**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16**
**OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of March, 2020

**Commission File Number: 001-37891**

# AC IMMUNE SA

**(Exact name of registrant as specified in its charter)**

**EPFL Innovation Park**
**Building B**
**1015 Lausanne, Switzerland**
**(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**AC IMMUNE SA**

By: /s/ Andrea Pfeifer
Name: Andrea Pfeifer
Title: Chief Executive Officer

By: /s/ Joerg Hornstein
Name: Joerg Hornstein
Title: Chief Financial Officer

Date: March 30, 2020

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release dated March 30, 2020 |
| 99.2 | 2019 Statutory Annual Report |
| 99.3 | 2019 Compensation Report |

PRESS RELEASE

# AC Immune Reports Full-Year 2019 Financial Results and Provides 2020 R&D Outlook

- Ongoing strong financial position with CHF 288.6 million in cash, ensuring the Company is fully financed through Q1 2024, excluding potential incoming milestones
- Received CHF 110 million in upfront and development milestone payments and a USD 50 million equity note in 2019 as a result of the Morphomer™ Tau Lilly partnership
- Added new potential CHF 60 million Phase 2 initiation milestone and achieved CHF 10 million milestone in Q1 2020 in Lilly partnership
- Five clinical milestones expected in 2020 including the first Phase 2 readout of an anti-Tau antibody in Alzheimer's disease (AD)
- Initiated three clinical trials targeting Tau and a substudy within the ongoing Phase 2 Alzheimer's Prevention Initiative trial

**Lausanne, Switzerland, March 30, 2020** – AC Immune SA (NASDAQ: ACIU), a Swiss-based, clinical-stage biopharmaceutical company with a broad pipeline focused on neurodegenerative diseases, today announced financial results for the year ended December 31, 2019, and provided a business and 2020 research and development outlook.

**Prof. Andrea Pfeifer, CEO of AC Immune SA, commented**: "AC Immune is building on clinical and business accomplishments in 2019, and anticipates multiple clinical, value-creating milestones in 2020. We anticipate reporting data from two studies of our proprietary anti-Abeta vaccine program, ACI-24 as well as Phase 1 results for the small molecule Morphomer™ Tau aggregation inhibitor, ACI-3024, in partnership with Eli Lilly and Company.

**Prof. Pfeifer continued:** "In parallel, our heritage as a leader in delivering cutting-edge science enables our Company to advance novel preclinical therapeutic and diagnostic candidates focused on emerging targets and neuroinflammation towards the clinic, setting the stage for additional value creation and partnership opportunities. AC Immune's leading position in the field is built upon our proprietary discovery technology platforms, SupraAntigen™ and Morphomer™, as well as our personalized medicine approach and exceptional development execution."

**2019 and Q1 2020 Research & Development Highlights**

Successful execution in preclinical and clinical development during 2019 resulted in a stronger pipeline.

- A Phase 1 study is ongoing for ACI-3024, a first-in-class investigational oral small molecule Morphomer™ Tau specific aggregation inhibitor that will be studied in neurodegenerative diseases characterized by the presence of pathological Tau aggregates. The initial CHF 60 million milestone payment has been modified such that Lilly has paid AC Immune CHF 30

million during Q3 2019 and CHF 10 million in Q1 2020; and, AC Immune now is eligible for a new additional milestone payment of CHF 60 million within 60 days after dosing of the first patient in the first Phase 2 clinical trial of a Morphomer™ Tau in the United States or European Union. The amendment to the financial terms increases the total deal value by CHF 40 million to CHF 1.86 billion, up from CHF 1.82 billion.

- Initiation of a second Phase 2 trial of semorinemab in patients with moderate AD, by our collaboration partner Genentech, a member of the Roche Group. This antibody is also being studied in a separate Phase 2 trial in prodromal to mild AD

- Received a milestone payment from our collaboration partner, Life Molecular Imaging, in connection with the initiation of a Phase 2 study in AD of the Tau positron emission tomography (PET) tracer PI-2620

- Initiation of a Phase 1b/2a clinical trial in early AD to evaluate the anti-phospho-Tau vaccine, ACI-35.030, which targets pathological Tau and is intended as a disease-modifying treatment for AD and other Tauopathies in collaboration with Janssen Pharmaceuticals, Inc

- Initiation of a substudy by our partner Genentech, a member of the Roche Group, within the ongoing Phase 2 Alzheimer's Prevention Initiative (API) trial of AC Immune's investigational candidate, crenezumab. This substudy aims to measure Tau burden using PET in order to increase the understanding of disease progression in the preclinical stage of autosomal dominantly inherited AD

- Presented initial interim data from an on-going Phase 1b trial of the ACI-24 anti-Abeta vaccine to treat Down syndrome (DS)-related AD

- Discontinuation by our collaboration partner Roche of the CREAD and CREAD 2 Phase 3 studies of the anti-beta-amyloid antibody, crenezumab, in people with prodromal to mild sporadic AD

- Established a research collaboration with leading scientists at the Perelman School of Medicine, University of Pennsylvania focused on studying the pathological mechanisms of TDP-43 misfolding and aggregation

- Awarded a new grant from The Michael J. Fox Foundation (MJFF) for development of AC Immune's pioneering alpha-synuclein PET tracers

- Hosted two Key Opinion Leader (KOL) events focused on "untangling" Tau pathology as an important therapeutic and diagnostic target for AD and other neurodegenerative diseases, and on treating DS-related AD

**2020 Research & Development Outlook**

The coming years will be transformational for the field of neuroscience and AC Immune is poised to make significant clinical contributions, capturing substantial interest and value in 2020 and beyond. The Company will deliver multiple near-term catalysts, including results from five clinical trials. The Company's sustained growth is driven by its industry-leading *Roadmap to Successful Therapies for Neurodegenerative Diseases*, and is fueled by its proprietary technology platforms, SupraAntigen™ and Morphomer™, which continue to generate therapeutic antibody, small molecule and vaccine candidates.

*2020 Clinical Readouts*

- Semorinemab, anti-Tau antibody: Phase 2 trial primary completion (estimated last patient, last visit) in prodromal/mild in Q2
- ACI-24 anti-Abeta vaccine in DS: Phase 1b full study reporting in H2
- ACI-35.030 anti-pTau vaccine: Phase 1b/2a in AD interim analysis in Q2
- ACI-3024 small molecule Morphomer™ Tau aggregation inhibitor: Phase 1 results in healthy volunteers in Q2; data disclosed by partner in H2 (expected)
- ACI-24 in AD: Phase 2, 12-month interim analysis in H2

*2020 Preclinical Milestones*

- Alpha-synuclein antibody: started investigational new drug (IND)-enabling studies for lead candidate in Q1
- Anti-TDP-43 antibody: declare clinical lead and start IND-enabling studies in Q2
- Alpha-synuclein small molecule: identify first biologically active small molecule in Q2
- Alpha-synuclein imaging agent: advance third generation candidate to clinical stage in Q4
- Neuroinflammation: declare lead candidates for small molecule and antibody programs in Q4

**Prof. Pfeifer concluded**: “In summary, 2020 begins a decade with the potential for major neuroscience advances. With AC Immune’s remarkably broad development pipeline focused on neurodegenerative diseases we have multiple opportunities to contribute to the advancement of this field from a business, clinical and human perspective.”

