

ZKB SWISS EQUITY CONFERENCE 2024

Zurich, 8 November 2024

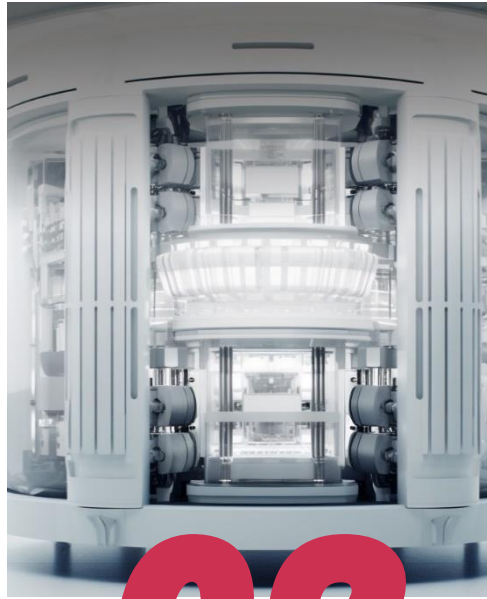
AGENDA



01



H1 2024 results
recap



02



Transformation
2018 - today



03



Outlook



04



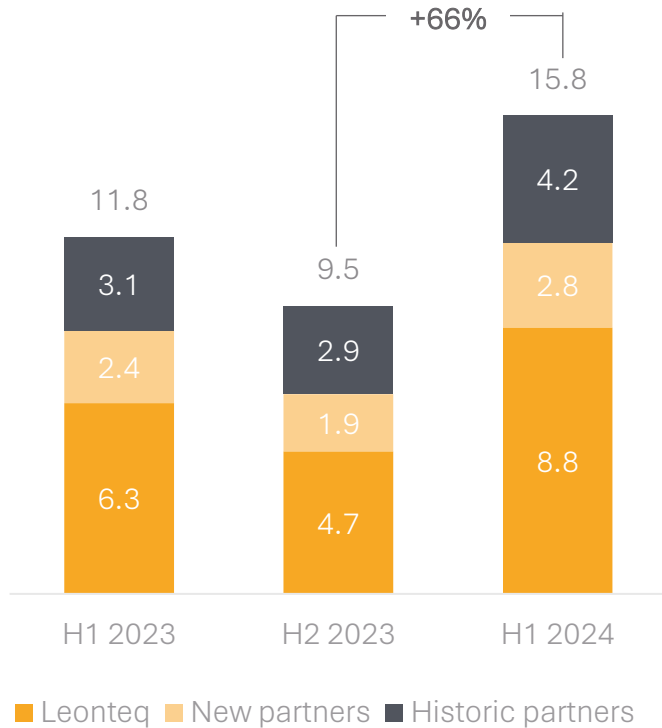
Q&A
session

H1 2024 RESULTS RECAP

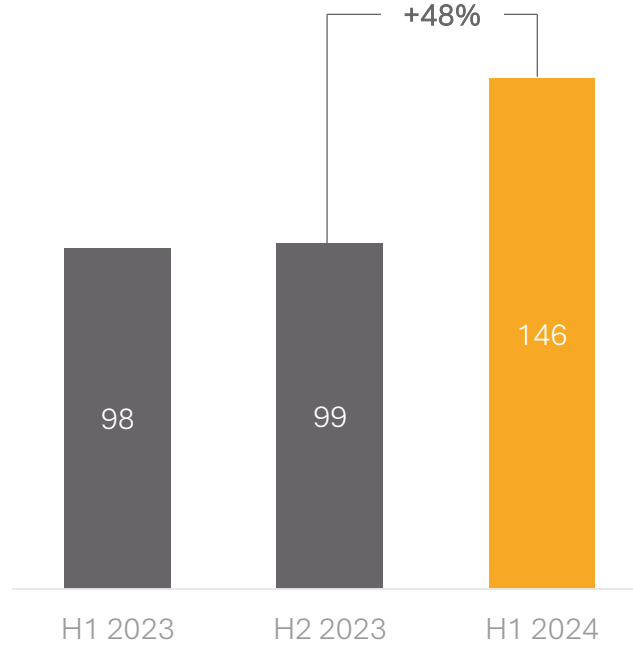


