48,955
of which recognised within the next 12 months	14,418	14,204
of which recognised after 12 months	29,475	34,751

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 income statement as fee income when the respective performance 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 30 June 2025 (31 December 2024: 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 2024: 48 years). CHF 15.3 million are expected to be recognised as fee income between 2 and 5 years, CHF 10.4 million between 6 and 20 years and CHF 3.8 million after 20 years.

9 Result from trading activities and the fair value option

CHF thousand	H1 2025	H1 2024
Result from trading activities and the fair value option	39,519	11,232
of which result due to financial assets designated at fair value	(1,956)	14,330
of which result due to financial liabilities designated at fair value	57,973	(149,039)
of which effective interest income from debt instruments at FVOCI	22,126	23,811
of which effective interest income from financial instruments at amortised cost	3,857	4,057
of which effective interest expense from financial instruments at amortised cost	(8,076)	(9,036)

An increase in contributions from hedging activities was mainly driven by the short-term increase in market volatility in April. This led to a significant growth in the result from trading activities and the fair value option to CHF 39.5 million in the first half of 2025, compared to CHF 11.2 million in the first half of 2024.

10 Net result from interest operations

CHF thousand	H1 2025	H1 2024
Interest income from financial assets measured at amortised cost	1,731	4,108
Total interest income	1,731	4,108
Interest expense from financial liabilities measured at amortised cost	(7,202)	(1,184)
Total interest expense	(7,202)	(1,184)
Gross result from interest operations	(5,471)	2,924
Credit loss (expense) / recovery	593	—
Net result from interest operations	(4,878)	2,924

Net result from interest operations decreased by CHF 7.8 million to CHF -4.9 million in the first half of 2025, from CHF 2.9 million in the prior-year period, mainly reflecting the extension and usage of available credit facilities in the context of the new regulatory regime

11 Income Taxes

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. Assets or liabilities related to current income taxes are reported in the statement of financial position as applicable. 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 period 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 implications 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 sufficient taxable profits will be available against which those temporary differences or loss carry-forwards can be offset. 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 income 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, income taxes are recognised in the income statement.

CHF thousand	H1 2025	H1 2024
Income tax expenses		
Switzerland	—	—
Foreign	4,813	(586)
Current income tax expenses	4,813	(586)
Switzerland	(48)	(24)
Foreign	3	(2,207)
Deferred income tax (benefit)/expenses	(45)	(2,232)
Total income tax (benefit)/expenses	4,768	(2,818)

The increase in income tax expenses is mainly due to a higher trading income in a foreign jurisdiction. In contrast, the release of tax accruals and the recognition of a deferred tax asset resulted in a tax benefit in the prior period.

Both Swiss entities, the ultimate Swiss parent company of the Group, Leonteq AG, and the Swiss operating entity, Leonteq Securities AG, apply tax participation relief for Swiss income taxes at federal as well as cantonal/communal level.

The Group applied the participation relief for Swiss income tax purposes in 2025, as well as in prior years, in 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 income tax participation relief. Following an appeal by Leonteq Securities AG, the Zurich Cantonal Tax Appeal Court (1st instance) decided largely 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 Zurich Cantonal Administrative Court generally confirmed the Zurich Cantonal Tax Appeal Court's decision in February 2024 but concluded that (further) financial expenses attributable to the option component of capital-protected structured products are to be considered in 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 with the Swiss Federal Supreme Court but it decided not to rule on 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 to the 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 30 June 2025 did not have any financial impact in the reporting period.

12 Tax effects relating to components of other comprehensive income

H1 2025			
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	2,162	(424)	1,738
Changes in own credit spread	—	—	—
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	(249)	—	(249)
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	(384)	—	(384)
Currency translation adjustments	(45,920)	—	(45,920)
Total Other comprehensive income	(44,391)	(424)	(44,815)
H1 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	2,309	(451)	1,858
Changes in own credit spread	1,505	(276)	1,230
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	7,299	498	7,797
Expected credit loss changes on debt instruments measured at fair value through other comprehensive income	—	—	—
Currency translation adjustments	22,896	—	22,896
Total Other comprehensive income	34,009	(229)	33,780

13 Fair values of financial instruments and trading inventories

The fair value of financial instruments and trading inventories contained in the statement of financial position of the Group 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 recognized 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, other financial liabilities designated at fair value and 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 cryptocurrencies held as economic hedges for issued structured products and are measured under the commodity broker exemption at fair value less costs to sell. 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 period ended 30 June 2025.