**Analysis of Financial Statements for the year ended December 31, 2019**

- **Cash Position:** The Company had a total cash balance of CHF 288.6 million, comprised of CHF 193.6 million in cash and cash equivalents and CHF 95 million in short-term financial assets. This compares to a total cash balance of CHF 186.5 million as of December 31, 2018. The increase of CHF 102.1 million is principally due to the CHF 80 million upfront payment, USD 50 million convertible equity note and CHF 30 million milestone payment related to the agreement with Lilly. The total shareholders’ equity position increased to CHF 272.4 million from CHF 177.6 million as of the prior year. The Company’s cash balance provides enough capital resources to progress through at least Q1 2024
- **Revenues:** Revenues for the year ended December 31, 2019 totaled CHF 111.0 million. This represents an increase of CHF 103.8 million compared to 2018. The increase for the year end relates to the recognition of CHF 75.7 million from the right-of-use license and research and development activities linked to the 2018 Lilly agreement and a CHF 30 million payment for the first milestone achieved with Lilly. Additionally, the Company recorded a EUR 2 million (CHF 2.2 million) in connection with the initiation of a Phase 2 trial in AD of Tau PET Tracer with Life Molecular Imaging
- **R&D Expenditures:** R&D expenses increased by CHF 6.2 million to CHF 50.4 million for the year ended December 31, 2019. Of this increase, CHF 1.7 million relates to increases in R&D expenses directly allocated to R&D programs such as a CHF 0.9 million increase related to higher research, preclinical and manufacturing costs for the lead alpha-

synuclein antibody and a CHF 0.7 million increase for manufacturing and preparation of the Phase 2 study for ACI-24 for DS. Additionally, the personnel costs increased by CHF 1.6 million through the addition of 16 FTEs with remaining increases of CHF 2.8 million in the area of consumables, depreciation of R&D equipment and regulatory and quality assurance

- **G&A Expenses:** For the year ended December 31, 2019, G&A increased CHF 3.6 million to CHF 16.1 million. Increases were driven by personnel and IT expenses
- **IFRS Income/(Loss) for the period:** The Company recorded net income after taxes of CHF 45.4 million for the year ended December 31, 2019, compared with net losses of CHF 50.9 million for 2018

**2020 Financial Guidance**

For the full year 2020, the Company expects its total cash burn to range between CHF 65–80 million at constant exchange rates.

**About AC Immune SA**

AC Immune SA is a Nasdaq-listed clinical-stage biopharmaceutical company, which aims to become a global leader in precision medicine for neurodegenerative diseases. The Company utilizes two proprietary platforms, SupraAntigen™ and Morphomer™, to design, discover and develop small molecule and biological therapeutics as well as diagnostic products intended to diagnose, prevent and modify neurodegenerative diseases caused by misfolding proteins. The Company's pipeline features nine therapeutic and three diagnostic product candidates, with six currently in clinical trials. It has collaborations with major pharmaceutical companies including Roche/Genentech, Lilly and Janssen.

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**Forward looking statements**

This press release contains statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements other than historical fact and may include statements that address future operating, financial or business performance or AC Immune’s strategies or expectations. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “outlook” or “continue,” and other

comparable terminology. Forward-looking statements are based on management's current expectations and beliefs and involve significant risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these statements. These risks and uncertainties include those described under the captions "Item 3. Key Information – Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in AC Immune's Annual Report on Form 20-F and other filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and AC Immune does not undertake any obligation to update them in light of new information, future developments or otherwise, except as may be required under applicable law. All forward-looking statements are qualified in their entirety by this cautionary statement.

**Balance Sheets**
**(in CHF thousands)**

| | As of December 31, 2019 | As of December 31, 2018 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 3,917 | 3,324 |
| Right-of-use assets | 2,255 | — |
| Long-term financial assets | 304 | 304 |
| **Total non-current assets** | **6,476** | **3,628** |
| **Current assets** | | |
| Prepaid expenses | 2,788 | 2,364 |
| Accrued income | 1,095 | 3,667 |
| Finance receivable | — | 199 |
| Other current receivables | 304 | 236 |
| Short-term financial assets | 95,000 | 30,000 |
| Cash and cash equivalents | 193,587 | 156,462 |
| **Total current assets** | **292,774** | **192,928** |
| **Total assets** | **299,250** | **196,556** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | |
| **Shareholders' equity** | | |
| Share capital | 1,437 | 1,351 |
| Share premium | 346,526 | 298,149 |
| Accumulated losses | (75,521) | (121,877) |
| **Total shareholders' equity** | **272,442** | **177,623** |
| **Non-current liabilities** | | |
| Long-term financing obligation | — | 186 |
| Long-term lease liabilities | 1,813 | — |
| Net employee defined benefit liabilities | 7,485 | 5,665 |
| **Total non-current liabilities** | **9,298** | **5,851** |
| **Current liabilities** | | |
| Trade and other payables | 142 | 1,979 |
| Accrued expenses | 11,797 | 10,420 |
| Short-term deferred income | 4,477 | 351 |
| Short-term financing obligation | 652 | 332 |
| Short-term lease liabilities | 442 | — |
| **Total current liabilities** | **17,510** | **13,082** |
| **Total liabilities** | **26,808** | **18,933** |
| **Total shareholders' equity and liabilities** | **299,250** | **196,556** |

**Statements of Income/(Loss)**
**(in CHF thousands except for per share data)**

| | For the years ended December 31, | | |
|---|---|---|---|
| | **2019** | **2018** | **2017** |
| **Revenue** | | | |
| Contract revenue | 111,026 | 7,194 | 20,255 |
| **Total revenue** | **111,026** | **7,194** | **20,255** |
| | | | |
| **Operating expenses** | | | |
| Research & development expenses | (50,432) | (44,277) | (32,663) |
| General & administrative expenses | (16,058) | (12,467) | (10,131) |
| **Total operating expenses** | **(66,490)** | **(56,774)** | **(42,794)** |
| **Operating income/(loss)** | **44,536** | **(49,550)** | **(22,539)** |
| | | | |
| Finance income / (expense), net | (2,046) | (1,132) | (4,055) |
| Change in fair value of conversion feature | 4,542 | — | — |
| Interest income | 304 | 29 | 330 |
| Interest expense | (1,894) | (298) | (147) |
| **Finance result, net** | **906** | **(1,401)** | **(3,872)** |
| **Income/(loss) before tax** | **45,442** | **(50,951)** | **(26,411)** |
| Income tax expense | — | — | — |
| **Income/(loss) for the period** | **45,442** | **(50,951)** | **(26,411)** |
| | | | |
| Income/(loss) per share (EPS): | | | |
| Basic income/(loss) for the period attributable to equity holders | 0.64 | (0.82) | (0.46) |
| Diluted income/(loss) for the period attributable to equity holders | 0.64 | (0.82) | (0.46) |

**Statements of Comprehensive Income/(Loss)**
**(in CHF thousands)**

| | For the years ended December 31, | | |
|---|---|---|---|
| | **2019** | **2018** | **2017** |
| Income/(loss) for the period | 45,442 | (50,951) | (26,411) |
| Other comprehensive income/(loss) not to be reclassified to income or loss in subsequent periods (net of tax): | | | |
| Re-measurement losses on defined benefit plans (net of tax) | (1,304) | (302) | (780) |
| Total comprehensive income/(loss), net of tax | **44,138** | **(51,253)** | **(27,191)** |

**Reconciliation of Income/(Loss) to Adjusted Income/(Loss) and Earnings/(Loss) Per Share to Adjusted Earnings/(Loss) Per Share**

| | For the Years Ended December 31, | | |
|---|---|---|---|
| **(in CHF thousands except for share and per share data)** | **2019** | **2018** | **2017** |
| **Income/(Loss)** | **45,442** | **(50,951)** | **(26,411)** |
| **Adjustments:** | | | |
| Non-cash share-based payments (a) | 2,834 | 2,518 | 1,579 |
| Foreign currency (gains)/losses (b) | 826 | 1,179 | 4,168 |
| Effective interest expense (c) | 1,355 | — | — |
| Change in fair value of conversion feature (d) | (4,542) | — | — |
| **Adjusted Income/(Loss)** | **45,915** | **(47,254)** | **(20,664)** |
| | | | |
| **Earnings/(Loss) per share – basic** | 0.64 | (0.82) | (0.46) |
| **Earnings/(Loss) per share – diluted** | 0.64 | (0.82) | (0.46) |
| Adjustment to earnings/(loss) per share – basic | 0.01 | 0.06 | 0.10 |
| Adjustment to earnings/(loss) per share – diluted | 0.00 | 0.06 | 0.10 |
| **Adjusted earnings/(loss) per share – basic** | **0.65** | **(0.76)** | **(0.36)** |
| **Adjusted earnings/(loss) per share – diluted** | **0.64** | **(0.76)** | **(0.36)** |
| | | | |
| Weighted-average number of shares used to compute Adjusted Loss per share – basic | 70,603,611 | 61,838,228 | 57,084,295 |
| | | | |
| Weighted-average number of shares used to compute Adjusted Loss per share – diluted | 71,103,341 | 61,838,228 | 57,084,295 |

(a) Reflects non-cash expenses associated with share-based compensation for equity awards issued to Directors, Management and employees of the Company. This expense reflects the awards' fair value recognized for the portion of the equity award which is vesting over the period.

(b) Reflects foreign currency remeasurement gains and losses for the period, predominantly impacted by the change in the exchange rate between the US Dollar and the Swiss Franc.