Strong client franchise demonstrated by record high platform activity

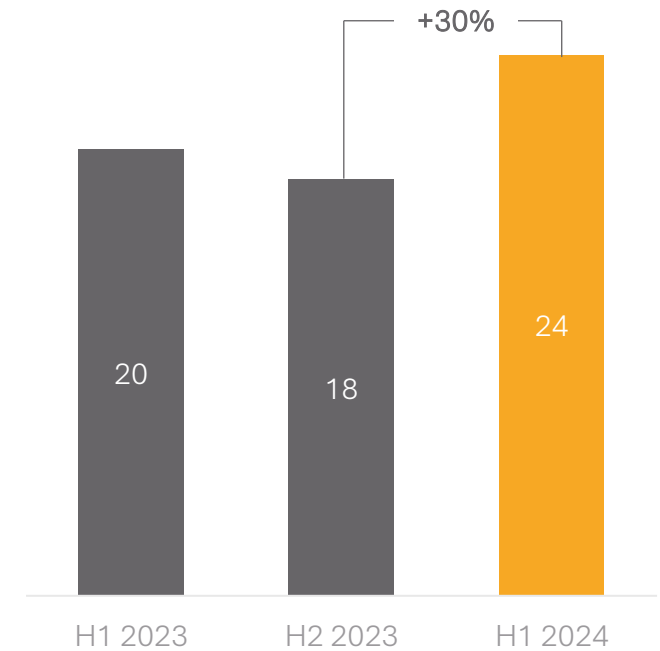
Turnover by issuer category
(CHF billion)



Number of client transactions
(thousands)

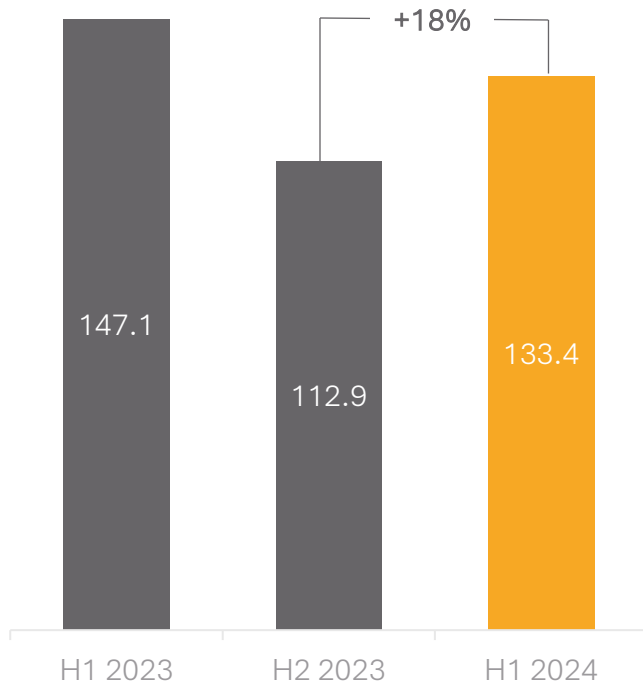


Number of issued products
(thousands)

