PRESS RELEASE | LEONTEQ PUBLISHES HALF-YEAR 2025 RESULTS

Zurich, 24 July 2025 | Ad hoc announcement pursuant to Art. 53 LR

Leonteq AG (SIX: LEON) reported underlying profit before taxes of CHF 17.1 million (+33% YoY) for H1 2025 and is on track to deliver profitable underlying results for the full-year 2025. Under the new regulatory regime, Leonteq reported strong capital ratios. Management defined a clear plan to restore consistent profitability and to unlock excess capital for shareholders.

Financials H1 2025 vs H1 2024

- **Total operating income of CHF 124.3 million (down 7%) reflecting lower net fee income, partially offset by increase in net trading result**
- **Operating expenses down 9% to CHF 109.7 million, or down 11% on an underlying basis excluding CHF 2.5 million in resizing and regulatory transition costs**
- **Underlying profit before taxes up 33% to CHF 17.1 million (IFRS reported profit before taxes: CHF 14.1 million)**
- **Underlying Group net profit of CHF 12.3 million (IFRS Group net profit: CHF 9.3 million), compared to CHF 15.7 million in H1 2024**

Transition to new regulatory regime

- **Strong CET1 and total capital ratio according to SSA at 14.4% as of end-June 2025**
- **Implementation of SA-FRTB well advanced – to replace SSA capital calculations in due course**
- **Expecting CET1 ratio of at least 14% once SA-FRTB implemented**

“ROE” plan to drive stronger returns

- **Through a focused strategy to Resize, Optimise and Expand, Leonteq seeks to deliver a 7% compound annual revenue growth (2024-2027) with a broadly flat cost base**
- **Targeting CHF 60-80 million in profit before taxes and return on tangible equity of approximately 10% for financial year 2027**

New capital return policy for financial year 2025 et seq.

- **Dividend payout ratio of ~30% of Group net profits**
- **Share buy-back threshold at >15% CET1 ratio (SA-FRTB implemented)**
- **Ambition to return excess capital in H1 2027**

Change to the Executive Committee

- **Eric Finn Schaanning appointed as Chief Risk Officer effective 1 October 2025, succeeding Reto Quadroni**

Christian Spieler, CEO of Leonteq, stated: “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. This is expected to be resolved in the coming months. We have taken decisive action to restore profitability while maintaining strong regulatory discipline.”

“When I started at Leonteq earlier this year, I saw a company with strong capabilities but also areas that required change,” Christian Spieler added. “It was clear that we needed to sharpen our focus, simplify how we operate and rebuild trust. We've moved quickly to set a clear direction and define what needs to be addressed. Together with our highly capable and committed team, we’re reshaping Leonteq into a more strategically aligned, solidly managed and performance-driven business. I'm confident we're on the right track.”

H1 2025 results - A reflection of the ongoing business transformation

Total operating income decreased by 7% to CHF 124.3 million in the first half of 2025, compared to the first half of 2024. In the same period, net fee income was down 25% to CHF 88.0 million. In Leonteq's traditional business, net fee income declined mainly due to a reduction in margins as well as a decrease in large ticket transactions. With regard to Leonteq's new business initiatives, net fee income from the pension savings, fund derivatives and balance sheet-light business declined, while the Group's AMC business continued to register growth in terms of both outstanding volumes and net fee income. An increasing income contribution came from Leonteq's new retail flow business initiative.

At the same time, Leonteq recorded significant positive contributions from its hedging activities, mainly on the back of the short-term increase in market volatility in April 2025. As a result, the net trading result grew 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 utilisation of available credit facilities. This impacted the net interest result, which totalled CHF -4.9 million, compared to CHF 2.9 million in the first half of 2024.

Total operating expenses decreased by CHF 10.8 million, or 9%, year-on-year to CHF 109.7 million in the first half of 2025, reflecting a reduction in personnel expenses as well as lower net provisions. Adjusted for one-off resizing and regulatory transition costs, underlying operating expenses decreased by 11% to CHF 107.2 million in the first half of 2025.

As a result, underlying profit before taxes rose by 33% to CHF 17.1 million in the first half of 2025, compared to the prior-year period. 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. IFRS Group net profit was CHF 9.3 million in the first half of 2025, versus CHF 15.7 million in the first half of 2024. This decline was driven by income tax expenses of CHF 4.8 million in the first half of 2025 compared to a positive income tax effect of CHF 2.8 million in the prior year period, resulting from an increase in deferred tax assets.