(c) Effective interest expense for the period relates to the accretion of the Company's convertible loan in accordance with the effective interest method.

(d) Change in fair value of conversion feature that is bifurcated from the convertible loan host debt with Lilly.

Adjustments for the years ended December 31, 2019, 2018 and 2017, were CHF 0.4 million in net gains, CHF 3.7 million in net losses and CHF 5.7 million in net losses, respectively. The Company recorded CHF 2.8 million, CHF 2.5 million and CHF 1.6 million for the years ended December 31, 2019, 2018 and 2017, respectively, for share-based compensation expenses. There were foreign currency remeasurement losses of CHF 0.8 million, CHF 1.2 million, CHF 4.2 million for the years ended December 31, 2019, 2018 and 2017, respectively, predominantly related to the cash balance of the Company as a result of fluctuations of the US Dollar against the Swiss Franc. Related to the Company's convertible note settled with Lilly in 2019, we recorded CHF 1.4 million for amortization of effective interest for the year ended December 31, 2019 and recognized a CHF 4.5 million gain for the change in fair value of the liability related to the conversion feature in 2019. There were no comparable expenses and gains in 2018 nor 2017, respectively.

**Exhibit 99.2**

Statutory Financial Statements (Swiss CO)
1 January - 31 December 2019




**AC Immune SA**
**EPFL Innovation Park**
**1015 Lausanne / Ecublens**
**Switzerland**

# Report of the statutory auditor

to the General Meeting of AC Immune SA

Ecublens

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of AC Immune SA, which comprise the balance sheet as at 31 December 2019, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements as at 31 December 2019 comply with Swiss law and the company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Our audit approach

| Overview | Overall materiality: CHF 632'950 |
|---|---|
|  | We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.<br><br>As key audit matter the following area of focus has been identified:<br><br>Revenue recognition – License agreement Eli Lilly and Company |

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## Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

| | |
|---|---|
| **Overall materiality** | CHF 632'950 |
| **How we determined it** | 1% of total operating expenses |
| **Rationale for the materiality benchmark applied** | Profit before tax is not considered an appropriate benchmark as the entity is a start-up still in a developmental phase and has no recurring revenues. Based on the nature of the entity we deter-mined total expenses as the most appropriate benchmark for the materiality considerations applied during our audit. |

We agreed with the Audit Committee that we would report to them misstatements above CHF 63'200 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

## Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

## Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition – License agreement Eli Lilly and Company

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| AC Immune SA has entered into a material revenue-generating license and collaborative research and development contract with Eli Lilly and Company (“license agreement”). The license agreement contains upfront fees related to the grant of right of use over licenses, additional payments based on achievement of various clinical and commercial milestones and royalties on commercial sales. The license agreement also sets out certain obligations on the company to deliver research and development services.<br><br>Given the complex nature of the license agreement, judgements involved in identifying performance obligations, allocating the transaction price and in determining the pattern of revenue recognition, we consider this area to be a key audit matter for our audit.<br><br>Refer to Note 2 in the financial statements for AC Immune's accounting policy. | We assessed the application of the accounting policy for the license agreement in accordance with Swiss law.<br><br>We read the respective contract, and reviewed Management’s assessment of the performance obligation(s), the determination, and allocation of the transaction price to the respective performance obligation(s), and Management’s conclusion as to whether revenues was recognized when the performance obligations were satisfied.<br><br>On the basis of the work performed, we do not take exception to Management’s key judgements. |

## Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

| | |
|---|---|
| /s/ Michael Foley | /s/ Alex Fuhrer |
| Michael Foley | Alex Fuhrer |
| Audit expert | Audit expert |
| Auditor in charge | |
| Lausanne, 30 March 2020 | |

**Balance Sheet**

| in CHF thousands | Notes | As at 31 December, 2019 | 2018 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 5 | 193,587 | 156,774 |
| Short-term financial assets | 5 | 95,000 | 30,000 |
| Other current receivables | | | |
| - Third parties | 6 | 304 | 236 |
| - Short-term financial receivables | 6 | - | 219 |
| Prepaid expenses | 7 | 2,796 | 2,381 |
| Accrued income | 8 | 1,095 | 3,667 |
| **Total current assets** | | **292,782** | **193,277** |
| **Non-current assets** | | | |
| Long-term financial assets | 4 | 304 | 304 |
| Property, plant and equipment | 3 | 3,917 | 3,324 |
| **Total non-current assets** | | **4,221** | **3,628** |
| **Total assets** | | **297,003** | **196,905** |
| **Liabilities and shareholders' equity** | | | |
| **Current liabilities** | | | |
| Trade payables | | | |
| - To third parties | 9 | 142 | 1,979 |
| Accrued expenses | 9 | 11,805 | 10,420 |
| Deferred income | 10 | 4,477 | 351 |
| Short-term financing obligation | 11 | 652 | 332 |
| **Total current liabilities** | | **17,076** | **13,082** |
| **Non-current liabilities** | | | |
| Long-term financing obligation | 11 | - | 186 |
| **Total non-current liabilities** | | **-** | **186** |
| **Shareholders' equity** | | | |
| Share capital | 12 | 1,435 | 1,350 |
| Reserves from capital contributions | | 340,643 | 289,607 |
| Accumulated losses brought forward | | (107,320) | (58,426) |
| Profit / (loss) for the year | | 45,169 | (48,894) |
| **Total shareholders' equity** | | **279,927** | **183,637** |
| **Total liabilities and shareholders' equity** | | **297,003** | **196,905** |

**Income Statement**

| in CHF thousands | Notes | For the Years Ended 31 December, 2019 | 2018 |
|---|---|---|---|
| **Contract revenue** | 13 | **111,073** | **7,234** |
| **Operating expenses** | | | |
| Salaries and related costs | 14 | (19,076) | (16,029) |
| Operating expenses | 14 | (42,946) | (37,796) |
| Depreciation of fixed assets | 14 | (1,273) | (960) |
| **Total operating expenses** | | **(63,295)** | **(54,785)** |
| **Operating profit / (loss)** | | **47,778** | **(47,551)** |
| Financial income | 15 | 442 | 127 |
| Financial expenses | 15 | (3,051) | (1,470) |
| **Total net financial expenses** | | **(2,609)** | **(1,343)** |
| **Profit / (loss) for the period** | | **45,169** | **(48,894)** |

**Notes to the financial statements**

1. General information

AC Immune SA (the “Company,” “AC Immune,” “ACIU,” “we,” “our,” “ours,” or “us”) is a clinical stage biopharmaceutical company leveraging our two proprietary technology platforms to discover, design and develop novel, proprietary medicines and diagnostics for prevention and treatment of neurodegenerative diseases associated with protein misfolding. Misfolded proteins are generally recognized as the leading cause of neurodegenerative diseases, such as Alzheimer’s disease, or AD, and Parkinson’s disease, or PD, with common mechanisms and drug targets, such as Abeta, Tau and alpha-synuclein. Our corporate strategy is founded upon a three-pillar approach that targets Alzheimer’s disease, non-Alzheimer’s neurodegenerative diseases including NeuroOrphan indications and diagnostics. We use our two unique proprietary platform technologies, SupraAntigen™ (conformation-specific biologics) and Morphomer™ (conformation-specific small molecules), to discover, design and develop novel medicines and diagnostics to target misfolded proteins.

The Company was initially incorporated as a limited liability company on February 13, 2003 in Basel and effective August 25, 2003 was transitioned into a stock company. The Company’s corporate headquarters are located at EPFL Innovation Park Building B, 1015 Lausanne, Switzerland.

The statutory financial statements of AC Immune SA for the period ended 31 December 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 27 March 2020 and will be submitted to the next Ordinary General Assembly.

During 2019 and 2018, AC Immune had an annual average of more than 50 but less than 250 full time equivalent positions.

2. Summary of significant accounting principles

The present annual accounts have been prepared in accordance with the provisions of the Swiss law on accounting and financial reporting (32$^{nd}$ Title of the Swiss Code of Obligations). The principal accounting policies are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Current vs. non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. The Company classifies all amounts to be realized or settled within 12 months after the reporting period to be current and all other amounts to be non-current.

**Foreign currency transactions**

The financial statements are presented in Swiss Francs (CHF). Foreign currency transactions are translated into the functional currency (CHF) using prevailing exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into CHF at rates of exchange prevailing at the reporting date. Any gains or losses from these translations are included in the income statement in the period in which they arise.

Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the profit and loss account.

**Revenue recognition**

Revenue includes upfront fees, milestone payments as well as revenue from research and development agreements associated with collaborations with third parties and grants from public institutions and foundations.

*License of intellectual property*

Revenue from non-refundable, upfront license payments and performance milestones where the Company has continuing involvement is recognized over the estimated performance or agreement period, depending on the terms of the agreement. The recognition of revenue is prospectively changed for subsequent changes in the development or agreement period.

For collaboration agreements on product candidates (i) that are in clinical development, (ii) where the upfront payment reflects a payment for past investments the Company has made in the development of the product candidate, access to the product candidate, the associated intellectual property and our knowledge, and, (iii) where there is no further performance commitment, the Company recognizes the fair value of the upfront payment at the time of entering into the collaboration agreement. For collaboration agreements (i) in clinical development but where conditions (ii) and (iii) are not met, the Company recognizes revenue from upfront payments under our collaboration agreements pro-rata over the term of the estimated period of performance under each agreement.

For collaboration agreements, in addition to receiving upfront payments, the Company is also entitled to milestone and other contingent payments upon achieving pre-defined objectives.

*Milestone payments*

Revenue from milestones, if they are non-refundable and deemed substantive, is recognized upon successful accomplishment of the milestones. To the extent that non-substantive milestones are achieved and the Company has remaining performance obligations, milestones are deferred and recognized as revenue over the estimated remaining period of performance.

*Research and Development Services*

The Company has certain arrangements with our collaboration partners that include contracting our full-time employees for research and development programs. These revenues are recorded in license and collaboration revenues as the services are performed.

**Research and development expenditures**

Given the stage of development of the Company's products, all research expenditure is recognized as expense when incurred. Research and development expenditures include:

- the cost of acquiring, developing and manufacturing active pharmaceutical ingredients for product candidates that have not received regulatory approval, clinical trial materials and other research and development materials;
- fees and expenses incurred under agreements with contract research organizations, investigative sites, and other entities in connection with the conduct of clinical trials and preclinical studies and related services, such as administrative, data management, and laboratory services;
- fees and costs related to regulatory filings and activities;
- costs associated with preclinical and clinical activities; and
- employee-related expenses, including salaries and bonuses, benefits, travel and stock-based compensation expense

For external research contracts, expenses include those associated with contract research organizations, or CROs. The invoicing from CROs for services rendered do not always align with work performed. We accrue the cost of services rendered in connection with CRO activities based on our estimate of the "stage of completion" for such contracted services. We maintain regular communication with our CRO vendors to gauge the reasonableness of our estimates and accrue expenses as of the balance sheet date in the financial statements based on facts and circumstances known at the time.

Registration costs for patents are part of the expenditure for research and development projects. Therefore, registration costs for patents are expensed when incurred as long as the research and development project concerned does not meet the criteria for capitalization.

**Property, plant and equipment**

Equipment is shown at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditures that are directly attributable to the acquisition of the property, plant and equipment. Depreciation is calculated using a straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

| | |
|---|---|
| IT equipment | 3 years |
| Laboratory equipment | 5 years |
| Leasehold improvements / furniture | 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where an asset's carrying amount is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

**Financial assets and liabilities**

The Company's financial assets and liabilities are comprised of receivables, cash and cash equivalents, short-term financial assets, trade payables and financing obligations.

*Receivables*

Receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as long-term assets. Receivables are recognized at their billing value. An allowance for doubtful accounts is recorded for potential estimated losses when there is evidence of the debtor's inability to make required payments and the Company assesses on a forward-looking basis the expected credit losses associated with these receivables held at amortized cost.

*Short-term financial assets*

Short-term financial assets are held with external financial institutions and comprise fixed-term deposits with maturities ranging from more than 3 until 12 months in duration.

*Cash and cash equivalents*

Cash and cash equivalents include deposits held with external financial institutions and cash on hand. All cash and cash equivalents are either in cash or in deposits with original duration of less than 3 months.

The Company assesses at each period whether there is objective evidence that financial assets are impaired.

*Trade payables*

Trade payables are recognized initially at nominal amount, which represents cost incurred.

*Financing obligation*

The Company's financing obligation relates to its agreement with a third party and is measured as of the period end date based on the repayment terms when originated.

**Significant Shareholders**

Principal shareholders who own more than 5 percent of the voting rights as at 31 December:

| | Shares Owned 2019 | | Shares Owned 2018 | |
|---|---|---|---|---|
| **Principal Shareholders** | **Number** | **Percent** | **Number** | **Percent** |
| **5% Shareholders** | | | | |
| dievini Hopp BioTech holding GmbH & Co KG[1] | 18,041,000 | 25.1% | 18,041,000 | 26.7% |
| Varuma AG[2] | 11,999,999 | 16.7% | 11,999,999 | 17.8% |
| BVF Inc.[3] | 11,342,505 | 15.8% | 5,663,760 | 8.4% |
| Eli Lilly and Company[4] | 3,615,328 | 5.0% | - | 0% |

(1) Represents 18,041,000 shares held by dievini Hopp BioTech holding GmbH & Co KG. Dietmar Hopp controls the voting and investment decisions of the ultimate parent company of dievini Hopp BioTech holding GmbH & Co KG. The shares registered in the name of dievini Hopp BioTech holding GmbH & Co KG may also be deemed to be beneficially owned by Friedrich von Bohlen und Halbach, who is a managing director of dievini Hopp BioTech holding GmbH & Co KG. The address for dievini Hopp BioTech holding GmbH & Co KG, Friedrich von Bohlen und Halbach is Johann-Jakob-Astor Str. 57, 69190 Walldorf, Germany.

(2) The address for Varuma AG is Aeschenvorstadt 55, CH-4051 Basel, Switzerland. Rudolf Maag controls the voting and investment decisions of Varuma AG.

(3) Based on information set forth in a Schedule 13G filed with the SEC by Biotechnology Value Fund on February 14, 2020, these shares consist of 11,342,505 shares held of record by BVF Inc. The address of BVF Inc. is 44 Montgomery St., 40th Floor, San Francisco, California 94104.

(4) Represents 3,615,328 that Lilly obtained as part of its conversion in April 2019 of the Convertible Note Agreement which was deemed effective in January 2019. See Form 20-F as filed.

**Operating lease liabilities**

We have been a tenant at our current location in the EPFL Innovation Park in Ecublens/Lausanne since shortly after our inception in 2003. We lease our corporate, laboratory and other facilities under multiple operating leases that are month to month with no termination clause longer than a 12-month contractual notice period. Our lease agreements are structured such that we can exit these lease agreements without penalty provided we give the owner of our premises sufficient notice. As of 31 December 2019, total minimum liability for the remaining term was CHF 776 thousand.

**Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

**Critical judgments and accounting estimates**

The preparation of financial statements in conformity with the Swiss Code of Obligations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The areas where AC Immune has had to make judgments, estimates and assumptions relate to (i) revenue recognition on collaboration and licensing agreements and (ii) clinical development accruals. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information relating to items on Balance Sheet and Income Statement

3. Property, plant and equipment

| in CHF thousands | As at 31 December, | |
|---|---|---|
| | 2019 | 2018 |
| Furniture | 158 | 126 |
| IT equipment | 1,187 | 1,025 |
| Lab equipment | 6,698 | 5,367 |
| Leasehold improvements | 402 | 350 |
| Total property, plant and equipment | 8,445 | 6,868 |
| Accumulated depreciation | (4,528) | (3,544) |
| **Total** | 3,917 | 3,324 |

4. Long-term financial assets

| | As at 31 December, | |
|---|---|---|
| **in CHF thousands** | **2019** | **2018** |
| Rental deposit (restricted cash) | 301 | 301 |
| Security deposit | 3 | 3 |
| **Total** | 304 | 304 |

5. Cash and cash equivalents and short-term financial assets

| | As at 31 December, | |
|---|---|---|
| **in CHF thousands** | **2019** | **2018** |
| Cash and cash equivalents | 193,587 | 156,774 |
| Short-term financial assets due in one year or less | 95,000 | 30,000 |
| **Total** | 288,587 | 186,774 |
| | | |
| **Cash and cash equivalents by currency** | | |
| CHF | 158,173 | 126,218 |
| EUR | 10,169 | 11,584 |
| USD | 25,245 | 18,972 |
| **Total** | 193,587 | 156,774 |