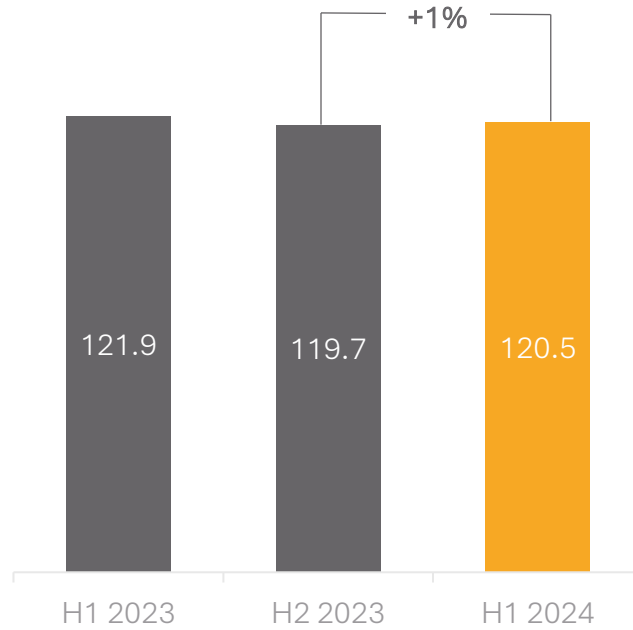


Solid performance in H1 2024 despite continued challenging market conditions

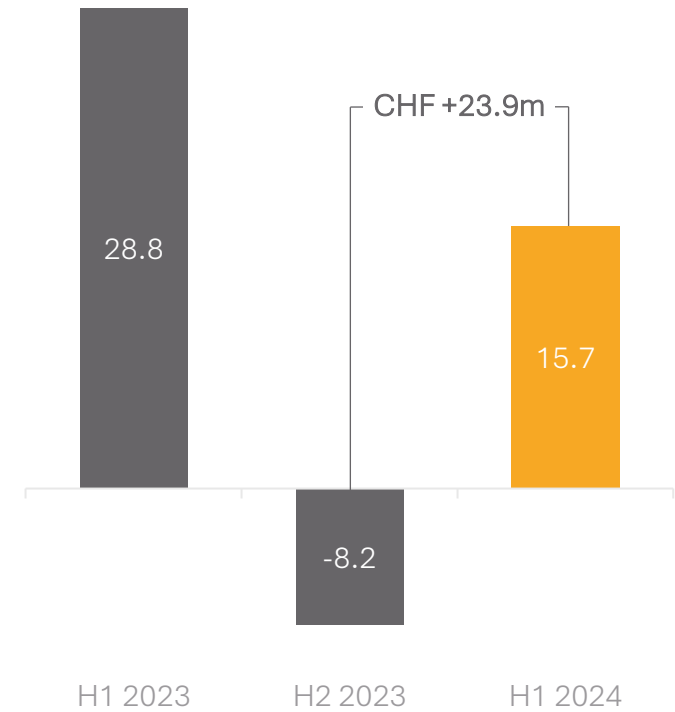
Total operating income
(CHF million)



Total operating expenses
(CHF million)



Group net profit
(CHF million)



TRANSFORMATION 2018 - TODAY

Shareholders' equity strengthened and attractive returns to shareholders delivered

Capital base significantly strengthened

- Enhancing financial solidity
- Supporting business growth
- Allowing strategic investments