On track with the implementation of the new regulatory regime

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 as of 30 June 2025, compared to CHF 740 million as of 31 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. The leverage ratio exposure rose by 4% to CHF 11.0 billion, resulting in a leverage ratio of 6.0% as of 30 June 2025 (pro-forma 31 December 2024: 7.0%).

Risk weighted assets (RWA) amounted to CHF 4.6 billion as of 30 June 2025, of which CHF 2.7 billion were market risk RWA (calculated according to the simplified standardised approach, SSA). CET1 capital ratio and total capital ratio both were strong at 14.4%, well above the regulatory minimum levels of 7.0% for CET1 ratio and 10.5% for total capital ratio.

As previously announced, Leonteq is currently transitioning to RWA 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%.

Leonteq also advanced its discussion with the Swiss Financial Market Supervisory Authority (FINMA) to define the final details of a business specific regulatory liquidity framework.

ROE – a path to consistent profitability

Leonteq is taking decisive steps to address structural challenges and reposition the company for consistent profitability and shareholder value. While the Group has strong capabilities – including a broad client base, exceptional product expertise and advanced technology – parts of the traditional structured products market have been shifting towards a more volume-driven model with tightening margins. Leonteq's diversification efforts have not yet offset this trend. Operational complexity and legacy regulatory matters also affected performance, leading to increased demands on internal resources and requiring adjustments in how the business is managed and capital is allocated. These challenges, combined with evolving client expectations, have made it clear that change is necessary.

Over the past 21 weeks, Leonteq defined a focused set of strategic priorities and an execution roadmap for the next 12 to 24 months. The plan is built around three pillars: Resizing underperforming areas, Optimising established activities, and Expanding high-potential initiatives – all with a view to improving profitability, strengthening capital efficiency, and restoring trust in the business.

Key initiatives include:

Resize

- Exit Japanese market through sale (expected to be announced in the second half of 2025)
- Exit "bench" pension savings initiative by 2026
- Targeting approximately 30% of non-sales and non-trading staff to be based in the Lisbon service center by end-2026

Optimise

- Enhance operational leadership and organisational effectiveness including targeted management changes and clear accountability
- Increase revenue generation with white-labelling partners and revise acquisition framework
- Restructure crypto assets offering in Germany to optimise RWA (completed in H1 2025) whilst maintain Swiss business as is

Expand

- Increase share of wallet with clients where Leonteq has a competitive edge
- Grow recurring revenue streams by deploying the next generation of AMCs and further scaling of the company's QIS platform
- Deploy award winning digital solutions platform, LYNQS, in further key markets
- Expand distribution efforts for third-party products

With the combination of these measures, Leonteq seeks to deliver a 7% compound annual revenue growth (2024-2027) with a broadly flat cost base, on the back of an unchanged risk appetite and a strong control framework. The growth initiatives are set to be funded through business-generated earnings.

For the financial year 2027, Leonteq targets profit before taxes of CHF 60-80 million and a return on tangible equity of more than 10%.

In order to allow investors and analysts to track the company's performance and delivery against the strategic priorities set, Leonteq intends to enhance transparency in its semi-annual reporting by disclosing new or amended metrics for issuers, regions and trading books. The historic data series is expected to be published latest with the full-year 2025 results.

New capital return policy

In the context of the new regulatory regime and to improve capital generation capabilities, the Group now targets an ordinary dividend payout ratio of approximately 30% of Group net profits (to be paid out in equal instalments out of retained earnings and reserves from capital contributions) for the financial year 2025 et seq.

In addition, the Board will consider distributing CET1 capital that is meaningfully in excess of a CET1 capital ratio of 15% at the end of a financial year through a share buyback programme launched in the subsequent year. The ambition is to return excess capital under this new framework through a share-buyback to be launched in the first half of 2027.

Eric Finn Schaanning appointed Chief Risk Officer, succeeding Reto Quadroni

As previously announced, in view of the upcoming retirement of Chief Risk Officer Reto Quadroni, the Board of Directors has been preparing for his succession. As per 1 October 2025, Eric Finn Schaanning has been appointed Chief Risk Officer and member of the Executive Committee.