6. Other current receivables

| | As at 31 December, | |
|---|---|---|
| **in CHF thousands** | **2019** | **2018** |
| | | |
| Other current receivables | | |
| - from third parties | 304 | 236 |
| - short-term financial receivables | - | 219 |
| **Total** | 304 | 455 |

7. Prepaid expenses

| in CHF thousands | As at 31 December, 2019 | 2018 |
|---|---|---|
| Prepaid expenses (current) | 2,796 | 2,381 |
| **Total** | 2,796 | 2,381 |

8. Accrued income

| in CHF thousands | As at 31 December, 2019 | 2018 |
|---|---|---|
| Accrued income | 1,095 | 3,667 |
| **Total** | 1,095 | 3,667 |

9. Trade payables and accrued liabilities

| in CHF thousands | As at 31 December, 2019 | 2018 |
|---|---|---|
| Trade payables | 142 | 1,979 |
| Accrued payroll expenses | 2,904 | 2,482 |
| Accrued R&D costs | 7,228 | 6,803 |
| Other accrued expenses | 1,673 | 1,135 |
| Total accrued expenses | 11,805 | 10,420 |
| **Total payables and accrued liabilities** | 11,947 | 12,399 |

10. Deferred income

| in CHF thousands | As at 31 December, 2019 | 2018 |
|---|---|---|
| Current portion of deferred income | 4,477 | 351 |
| **Total deferred income** | 4,477 | 351 |

11. Financing obligation

| in CHF thousands | As at 31 December, 2019 | 2018 |
|---|---|---|
| Short-term financing obligation | 652 | 332 |
| Long-term financing obligation | - | 186 |
| **Total** | 652 | 518 |

12. Share capital

As at 31 December 2019 and 2018, the issued share capital amounted to CHF 1,434,826 and CHF 1,350,138 comprising 71,741,285 common shares and 67,506,879 common shares, respectively, at a par value of CHF 0.02 per common share. The Company completed three follow-on offerings in 2018 raising gross proceeds of USD 117.5 (CHF 116.3) million and issuing 10,000,000 common shares.

13. Revenues

| | For the Years Ended 31 December, | |
|---|---|---|
| **in CHF thousands** | **2019** | **2018** |
| Contract revenue | 111,073 | 7,234 |
| **Total** | 111,073 | 7,234 |

14. Operating expenses

| | For the Years Ended 31 December, | |
|---|---|---|
| **in CHF thousands** | **2019** | **2018** |
| **Salaries and related costs** | | |
| - related to research and development | 12,011 | 10,342 |
| - related to general administrative | 7,065 | 5,687 |
| **Total salaries and related cost** | 19,076 | 16,029 |
| | | |
| **Research and development expenses** | | |
| - related to research and development expense | 35,990 | 32,008 |
| **Total research and development expenses** | 35,990 | 32,008 |
| | | |
| **General and administrative expenses** | | |
| - related to regular general and administrative | 6,956 | 4,896 |
| - related to offering costs | - | 892 |
| **Total general and administrative expenses** | 6,956 | 5,788 |
| | | |
| Depreciation of fixed assets | 1,273 | 960 |
| | | |
| **Total operating expenses** | 63,295 | 54,785 |

15. Financial income and expenses

| in CHF thousands | For the Years Ended 31 December, 2019 | 2018 |
|---|---|---|
| **Financial income** | | |
| - interest income | 343 | 29 |
| - foreign exchange gains | 99 | - |
| - gain on debt extinguishment | - | 98 |
| **Total financial income** | 442 | 127 |
| | | |
| **Financial expenses** | | |
| - foreign exchange (losses) | (2,491) | (1,136) |
| - bank fees | (13) | (36) |
| - interest expense | (528) | (298) |
| - loss on asset disposal | (19) | - |
| **Total financial expenses** | (3,051) | (1,470) |

16. Shareholders rights and equity awards

The following table presents information on the allocation of shares and equity awards to executive officers, directors and employees in accordance with Article 959c, paragraph 2, number 11 Swiss Code of Obligations (CO) as at 31 December 2019:

| | Shares | | Equity Awards | |
|---|---|---|---|---|
| **in CHF thousands** | Number | KCHF | Number | KCHF |
| Issued to executive officers and directors | 3,348,983 | 27,628,828 | 1,275,602 | 6,798 |
| Issued to employees | 395,140 | 3,259,905 | 808,056 | 3,746 |
| Total | 3,744,123 | 30,888,733 | 2,083,658 | 10,544 |

Share values are based on the Company's share price of $8.52 (CHF 8.25). Equity awards are comprised of options and non-vested stock (restricted shares and restricted share units) awards. The fair value of our options is determined using the Black-Scholes Morten Model and our non-vested stock awards are valued using a reasonable estimate of market value of the common stock on the date of the award. Total shares are derived from our transfer agent's records as at 31 December 2019.

The table below presents beneficial ownership of executive officers and directors, including affiliated entities, if applicable, in accordance with Article 663c CO as at 31 December 2019:

| Beneficial ownership of executive officers and directors | Number of Shares 2019 | Number of Equity Awards 2019 |
|---|---|---|
| Andrea Pfeifer, Ph.D., Chief Executive Officer and Director | 2,550,809 | 496,264 |
| Joerg Hornstein, Chief Financial Officer | - | 364,804 |
| Jean-Fabien Monin, Chief Administrative Officer | 329,745 | 50,706 |
| Marie Kosco-Vilbois, Ph.D., Chief Scientific Officer | - | 82,645 |
| Piergiorgio Donati, Chief Technical Operations Officer | 4,500 | 48,522 |
| Douglas Williams, Ph.D., Chairman and Director | - | 36,113 |
| Martin Velasco, Vice-Chairman and Director | 444,250 | 43,101 |
| Friedrich von Bohlen und Halbach, Ph.D., Director | - | 30,578 |
| Peter Bollmann, Ph.D., Director | 15,656 | 24,703 |
| Thomas Graney, Director | 4,023 | 30,578 |
| Werner Lanthaler, Ph.D., Director | - | 30,656 |
| Roy Twyman, MD., Director | - | 36,932 |

17. Post balance sheet events

Management has evaluated subsequent events after the balance sheet date, through the issuance of these financial statements, for appropriate accounting and disclosures. On March 20, 2020, the Company and Lilly entered into a second amendment to replace the second CHF 30 million to be paid on or before March 31, 2020 with two milestone payments, a CHF 10 million milestone payment to be paid on or before March 31, 2020 and a CHF 60 million milestone payment following the first patient dosed in a Phase 2 clinical study of a licensed product in the U.S. or European Union.

Additionally, the potential disruption of the coronavirus outbreak on the Company's business operations will depend on certain developments, including the duration, spread and severity of the outbreak. As of March 30, 2020, the Company is actively implementing specific precautionary measures to mitigate any potential disruptions accordingly.

The Company has determined that there were no other such events that warrant disclosure or recognition in these financial statements.

# Report of the Statutory Auditor on the Compensation Report in Accordance with the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance)

**Contents**



**Annex**

# Report of the statutory auditor on the remuneration report

## to the General Meeting of AC Immune SA

## Ecublens

We have audited the accompanying remuneration report of AC Immune SA for the year ended 31 December 2019. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables 1.c., 2.c. and 3., and the information in sections 1.b. and 3. of the remuneration report.

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

### Opinion

In our opinion, the remuneration report of AC Immune SA for the year ended 31 December 2019 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers SA

| | |
|---|---|
| /s/ Michael Foley | /s/ Alex Fuhrer |
| Michael Foley | Alex Fuhrer |
| Audit expert | Audit expert |
| Auditor in charge | |

Lausanne, 30 March 2020

*PricewaterhouseCoopers SA, avenue C.-F. Ramuz 45, case postale, CH-1001 Lausanne, Switzerland*
*Téléphone: +41 58 792 81 00, Téléfax: +41 58 792 81 10, www.pwc.ch*

This compensation report of AC Immune SA (the "Company") has been prepared in accordance with the Federal Ordinance Against Excessive Compensation in Stock Exchange Listed Companies ("Ordinance"), effective January 1, 2014.