Fair value hierarchy

All financial instruments and trading inventories carried at fair value are assigned to one of three fair value hierarchy levels at each balance sheet date, depending on how their 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 and companies, quoted investment funds, precious metals, trading inventories, commodities and positive or negative replacement values of exchange traded derivatives are assigned 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 the positive or negative replacement value 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 or negative replacement value of derivative instruments and issued structured products if there is no active market pursuant to the definition of 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 if 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

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. During the reporting period, the own credit spread remained unchanged. In prior period, 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.

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 other observable current market transactions involving the same instrument (level 1 instrument) or 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 a deferred day-1 result.

CHF thousand	Level 1	Level 2	Level 3	Total 30.06.2025
Financial assets				
Trading financial assets				
Debt securities (listed)	298,193	39,843	—	338,036
Equity securities	2,312,180	1,162	—	2,313,342
Funds	1,677,410	15,063	—	1,692,473
Other securities	—	49,944	—	49,944
of which hybrid financial instruments	—	49,944	—	49,944
Total trading financial assets	4,287,783	106,012	—	4,393,795
Positive replacement values of derivative instruments	1,438,711	882,852	—	2,321,563
Other financial assets designated at fair value through profit or loss	—	132,526	—	132,526
Financial investments measured at fair value through other comprehensive income	2,453,168	35,495	1,075	2,489,738
Total financial assets	8,179,662	1,156,885	1,075	9,337,622
Trading inventories	278,540	—	—	278,540
Total trading inventories	278,540	—	—	278,540

CHF thousand	Level 1	Level 2	Level 3	Total 30.06.2025
Financial liabilities				
Trading financial liabilities				
Debt securities (listed)	—	—	—	—
Equity securities	19,986	—	—	19,986
Funds	3,039	—	—	3,039
Total trading financial liabilities	23,025	—	—	23,025
Negative replacement values of derivative instruments	1,253,931	789,560	5,710	2,049,201
Other financial liabilities designated at fair value through profit or loss				
Interest rate instruments	—	545,280	—	545,280
Equities	—	3,903,318	—	3,903,318
Foreign currency	—	8,918	—	8,918
Commodities (including precious metals and cryptocurrencies)	—	397,116	—	397,116
Total other financial liabilities designated at fair value through profit or loss	—	4,854,632	—	4,854,632
Total financial liabilities	1,276,956	5,644,192	5,710	6,926,858

In the first half of 2025, there were no significant reclassifications of positions between level 1 and level 2 or vice versa.

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
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 cryptocurrencies)	—	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 or vice versa.

Level 3 financial instruments

CHF thousand	Financial investments measured at fair value through other comprehensive income	Total Financial Assets	Negative replacement values of derivative instruments	Total Financial Liabilities
Statement of financial position				
Balance as of 1 January 2025	1,075	1,075	8,947	8,947
Additions	—	—	124	124
Disposals	—	—	(202)	(202)
Result recognised in the income statement	—	—	(2,416)	(2,416)
Result recognised in the statement of other comprehensive income	—	—	—	—
Reclassifications to level 3	—	—	—	—
Reclassifications from level 3	—	—	(744)	(744)
Translation differences	—	—	—	—
Balance as of 30 June 2025	1,075	1,075	5,710	5,710
Income in the period on holdings at balance sheet date				
Unrealised income/(loss) recognised in trading income	—	—	2,215	2,215
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	Total Financial Assets	Negative replacement values of derivative instruments	Total Financial Liabilities
Statement of financial position				
Balance as of 1 January 2024	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	—	—	—	—
Balance as of 31 December 2024	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	—	—	—	—

Financial instruments are reclassified into or out of levels 2 and 3 based on changes in the observability of the significant input parameter “volatility of interest rates” for the valuation of financial instruments.

For Level 3 financial liabilities, based on the change in the observability of significant input parameters, CHF 0.7 million of level 3 financial instruments were reclassified to level 2 (2024: CHF 1.8 million). No level 2 financial instruments were reclassified to level 3 for the six months ended 30 June 2025 or for the 12 months ended 31 December 2024, respectively.