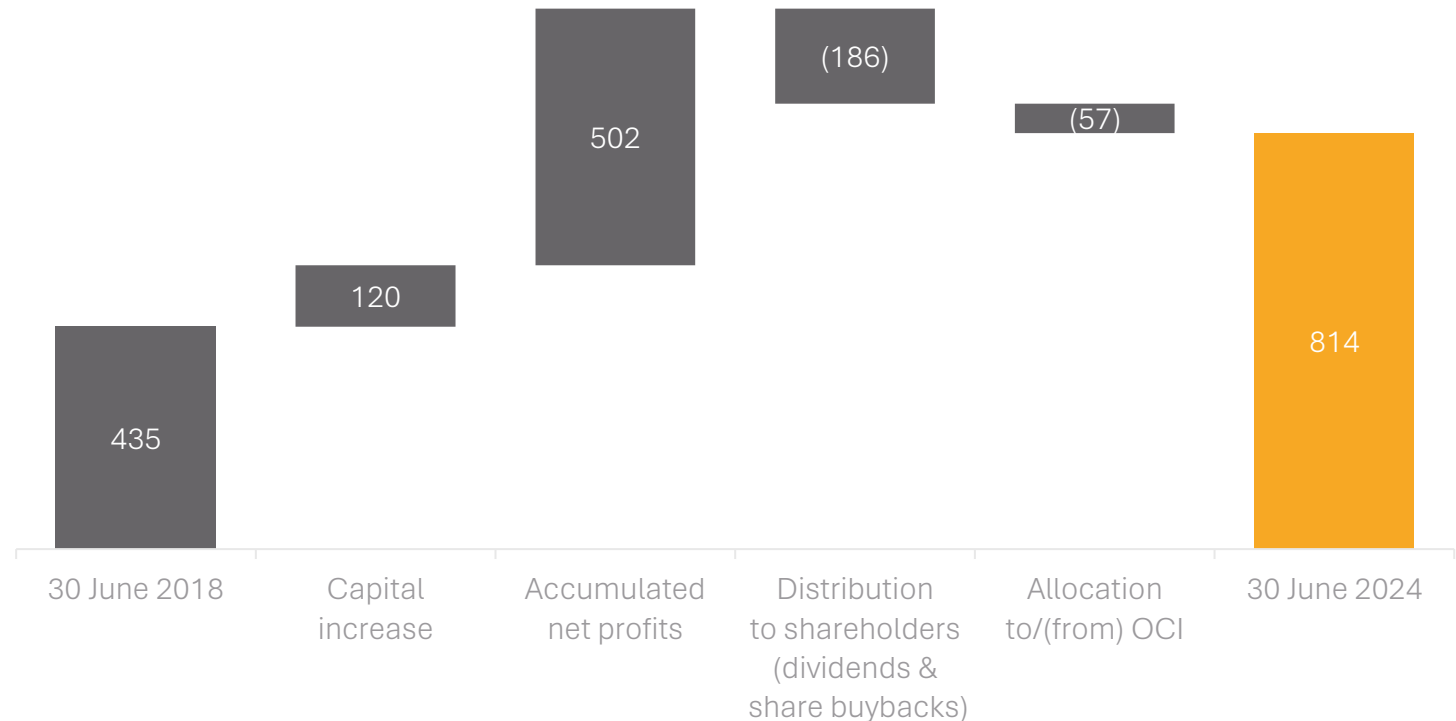
Substantial capital returned to shareholders

- Distributed CHF 168 million in dividends (financial years 2019-2023)
- Executed inaugural share buyback programme to repurchase CHF 18m own shares (in 2023)

Capital return policy for 2024 et seq.

- Payout ratio¹ of more than 50% of annual Group net profits
- Possible launch of share buyback programmes if results permit

Shareholders' equity (CHF million)



¹ Both, cash dividends and share buybacks to be counted as payout to shareholders.

Offering expanded beyond traditional structured products

Historic franchise centered on (equity linked) structured investment products

- In 2018, market was characterised by intensified competitive environment, declining margins and impacted by regulatory changes
- Structured products business was expected to become a volume-driven business