## 1. Compensation of the Board of Directors

### a. Board Composition in 2019 and 2018

| Name | Appointment | Board | Audit Committee | Compensation and Nomination Committee |
|---|---|---|---|---|
| Douglas Williams, Ph.D. | 2018 | Chairman (1) | | Chairman (3) |
| Martin Velasco | 2003 | Vice-Chairman (1) (6) | Member | Member |
| Peter Bollmann, Ph.D. | 2015 | Director | Chairman | |
| Thomas Graney | 2016 | Director | Member | Member |
| Detlev Riesner, Ph.D. | 2004 | Director (7) | | Chairman (2) |
| Friedrich von Bohlen und Halbach, Ph.D. | 2015 | Director | | |
| Andrea Pfeifer, Ph.D. | 2016 | Director – CEO | | |
| Werner Lanthaler, Ph.D. | 2018 | Director (4) | Member | |
| Roy Twyman, M.D. | 2019 | Director (5) | | |

(1) — Appointed June 28, 2019
(2) — Chairman until July 6, 2018
(3) — Appointed July 6, 2018
(4) — Appointed July 6, 2018
(5) — Appointed June 28, 2019
(6) — Chairman since 2003 and through June 28, 2019
(7) — Retired June 28, 2019

Our Board of Directors is composed of seven directors, not including our Chief Executive Officer (CEO). Each director is elected for a one-year term. The current members of our board of directors were appointed at a shareholders' meeting held on June 28, 2019 to serve until the 2020 shareholders' meeting planned for June 2020.

Pursuant to NASDAQ Marketplace Rule 5615(a)(3), the Company follows Swiss rules in lieu of the NASDAQ exchange listing rules for rules regarding the nominations committee, independent director oversight of executive officer compensation, majority independent board representation and the establishment of, or amendments to, equity-based compensation plans for employees. Swiss law does not require that a majority of our Board of Directors consists of independent directors. Taking into account all applicable committee independence standards, Martin Velasco, Friedrich von Bohlen und Halbach, Peter Bollmann, Thomas Graney, Douglas Williams, Werner Lanthaler and Roy Twyman are "independent directors". Detlev Riesner was deemed "independent" during his tenure as a member of our Board of Directors. In making such determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director's independence, including the number of ordinary shares beneficially owned by the director and his or her affiliated entities, if any.

**b. Compensation Structure**

Board members are paid a fixed fee dependent on the function exercised. Such fees have been established in light of market practice. In addition to the fixed fee, Board members are awarded equity instruments under the Company's equity incentive plans as described within the section "Equity Incentive Plans" of this report.

Commencing in July 2019, annual fixed fees totaled and were paid semi-annually in Swiss Francs (CHF) as follows:

- KCHF 87 (net of social charges) for the Chairman of the Board
- KCHF 70 (net of social charges) for the Vice-Chairman of the Board
- KCHF 54 (net of social charges) for other members of the Board
- KCHF 12 (net of social charges) for the Audit and Finance Committee Chairman
- KCHF 6 (net of social charges) for members of the Audit and Finance Committee
- KCHF 15 (net of social charges) for the Compensation, Nomination and Governance Committee Chairman
- KCHF 10 (net of social charges) for members of the Compensation, Nomination and Governance Committee

Commencing in July 2018, annual fixed fees totaled and were paid semi-annually in Swiss Francs (CHF) as follows:

- KCHF 87 (net of social charges) for the Chairman of the Board
- KCHF 54 (net of social charges) for other members of the Board
- KCHF 12 (net of social charges) for the Audit and Finance Committee Chairman
- KCHF 6 (net of social charges) for members of the Audit and Finance Committee
- KCHF 15 (net of social charges) for the Compensation, Nomination and Governance Committee Chairman
- KCHF 10 (net of social charges) for members of the Compensation, Nomination and Governance Committee

For 2017 and through June 30, 2018, annual fixed fees totaled and were paid semi-annually in Swiss Francs as follows:

- KCHF 79 (net of social charges) for the Chairman of the Board
- KCHF 49 (net of social charges) for other members of the Board
- KCHF 15 (net of social charges) for the Audit and Finance Committee Chairman
- KCHF 7.5 (net of social charges) for members of the Audit and Finance Committee
- KCHF 8.5 (net of social charges) for the Compensation, Nomination and Governance Committee chairman
- KCHF 5 (net of social charges) for members of the Compensation, Nomination and Governance Committee

**c. 2019 and 2018 Board Compensation**

In 2019 and 2018, the total compensation of the members of the Board of Directors consists of Board fees, social charges and compensation paid in the form of equity instruments and is outlined below:

| Year | Name | Gross Cash Compensation | Social Contribution | FMV of Equity instruments granted (2) (3) | Total Annual Compensation |
|---|---|---|---|---|---|
| | | (in CHF thousands) | | | |
| 2019 | Douglas Williams, Ph.D. | 91 | 8 | 82 | 181 |
| *2018* | | *47* | *3* | *122* | *172* |
| | | | | | |
| 2019 | Martin Velasco | 100 | 8 | 74 | 182 |
| *2018* | | *104* | *7* | *56* | *167* |
| | | | | | |
| 2019 | Peter Bollmann, Ph.D. | 69 | 4 | 66 | 139 |
| *2018* | | *70* | *7* | *56* | *133* |
| | | | | | |
| 2019 | Thomas Graney | 70 | - | 66 | 136 |
| *2018* | | *66* | *-* | *56* | *122* |
| | | | | | |
| 2019 | Detlev Riesner, Ph.D. (4) | 28 | 2 | - | 30 |
| *2018* | | *58* | *2* | *56* | *116* |
| | | | | | |
| 2019 | Friedrich von Bohlen und Halbach, Ph.D. | 54 | - | 66 | 120 |
| *2018* | | *52* | *-* | *56* | *108* |
| | | | | | |
| 2019 | Andrea Pfeifer, Ph.D. (1) | - | - | - | - |
| *2018* | | *-* | *-* | *-* | *-* |
| | | | | | |
| 2019 | Werner Lanthaler, Ph.D. | 64 | 6 | 66 | 136 |
| *2018* | | *32* | *2* | *112* | *146* |
| | | | | | |
| 2019 | Roy Twyman, M.D. | 27 | - | 132 | 159 |
| *2018* | | *-* | *-* | *-* | *-* |
| | | | | | |
| | Total 2019 | 503 | 28 | 552 | 1,083 |
| | *Total 2018* | *429* | *21* | *514* | *964* |

(1) — There is no compensation for board participation; compensation for Andrea Pfeifer is included in section 2c below
(2) — Stock options were granted in 2019 and Restricted Share Units ("RSUs") in 2018 and are further described in Section 3 below We estimated the fair value of Restricted Share Units using a reasonable estimate of market value of the common stock on the date of the award. Stock options granted are valued using the Black-Scholes model
(3) — Fair market value ("FMV") excludes Swiss social security contributions since such contributions are only due if and when the equity instrument is exercised
(4) — Retired June 28, 2019

**d. Loans to Board Members, payments to former members of the Board of Directors and payments to Related Parties of Members of the Board of Directors**

For the years ended December 31, 2019 and 2018, the Company granted no loans to members or former members of the Board of Directors. Additionally, as of December 31, 2019 and 2018, no such loans or credit payments existed to present or former members of the Board of Directors, or to related parties of present or former members of the Board of Directors.

For the years ended December 31, 2019 and 2018, no disclosable compensation was paid to related parties or former members of the Board of Directors.

**2. Compensation for Members of Executive Management**

**a. Executive Management Composition**

The Executive Management during 2019 and 2018 was comprised of:

| Name | Function | Appointment |
|---|---|---|
| Andrea Pfeifer, Ph.D. | Chief Executive Officer | 2003 |
| Andreas Muhs, Ph.D. (1) | Chief Scientific Officer | 2005 |
| Marie Kosco-Vilbois, Ph.D. (2) | Chief Scientific Officer | 2019 |
| Joerg Hornstein | Chief Financial Officer | 2017 |
| Jean-Fabien Monin | Chief Administrative Officer | 2009 |
| Piergiorgio Donati (3) | Chief Technical Operations Officer | 2019 |
| Sonia Poli, Ph.D. (3) (4) | VP Translational Science | 2019 |

(1) — Dr. Andreas Muhs passed away on December 6, 2018, and is included as a member of the 2018 Executive Management for the purpose of disclosure in this Report
(2) — Dr. Marie Kosco-Vilbois was appointed Chief Scientific Officer effective January 3, 2019
(3) — New function to the Executive Management team effective January 1, 2019
(4) — Dr. Sonia Poli left the Company in August 2019

**b. Executive Compensation Principles**

Each member of the Executive Management receives remuneration consisting of a base salary, incentive plan, social benefits and an equity incentive plan as described more fully in the annex to this report.