No day-1 gains or losses were recognised as a result of transactions involving level 3 instruments during the first half of 2025. An unrealised gain of CHF 2.2 million in the first half of 2025 (full-year 2024: unrealised loss of CHF 4.2 million) for fair value movements was recognised in the line item “result from trading activities and the fair value option”.

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 technique 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 positions

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

	30.06.2025	31.12.2024
Negative replacement values of derivative financial instruments	5,710	8,947

¹ A generic replication model is used to price interest rate derivatives

Volatility is a measurement of 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				
		30.06.2025		31.12.2024		
Valuation technique	Significant unobservable input	low	high	low	high	Unit
Generic replication model ¹	Volatility of interest rates	60	75	45	69	basis points

Sensitivity of fair values of Level 3 liabilities

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	30.06.2025	31.12.2024
Impact of shifts of unobservable input parameters on fair values		
Increase of volatility of interest rates (+5 bps)	46	48
Decrease of volatility of interest rates (-5 bps)	(46)	(48)

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	30.06.2025	31.12.2024
Financial assets at amortised cost		
Cash and balances at central banks	64,720	136,867
Amounts due from banks	468,346	514,950
Amounts due from securities financing transactions	31,071	43,307
Amounts due from customers	606,857	390,673
Other financial assets ¹	32,115	23,923
Total financial assets at amortised cost	1,203,109	1,109,720
Financial liabilities at amortised cost		
Amounts due to banks	359,842	320,861
Liabilities from securities financing transactions	2,111,429	1,136,406
Amounts due to customers	648,662	475,608
Other financial liabilities ²	42,784	45,055
Total financial liabilities at amortised cost	3,162,716	1,977,930

¹ Other financial assets mainly comprise withholding tax receivables

² Other financial liabilities mainly includes lease liabilities

14 Assets/Liabilities in a disposal group held for sale

In the first half of 2025, the Group decided to exit the Japanese market and to dispose its subsidiary in Tokyo. The assets and liabilities of the Group's subsidiary constitute a disposal group and are recognised as "Assets/Liabilities in a disposal group held for sale" on the Group's statement of financial position. A disposal is expected to happen in the next three to twelve months, either through a sale to a prospect or otherwise. Of the CHF 3.3 million assets classified as held for sale, CHF 2.5 million relates to amounts due from banks. There was Nil cumulative income or expense recognised in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale.

15 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.

	Due				Total 30.06.2025
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
Assets					
Financial assets					
Cash and balances at central banks	64,720	—	—	—	64,720
Amounts due from banks	468,346	—	—	—	468,346
Amounts due from securities financing transactions	31,071	—	—	—	31,071
Amounts due from customers	606,857	—	—	—	606,857
Trading financial assets	4,393,795	—	—	—	4,393,795
Positive replacement values of derivative financial instruments	2,321,563	—	—	—	2,321,563
Other financial assets designated at fair value through profit or loss	132,526	—	—	—	132,526
Financial investments measured at fair value through other comprehensive income	2,488,663	—	—	1,075	2,489,738
Other financial assets	4	1,463	30,648	—	32,115
Total financial assets	10,507,544	1,463	30,648	1,075	10,540,730
Non-Financial assets					
Trading inventories	278,540	—	—	—	278,540
Current tax assets	—	—	1,033	—	1,033
Deferred tax assets	—	—	—	1,328	1,328
Interests in joint ventures	—	—	—	450	450
Tangible assets ¹	—	—	—	30,479	30,479
Intangible assets ¹	—	—	—	56,558	56,558
Assets in a disposal group held for sale	—	—	3,290	—	3,290
Other non-financial assets	—	9,863	3,036	—	12,899
Total non-financial assets	278,540	9,863	7,359	88,815	384,577
Total assets	10,786,084	11,326	38,007	89,890	10,925,308