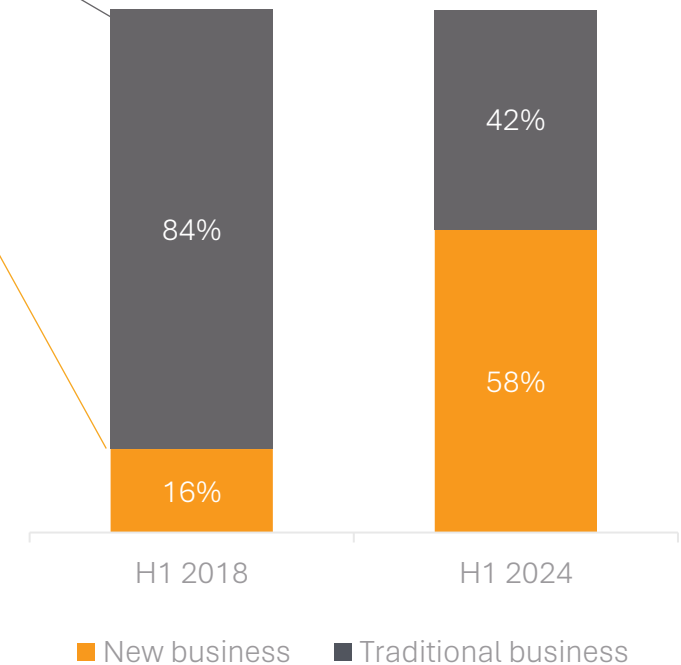
Invested significantly in offering diversification to address business concentration

- Generated recurring revenues with AMC business
- Expanded to new asset class with crypto assets
- Reduced market risk with balance sheet-light business
- Addressed new client segments with fund derivatives and QIS
- Launched direct-to-consumer (D2C) model with innovative 3a savings products
- Launched market making activities at BX Swiss (part of retail flow business initiative)

Intensified competitive environment (margin pressure) expected to continue

- Actively assessing new strategic initiatives to increase recurring revenue streams as well as to address self directed investors (D2C business model)

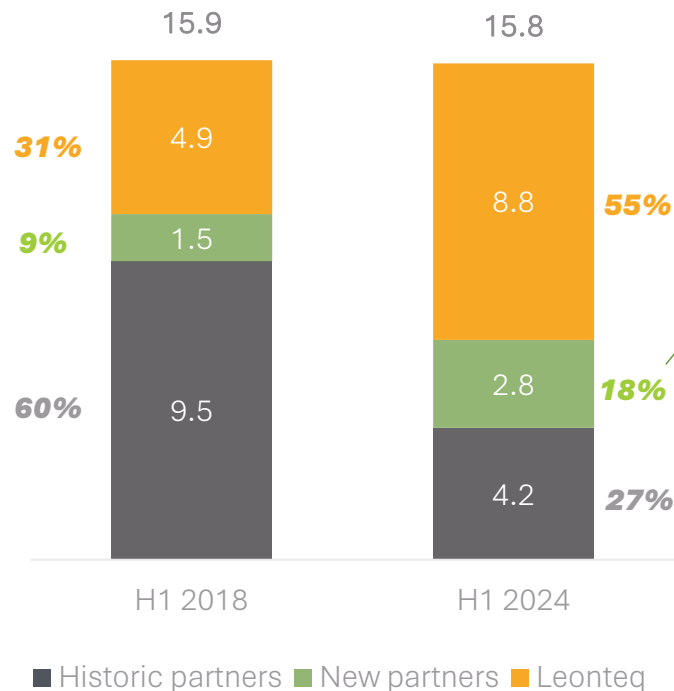
Economic revenues¹ by type of business



¹ Excluding net result of hedging activities

Leonteq's position improved and issuer network significantly expanded

Turnover by issuer category
(CHF billion)



Improved Leonteq's standalone profile:

- Obtained solid investment grade credit ratings
- Improved ESG rating to best-in-class levels
- Funding through own issuance to be increased

Significantly expanded issuer network:

- Onboarded 6 new white-labelling partners
- Established large third-party issuer network
- structuringHUB to be rolled-out to new potential white-labelling partners

Reduced reliance on historic partners:

- Cancelled credit facility agreement with Raiffeisen Switzerland in 2021
- Cancelled OTC/ISDA guarantees with ~100 counterparties in 2020/2021
- Cooperation with Raiffeisen Switzerland extended in 2024 (until 2030)