### c. 2019 and 2018 Executive Compensation

The total compensation of the Executive Management and the highest individual compensation of the members of the Executive Management for the years ended December 31, 2019 and 2018, respectively, are outlined below:

| Year | Name | Cash Compensation | Other Compensation | Pension (employer) | Employer's Social Contribution (1) | Cash Bonus | Total | Equity FMV excluding Social Contributions (2) (3) |
|---|---|---|---|---|---|---|---|---|
| | | (in CHF thousands) | | | | | | |
| 2019 | Andrea Pfeifer, Ph.D. | 510 | 28 | 75 | 91 | 342 | 1,046 | 700 |
| *2018* | | *455* | *28* | *67* | *51* | *445* | *1,046* | *700* |
| | | | | | | | | |
| 2019 | Total Executive Management Compensation (4) | 1,843 | 76 | 215 | 257 | 770 | 3,161 | 1,864 |
| *2018* | | *1,306* | *75* | *160* | *117* | *733* | *2,391* | *1,758* |

(1) — Amounts exclude social charges related to the exercise of options in the amount of CHF 51K and CHF 24K in the aggregate for Executive Management in 2019 and 2018 respectively

(2) — Stock options were granted in 2019 and Restricted Share Units in 2018 and are further described in Section 3 below. We estimate the fair value of Restricted Share Units using a reasonable estimate of market value of the common stock on the date of the award. Stock options granted are valued using the Black-Scholes model

(3) — Fair market value (FMV) excludes Swiss social security contributions since such contributions are only due if and when the equity instrument is exercised

(4) — The Executive Management Compensation includes Dr. Andreas Muhs' compensation for the period from January 1 through December 6, 2018, including death benefits, a portion of which was paid to his estate in the first quarter of 2019, and reduced by payments by insurance

### d. Loans, Severance or other Compensation Paid to Members or Former Members of the Executive Management

For the years ended December 31, 2019 and 2018, the Company granted no loans to members or former members of the Executive Management. Additionally, as of December 31, 2019 and 2018, no such loans or credit payments existed to present or former members of the Executive Management, or to related parties of present or former members of the Executive Management.

For the years ended December 31, 2019 and 2018, no compensation was paid to related parties of present or former members of the Executive Management.

## 3. Equity Incentive Plans of the Board of Directors and the Executive Management

***Board of Directors and Executive Management Equity Incentive Plan Summary***

The Members of the Board of Directors and Executive Management held the following equity instruments, as outlined in the following two tables, as of December 31, 2019 and 2018:

*Investments held by members of the Board of Directors* [1]

| Year | Name | Function | Number of Shares | Number of Options - Vested (7) | Number of Options - Unvested (6) (7) | Number of Restricted Share Units (4) |
|---|---|---|---|---|---|---|
| 2019 | Douglas Williams, Ph.D. | Chairman | - | - | 23,295 | *12,818* |
| *2018* | | *Director* | *-* | *-* | *-* | *12,818* |
| | | | | | | |
| 2019 | Martin Velasco | Vice-Chairman | 444,250 | 10,250 | 21,023 | 11,828 |
| *2018* | | *Chairman* | *444,250* | *10,250* | *-* | *11,828* |
| | | | | | | |
| 2019 | Peter Bollmann, Ph.D. | Director | 15,656 | - | 18,750 | 5,953 |
| *2018* | | *Director* | *5,875* | *-* | *-* | *5,953* |
| | | | | | | |
| 2019 | Thomas Graney | Director | 4,023 | - | 18,750 | 11,828 |
| *2018* | | *Director* | *4,023* | *-* | *-* | *11,828* |
| | | | | | | |
| 2019 | Detlev Riesner, Ph.D. (2)(3)(5) | Director | - | - | - | - |
| *2018* | | *Director* | *778,848* | *-* | *-* | *11,828* |
| | | | | | | |
| 2019 | Friedrich von Bohlen und Halbach, Ph.D. | Director | - | - | 18,750 | 11,828 |
| *2018* | | *Director* | *-* | *-* | *-* | *11,828* |
| | | | | | | |
| 2019 | Werner Lanthaler, Ph.D. | Director | - | - | 18,750 | *11,906* |
| *2018* | | *Director* | *-* | *-* | *-* | *11,906* |
| | | | | | | |
| 2019 | Roy Twyman, M.D. | Director | - | - | 36,932 | - |
| *2018* | | *Director* | *-* | *-* | *-* | *-* |
| | | | | | | |
| | Total 2019 | | 463,929 | 10,250 | 156,250 | 66,161 |
| | *Total 2018* | | *1,232,996* | *10,250* | *-* | *77,989* |

(1) — Excluding Andrea Pfeifer, CEO, whose holdings are listed under Executive Management
(2) — Includes shares held directly and indirectly through vehicles controlled by the Director
(3) — A portion of the shares correspond to pre-IPO preferred shares acquired directly by the member through the Company's successive financial rounds (Series A, B, C and D) and cannot be assimilated to compensation in equity
(4) — All RSUs granted have vested and entitles the Grantee an equivalent number of shares of Common Stock of the Company. The settlement and delivery of shares shall only occur upon payment of the Settlement Price of the Restricted Share Unit
(5) — No longer a Director as of December 31, 2019
(6) — Stock Options awarded in 2019 will fully vest in 2020
(7) — Each stock option award entitles the Grantee the right and option to purchase all or any part of the number of shares of Common Stock of the Company, equivalent to the number of stock options exercised

*Investments held by members of the Executive Management*

| Year | Name | Function | Number of Shares | Number of Options – Vested (2) | Number of Options - Unvested | Number of Restricted Stock Units – Vested (3) | Number of Restricted Stock Units – Unvested |
|---|---|---|---|---|---|---|---|
| 2019 | Andrea Pfeifer, Ph.D. (1) | Chief Executive Officer | 2,550,809 | 114,955 | 312,768 | 38,554 | 29,987 |
| *2018* | | *Chief Executive Officer* | *2,382,809* | *200,128* | *202,758* | *21,419* | *47,122* |
| | | | | | | | |
| 2019 | Marie Kosco-Vilbois, Ph.D. | Chief Scientific Officer | - | 10,331 | 72,314 | - | - |
| *2018* | | *Chief Scientific Officer* | *-* | *-* | *-* | *-* | *-* |
| | | | | | | | |
| 2019 | Joerg Hornstein | Chief Financial Officer | - | 131,272 | 233,532 | - | - |
| *2018* | | *Chief Financial Officer* | *-* | *57,084* | *171,622* | *-* | *-* |
| | | | | | | | |
| 2019 | Jean-Fabien Monin | Chief Administrative Officer | 329,745 | 10,339 | 33,791 | 1,654 | 4,922 |
| *2018* | | *Chief Administrative Officer* | *327,500* | *2,750* | *13,832* | *1,694* | *7,127* |
| | | | | | | | |
| 2019 | Piergiorgio Donati | Chief Technical Operations Officer | *4,500* | *6,965* | *41,557* | | |
| *2018* | | *Chief Technical Operations Officer* | *-* | *-* | *-* | *-* | *-* |
| | | | | | | | |
| 2019 | Andreas Muhs, Ph.D. | Chief Scientific Officer | - | - | - | - | - |
| *2018* | | *Chief Scientific Officer* | *439,550* | *309,479* | *-* | *7,804* | *-* |
| | | | | | | | |
| | Total 2019 | | 2,885,054 | 273,862 | 693,962 | 40,208 | 34,909 |
| | *Total 2018* | | *3,149,859* | *569,441* | *388,212* | *30,917* | *54,249* |

(1) — A portion of the shares correspond to pre-IPO preferred shares acquired directly by the member through the Company's successive financial rounds (Series A, B, C and D) and cannot be assimilated to compensation in equity

(2) — Each stock option award entitles the Grantee the right and option to purchase all or any part of the number of shares of Common Stock of the Company, equivalent to the number of stock options exercised

(3) — Each RSU entitles the Grantee an equivalent number of shares of Common Stock of the Company. The settlement and delivery of shares shall only occur upon payment of the Settlement Price of the Restricted Share Unit

***Compensation of Current and Former Members of the Board and Executive Management***

In connection with RSUs settled and options exercised in 2019 and 2018 by current and former members of the Board and Executive Management, AC Immune paid social contributions, in accordance with applicable laws, on the gain resulting from the difference in exercise price and fair value of the shares at the time of the exercise. With regard to the former Board and Executive Management members, AC Immune paid a total of CHF 27K and nil in 2019 and 2018, respectively. With regard to the current Board and Executive Management members, AC Immune paid a total of CHF 51K and CHF 37K in 2019 and 2018, respectively.