	Due				Total 30.06.2025
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
Liabilities					
Financial liabilities					
Amounts due to banks	359,842	—	—	—	359,842
Liabilities from securities financing transactions	2,111,429	—	—	—	2,111,429
Amounts due to customers	648,662	—	—	—	648,662
Trading financial liabilities	23,025	—	—	—	23,025
Negative replacement values of derivative financial instruments	2,049,201	—	—	—	2,049,201
Other financial liabilities designated at fair value through profit or loss	4,854,632	—	—	—	4,854,632
Other financial liabilities ²	7,618	11,738	9,191	14,237	42,784
Total financial liabilities	10,054,407	11,738	9,191	14,237	10,089,573
Non-Financial liabilities					
Current tax liabilities ³	—	—	5,830	12,000	17,830
Liabilities in a disposal group held for sale	—	—	1,007	—	1,007
Other non-financial liabilities ⁴	—	12,516	34,234	35,186	81,936
Provisions	—	—	4,636	12,942	17,578
Total non-financial liabilities	—	12,516	45,707	60,128	118,351
Total liabilities	10,054,407	24,254	54,898	74,365	10,207,924

¹ Immobilised

² Other financial liabilities with a long-term maturity mainly comprise lease liabilities

³ Current tax liabilities with a long-term maturity comprise uncertain tax positions

⁴ Other non-financial liabilities with a long-term maturity mainly comprise deferred income (see Note 8)

	Due				Total 31.12.2024
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
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

	Due				Total 31.12.2024
	On demand to 1 month	1-3 months	3-12 months	Over 12 months	
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
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

³ Current tax liabilities with a long-term maturity comprises uncertain tax positions

⁴ Other non-financial liabilities with a long-term maturity mainly comprises deferred income (see Note 8)

16 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 and other value adjustments, and losses". 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 19). 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.

	30.06.2025		31.12.2024	
	Reinstatement obligations	Litigation, regulatory and similar matters	Total provisions	Total provisions
Balance at the beginning of the period	3,496	13,950	17,446	23,548
Utilisation in conformity with designated purpose	—	(2,035)	(2,035)	(17,131)
Increase in provisions recognised in the income statement	117	2,330	2,447	17,036
Release of provisions recognised in the income statement	—	(172)	(172)	(6,038)
Decrease in provisions not recognized in the income statement	(62)	—	(62)	(2)
Translation differences	(26)	(20)	(46)	33
Balance at the end of the period	3,525	14,053	17,578	17,446
of which due within 1 year	93	4,543	4,636	3,917
of which due within 2 and 5 years	3,392	3,064	6,456	6,986
of which due after 5 years	40	6,446	6,486	6,542

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 within the confines of applicable laws and regulation.

Risks for which a provision was recognised 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.

In the first half of 2025 there were no material changes compared to 31 December 2024.

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.

17 Shareholders' equity

Share capital

	30.06.2025			31.12.2024		
	Total par value (CHF)	Number of shares	Capital eligible for dividends	Total par value (CHF)	Number of shares	Capital eligible for dividends
Share capital fully paid in	18,494,242	18,494,242	18,494,242	18,494,242	18,494,242	18,494,242
Authorised capital band						
of which capital increase range	1,849,424	1,849,424	N/A	1,849,424	1,849,424	N/A
of which capital reduction range	924,712	924,712	N/A	924,712	924,712	N/A
Conditional share capital	1,000,000	1,000,000	N/A	1,000,000	1,000,000	N/A

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 fair value of own shares. A profit or loss arising on disposal of own shares is recognised through equity. The Group purchases its own shares primarily in connection with its employee share-based benefit, RSU and PSU programmes.

	30.06.2025			31.12.2024		
	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	1,041,865	42,758	41	1,378,256	65,305	47
Purchases for equity-linked compensation programmes	9,035	170	19	464,689	12,390	27
Used for equity-linked compensation programmes	(208,765)	(8,531)	41	(361,225)	(16,937)	47
Share buyback programme	—	—	—	—	—	—
Disposals	—	—	—	(439,855)	(18,000)	41
Balance at the end of the period	842,135	34,397	41	1,041,865	42,758	41

Profit and capital distribution

On 27 March 2025, the Annual General Meeting of Leonteq AG approved the proposal of Raiffeisen Switzerland to distribute a total of CHF 55.5 million (CHF 3.00 per share) in equal amounts out of retained earnings (dividend) and reserves from capital contributions for the financial year 2024. On 2 April 2025, a distribution of CHF 3.00 per share, consisting of a dividend of CHF 1.50 (gross) and a distribution from the reserves from capital contributions of CHF 1.50, was paid.