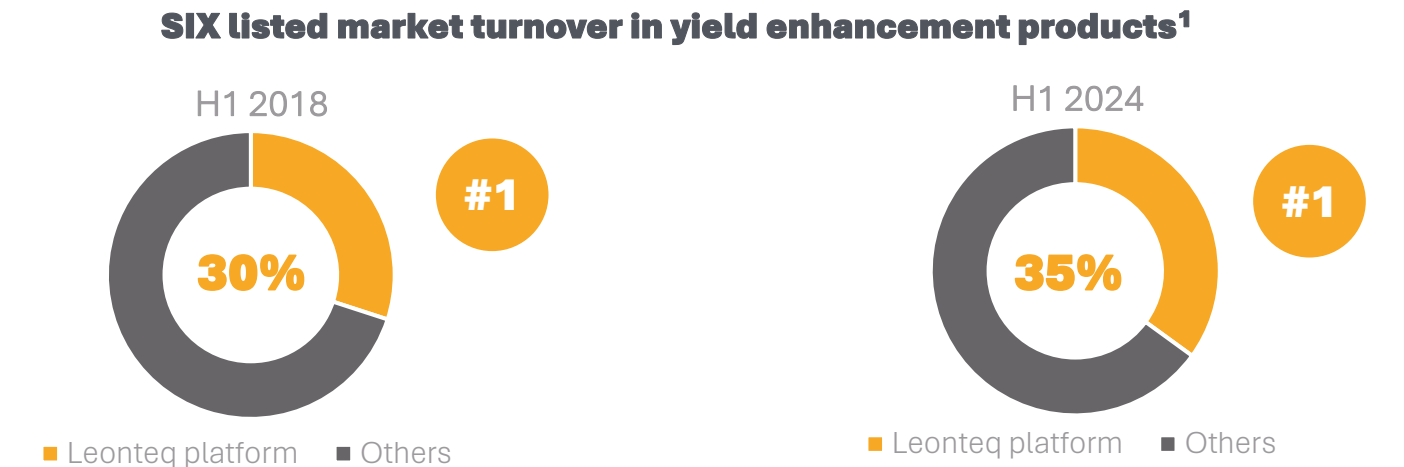
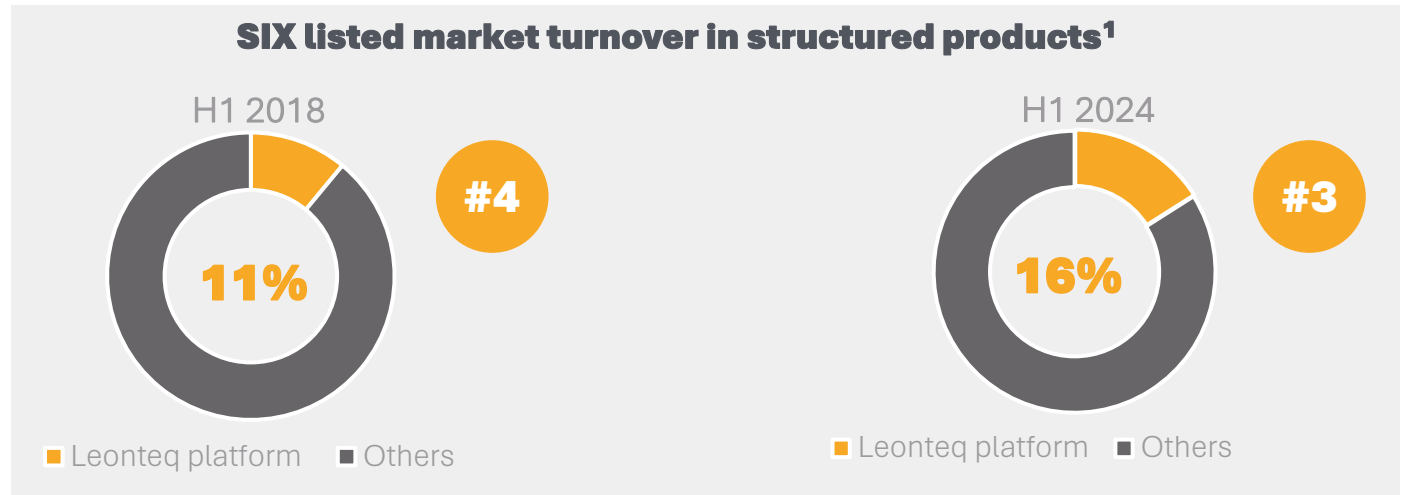
Client segments broadened with refocused target markets