Eric Finn Schaanning (1987) has extensive experience in the financial services industry, having worked at large banks for more than 13 years. He joins Leonteq from Nordea, where he has been Group Head of Market and Valuation Risk since May 2024. Prior to this, Eric worked at UBS as Global Head of Banking Book Risk Management and at Credit Suisse as Global Head of ALM Risk Management between 2021 and 2024. From 2018 to 2021, he was a Principal Financial Stability Expert at the European Central Bank and prior to this spent nine years at Norges Bank as a Senior Advisor. Eric is a Luxembourg and Norwegian national and has a PhD in Mathematical Finance from Imperial College London and a Master's degree in Mathematics from ETH Zurich.

Christopher M. Chambers, Chairman of the Board at Leonteq, stated: "We would like to thank Reto for his tremendous contribution to the company. Throughout his more than 16 years at Leonteq, he has guided the company through various challenging market environments from a risk management and control perspective. His commitment and expertise have helped and continue to support the company to adapt quickly to the evolving regulatory landscape." And added, "We are delighted to welcome Eric as a highly qualified successor to the role."

Overview of selected key figures and performance indicators

Selected key figures (CHF million unless otherwise stated)	H1 2025	H2 2024	H1 2024	Change vs H1 2024	Change vs H2 2024
Total operating income	**124.3**	**105.1**	**133.4**	**(7%)**	**18%**
of which net fee income	88.0	96.5	117.9	(25%)	(9%)
of which net trading result	39.5	10.3	11.2	253%	283%
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 operating expenses	**(107.2)**	**(109.4)**	**(120.5)**	**(11%)**	**(2%)**
Underlying profit before taxes	**17.1**	**(4.3)**	**12.9**	**33%**	**N/A**
Underlying Group net profit	**12.3**	**(9.2)**	**15.7**	**(22%)**	**N/A**
Underlying EPS (CHF)	**0.70**	**(0.52)**	**0.89**	**(21%)**	**N/A**
RoTE	**3%**	**(3%)**	**4%**	**(1 pp)**	**6pp**
Turnover (CHF billion)	**14.5**	**11.8**	**15.8**	**(8%)**	**23%**
Platform assets (CHF billion)	**12.7**	**13.4**	**13.1**	**(3%)**	**(5%)**
CET1 capital	**658.0**	**740.3**	**N/A**	**N/A**	**(11%)**
CET1 ratio (SSA)	**14.4%[1]**	**16.0%[2]**	**N/A**	**N/A**	**(1.6 pp)**

[1] Risk-weighted assets are calculated according to B3F with market risk according to the SSA following scaling factors at 25% phase-in level; please refer to half-year 2025 report pages 39-41 for a pro-forma calculation of the scaling factors under different phase-in levels.

[2] Pro-forma figure only; risk-weighted assets are calculated according to B3F with market risk according to the SSA and scaling factors all 1 equivalent to 0% phase-in.

Leonteq half-year 2025 results press and analyst conference call

A press and analyst conference call with Christian Spieler, CEO of Leonteq, and Hans Widler, CFO of Leonteq, will be held today, 24 July 2025, at 10.30 a.m. CEST.

The presentation, including slides, can be followed live via audio webcast.

If you wish to join the phone Q&A session, please dial in using the following numbers and ask for "Leonteq half-year 2025 results":

- Dial-in number Switzerland: +41 (0)58 310 50 00
- Dial-in number UK: +44 (0) 207 107 06 13
- Dial-in number USA: +1 (1) 631 570 56 13

This press release, the half-year 2025 results presentation and the half-year 2025 report are available at: https://www.leonteq.com/halfyearresults

A digital playback of the telephone conference will be available for one month at: https://www.leonteq.com/halfyearresults

Important dates

12 February 2026	Full-year 2025 results
01 April 2026	Annual General Meeting 2026
23 July 2026	Half-year 2026 results

Alternative Performance Measures used in this press release

This media release and other investor communications include certain financial metrics not defined by IFRS. Management considers these alternative performance measures (APMs) useful for understanding the Group's financial and operational performance. APMs are not intended to supplement, nor replace, IFRS figures. Definitions and reconciliations to IFRS line items are available in the Alternative Performance Measures section of the Leonteq half-year report 2025 on pages 78 to 80.

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