18 Significant shareholders

	30.06.2025		31.12.2024	
	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	29.71%
Lukas T. Ruffin ¹	1,636,061	8.85%	1,631,255	8.82%
Sandro Dorigo	330,000	1.78%	300,000	1.62%
Subtotal shareholders' agreement	7,461,057	40.34%	7,426,251	40.15%
Rainer-Marc Frey ²	1,524,327	8.24%	1,146,620	6.20%
Alon Gonen ³	602,455	3.26%	602,455	3.26%
Total significant shareholders	9,587,839	51.84%	9,409,747	50.88%

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: 02 August 2024; Sparte 24 Ltd, Israel is the direct shareholder of these shares

19 Related-party transactions

The Group entered into various transactions and agreements with related parties. Significant transactions and agreements can be categorised as financial and cooperation agreements with Raiffeisen Switzerland Cooperative and its affiliated companies.

CHF thousand	Amounts due from 30.06.2025	Amounts due from 31.12.2024	Amounts due to 30.06.2025	Amounts due to 31.12.2024	Income from H1 2025	Income from H1 2024	Expense to H1 2025	Expense to H1 2024
Significant shareholders								
Raiffeisen Switzerland Cooperative								
Amounts due from banks	3,582	5,788	—	—	—	—	—	—
Amounts due from securities financing transactions	—	4,500	—	—	—	—	—	—
Positive replacement values of derivative instruments	49,230	33,917	—	—	—	—	—	—
Amounts due to banks	—	—	13,571	9,032	—	—	—	—
of which credit facility	—	—	—	—	—	—	—	—
Negative replacement values of derivative instruments	—	—	35,599	30,157	—	—	—	—
Accrued expenses and deferred income	—	—	49	65	—	—	—	—
Platform partner service fee income	—	—	—	—	682	1,211	—	—
Other fee income	—	—	—	—	—	364	—	—
Other fee expense	—	—	—	—	—	—	174	—
Interest income	—	—	—	—	7	28	—	—
Interest expense	—	—	—	—	—	—	19	96
Other operating expense	—	—	—	—	—	—	1	—
Affiliated companies								
Raiffeisen Switzerland B.V. Amsterdam								
Amounts due from customers	2,042	1,264	—	—	—	—	—	—
Positive replacement values of derivative instruments	76,564	87,180	—	—	—	—	—	—
Accrued income and prepaid expenses	374	142	—	—	—	—	—	—
Amounts due to customers	—	—	62,378	81,699	—	—	—	—
Negative replacement values of derivative instruments	—	—	26,795	14,157	—	—	—	—
Accrued expenses and deferred income	—	—	72	—	—	—	—	—
Platform partner service fee income	—	—	—	—	5,880	2,976	—	—
Other fee income	—	—	—	—	—	—	—	—
Other fee expense	—	—	—	—	—	—	—	—
Interest income	—	—	—	—	—	—	—	—
Interest expense	—	—	—	—	—	—	865	622

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.

20 Off-balance sheet items

CHF thousand	30.06.2025	31.12.2024
Off-balance sheet items		
Contingent liabilities	23,355	27,420

Contingent liabilities mainly arise from deferred payments related to employee variable compensation plans and the following guarantees.

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 30 June 2025, the total commitment relating to future rental payments under the original lease contract was GBP 0.2 million (CHF 0.3 million) (31 December 2024: GBP 1.0 million or CHF 1.1 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. As of 30 June 2025, the total commitment relating to future rental payments under this lease was JPY 88.2 million (CHF 0.5 million) (31 December 2024: JPY 103.1 million or CHF 0.6 million, respectively), excluding taxes. The guarantee is provided until 31 January 2028.

21 Post-balance sheet events

No events occurred after the balance sheet date that would materially affect the interim consolidated financial statements.