Improved client diversification which was concentrated on independent asset managers, family offices and brokers

- Increased brand awareness and expanded public distribution activities in Switzerland
- Opened new office in Italy with strong focus on public distribution
- Started to untap institutional business (e.g. in Dubai, France, UK and Nordics)

Refocused target markets

- Reduced approx. 20 target markets across EMEA, APAC and LATAM to approx. 50 markets



¹ Source: SIX Swiss Exchange, 2024; Leonteq platform comprises turnover generated with own issued products and products issued by its white-labelling partners.

Platform scalability enhanced and invested in digital client solutions



Invested in state-of-the-art infrastructure

- Agile approach to product management and product organisation
- Collaboration with Google Cloud to support platform scalability
- Migrated and upgraded core technology platform (2020)



Launched new digital investing platform LYNQS in 2019

- Continued expansion of offering and modules (Quote, AMC)
- White-labelling feature
- Externally recognised as one of the leading structured products platforms

3 million

documents created per month

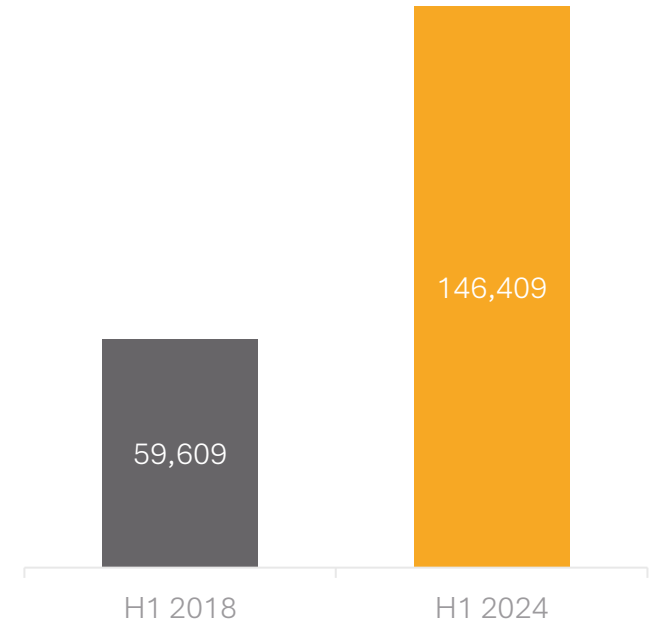
26 thousand

Lifecycle events managed per month

22%

Click 'n' trade ratio

Number of client transactions



Organisation, risk management & control framework strengthened

Renewed Board and Management Team

- Board diversified with increased independence
- Executive Committee and senior management team additions

Strengthened leadership and refocused target markets (first line)

- Reorganised Sales Europe and Sales Asia; several key hires from global financial institutions
- Strengthened General Managers/Branch Managers function in HK, Dubai, Frankfurt and London

Invested in control framework to support business growth (second line)

- More than doubled FTEs in control functions (compliance / risk control) since 2018; introduced global compliance organisation (in 2022)
- Reworked existing and issued new policies and enhanced/increased staff training
- Ongoing remediation of shortcomings identified

Widened scope of internal assurance (third line)

- Rotated internal auditors (in 2023)
- Significantly expanded internal audit plan (in 2024)





KEY TAKEAWAYS



Returned to profitability in H1 2024 following a net loss in H2 2023



Strong shareholders' equity built up over the past years



Significantly expanded offering and issuer network



Continued focus on strengthening risk management and control framework

Q&A SESSION

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