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Report of the auditor on the review of the interim condensed consolidated financial statements

To the Board of Directors
LEONTEQ AG, ZURICH

Introduction

We have reviewed the condensed interim consolidated financial statements for Leonteq AG which comprise the income statement, statement of other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including a summary of significant accounting policies, for the six-month period ended 30 June 2025. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 – “Interim Financial Reporting”. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 (SAS 910) “Engagements to Review Financial Statements” and International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting

matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Standards on Auditing (SA-CH) and International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial information (pages 42 to 75 and the Risk Management & Control information on pages 13 to 41) are not prepared, in all material respects, in accordance with International Accounting Standard IAS 34 – “Interim Financial Reporting”.

Deloitte AG



Sandro Schönenberger
Licensed Audit Expert



Christian Weber
Licensed Audit Expert

Zurich, 22 July 2025

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. This chapter provides the definitions of APMs used by Leonteq in this report and in its communication with investors.

Underlying results

Leonteq defines underlying results as follows:

Underlying results are derived by excluding from the IFRS financial results the one-off costs in connection with the Group’s resizing programme and one-off costs in connection with the new regulatory regime, as well as share of loss of joint venture. These excluded items may include adjustments to each of the four reported IFRS expense lines (personnel expenses, other operating expenses, depreciation, and changes to provisions).

The reconciliation of underlying results to IFRS results are as follows:

	H1 2025	H1 2025	H1 2025	H1 2025	H1 2025
CHF million	IFRS result	Resizing costs	Regulatory transition costs	Share of loss of joint venture	Results on an underlying basis
Total operating income	124.3	—	—	—	124.3
Personnel expenses	(59.4)	1.2	0.9	—	(57.3)
Other operating expenses	(30.3)	—	0.3	—	(30.0)
Depreciation	(17.8)	—	—	—	(17.8)
Changes to provisions	(2.2)	0.1	—	—	(2.1)
Total operating expenses	(109.7)	1.3	1.2	—	(107.2)
Share of loss of joint venture	(0.5)	—	—	0.5	(0.0)
Profit before taxes	14.1	1.3	1.2	0.5	17.1
Taxes	(4.8)	—	—	—	(4.8)
Group net profit	9.3	1.3	1.2	0.5	12.3

	H2 2024	H2 2024	H2 2024	H2 2024	H2 2024	H1 2024	H1 2024	H1 2024	H1 2024	H1 2024
CHF million	IFRS result	Resizing costs	Regulatory transition costs	Share of loss of joint venture	Results on an underlying basis	IFRS result	Resizing costs	Regulatory transition costs	Share of loss of joint venture	Results on an underlying basis
Total operating income	105.1	—	—	—	105.1	133.4	—	—	—	133.4
Personnel expenses	(57.6)	—	0.5	—	(57.1)	(66.3)	—	—	—	(66.3)
Other operating expenses	(31.7)	—	0.2	—	(31.5)	(28.0)	—	—	—	(28.0)
Depreciation	(18.0)	—	—	—	(18.0)	(18.0)	—	—	—	(18.0)
Changes to provisions	(2.8)	—	—	—	(2.8)	(8.2)	—	—	—	(8.2)
Total operating expenses	(110.1)	—	0.7	—	(109.4)	(120.5)	—	—	—	(120.5)
Share of loss of joint venture	—	—	—	—	—	—	—	—	—	—
Profit before taxes	(5.0)	—	0.7	—	(4.3)	12.9	—	—	—	12.9
Taxes	(4.9)	—	—	—	(4.9)	2.8	—	—	—	2.8
Group net profit	(9.9)	—	0.7	—	(9.2)	15.7	—	—	—	15.7

Definitions.

APM	Definition
Book value per share	Calculated as shareholders' equity divided by the number of shares outstanding (excluding treasury shares)
New business	New business comprises net fee income from growth initiatives and activities with lower balance sheet intensity (including AMC business, crypto assets, fund derivatives, balance sheet-light business, pension savings)
AMC business	Comprises revenues from actively managed certificates, tracker certificates, exchange traded products, and other open-end products
Traditional business	Traditional business comprises net fee income 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, ETFs and ETPs
Treasury result	Net funding costs related to Leonteq's own issued products
Underlying earnings per share	Underlying Group net profit divided by the weighted average number of shares outstanding for basic earnings per share
Underlying cost/income ratio	Underlying operating expenses as a percentage of total operating income
Return on tangible equity	Underlying Group net profit as a percentage of average shareholders' equity less intangible assets at the beginning and at 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

Concept, design, realisation

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