## Compensation Philosophy, Principles and Governance

AC Immune is a clinical stage biopharmaceutical company leveraging our two proprietary technology platforms to discover, design and develop novel, proprietary medicines and diagnostics for prevention and treatment of neurodegenerative diseases associated with protein misfolding. Misfolded proteins are generally recognized as the leading cause of neurodegenerative diseases, such as Alzheimer's disease, or AD, and Parkinson's disease, or PD, with common mechanisms and drug targets, such as Abeta, Tau and alpha-synuclein. Our corporate strategy is founded upon a three-pillar approach that targets Alzheimer's disease, non-Alzheimer's neurodegenerative diseases including NeuroOrphan indications and diagnostics. We use our two unique proprietary platform technologies, SupraAntigen™ (conformation-specific biologics) and Morphomer™ (conformation-specific small molecules), to discover, design and develop novel medicines and diagnostics to target misfolded proteins.

AC Immune's compensation policy is designed to attract, motivate and retain talent in order to support the achievement of the Company's financial and strategic objectives. The policy further aims at ensuring a fair and competitive compensation package. The Board believes that by combining short- and long-term incentive elements, the compensation system helps to align the interests of the Board members and Executive Management with the interests of the Company and its shareholders. In addition, compensation elements are focused on rewarding the delivery of outstanding and sustainable results without inappropriate risk-taking.

In 2018 and 2019, the Company engaged a reputable compensation and performance expert firm to benchmark the compensation level and structure for the members of the Board and Executive Management. The analysis included compensation data of the comparable Pharma/Biopharma companies, including several U.S.-based companies. The Board came to the conclusion that adjustments to the compensation were required in order for AC Immune to remain a competitive employer.

### *Method of Determining Compensation*

#### *The Role and Powers of the Compensation, Nomination and Governance Committee ("CNC")*

The CNC consists of three (3) members, who are appointed at the Annual Shareholders' Meeting and the committee enacts its own charter.

Compensation Guidelines:

The CNC recommends guidelines for the compensation of the members of the Board of Directors, the CEO and the Executive Management, and submits these recommendations to the Board of Directors for approval.

The CNC provides an overall package for near- and long-term compensation, including variable compensation, that (1) is designed to attract, motivate and retain persons with the necessary skills and character, (2) is consistent with market conditions, and in the case of variable compensation, consistent with the Company's and individual's performance, and (3) aligns the interests of the members of the Board of Directors and the Executive Management with the interests of the Company. The CNC also periodically reviews the Company's compensation policies for its employees who are not members of the Executive Management.

The CNC meets at least four times per year and informs the Board of Directors of its recommendations and resolutions after each meeting.

### *Approval of Compensation by the Annual Shareholders' Meeting*

Swiss law requires a binding approval of the maximum compensation for the Board and the Executive Management. Each year, the Annual Shareholders' Meeting separately approves the total maximum amounts proposed by the Board of Directors pursuant to Articles 32 and 33 of the Articles of Association for:

(1) the non-performance-related compensation of the Board of Directors for the next term of office;
(2) a possible additional compensation of the Board of Directors for the preceding business year;
(3) the non-performance-related compensation of the Executive Management for the 12-month period starting on 1 July following the Annual Shareholders' Meeting;
(4) the variable compensation for the Executive Management for the current year, and;
(5) the grant of options, shares or other equity instruments in the Company to the Board of Directors and the Executive Management.

The respective total compensation amounts include social security and occupational pension contributions for the benefit of the members of the Board of Directors, the Executive Management and the Company.

If the Annual Shareholders' Meeting refuses to approve a respective motion by the Board of Directors, the Board of Directors may either submit a new motion at the same meeting or determine a maximum total remuneration or several maximum partial remunerations, subject to the relevant principles of the compensation, or submit a new motion to the next Annual Shareholders' Meeting for approval. The Company may pay remunerations within the framework of the maximum total or partial remuneration and subject to the approval by the Annual Shareholders' Meeting.

### *Compensation of the Board of Directors*

The CNC reviews and proposes to the Board of Directors the resolution to be submitted to the Annual Shareholders' Meeting for the maximum total compensation of the Board of Directors. The CNC will also request approval by the Board of Directors of the individual compensation packages to be paid to members of the Board of Directors.

The compensation for members of the Board typically consists of:

(1) Annual cash compensation
(2) Annual grant of equity

Both components do not depend on the achievement of corporate goals or the individual performance of a Board member. Additionally, the Company pays the employer’s social security contributions due on these amounts. Board members do not receive any variable compensation and do not participate in the Company’s pension plan.

### *Compensation of the Executive Management*

The CNC evaluates annually the performance of the CEO and the Executive Management and submits such evaluation for review and approval by the Board of Directors, in each case in executive session without the presence of the CEO or the Executive Management.

Subject to and within the bounds of the maximum compensation approved by the Annual Shareholders' Meeting, the CNC reviews and recommends for approval by the Board of Directors the annual base salary,

incentive compensation (bonus) and equity compensation of the CEO, and in consultation with the CEO, of the Executive Management, and the overall compensation of the CEO and the Executive Management. The CNC also requests approval by the Board of Directors regarding the determination of the compensation-related targets for the Executive Management and requests approval by the Board of Directors of the individual compensation packages to be paid to members of the Executive Management.

### *Elements of Compensation for 2019 and 2018*

#### *Base Salary*

Base salaries are highly competitive in order to attract, motivate, and retain persons with the necessary skills and character. The salary level is based on the scope of the position and market conditions and the individual's profile in terms of experience and skills. The fixed compensation for the Executive Management members includes base salary, social security contributions and payments to the pension fund by the Company. Base salaries are reviewed annually by the CNC, taking into account individual performance and the results of the external benchmarking.

#### *Incentive Plan (Bonus)*

The CNC proposes to the Board of Directors an incentive compensation plan providing for variable compensation of the members of the Executive Management based on the achievement of the Company's corporate goals and in relation to the Executive Management based on the individuals' performance, and approve any changes to such plan as may be proposed by the CEO from time to time. The CNC reviews and approves any employment contracts, severance contracts, or other agreements that the Company proposes to enter into with any present, future or former members of the Executive Management; provided that the key terms of such contracts shall be submitted for approval by the Board of Directors and shall be within the bounds of the maximum compensation approved by the Ordinary Annual Shareholders' Meeting.

The annual cash bonus for 2019 and 2018 was based on the achievement of Company and individual goals. The target bonus( i.e. cash bonus to be paid if 100% of corporate and individual objectives are met,) is determined individually for each member of the executive management as a fixed amount, ranging from approximately 27% (25% in 2018) to 65% (65% in 2018) of the base salary. According to the external benchmarking, the target bonuses continued to be in the low range of the peer group. The 2019 corporate goals included (i) go-live with a new ERP system in Q4, (ii) full integration of the new CSO in the organization, (iii) fulfillment of various R&D milestones, and (iv) advancement of several R&D pre-clinical and clinical programs. The 2018 corporate goals included (i) completion of a follow-on financing of at least USD 75M, (ii) formation of a strategic partnership clinical program, and (iii) fulfillment of various R&D project milestones. The weightings of the corporate and individual goals are defined for each executive management member and vary depending on the position. In general, the higher the position of an employee, the more weight is put on the achievement of corporate goals rather than on individual goals. The Board determined that the actual target achievement of the 2019 and 2018 corporate goals was 103.5% and 120%, respectively.

#### *Pension Plan and Social Charges*

Pension Plan

The Company participates in a collective foundation covering all of its employees including its executive officers. In addition to retirement benefits, the plan provides death or long-term disability benefits.

Contributions paid to the plan are computed as a percentage of salary, adjusted for the age of the employee and shared approximately 47% (47% in 2018) and 53% (53% in 2018) by employee and employer, respectively. This plan is governed by the Swiss Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG), which requires contributions to be made to a separately administered fund. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of an equal number of employer's and employee's representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Social Charges

The Company pays old age and survivors' insurance (AHV), Disability insurance (IV), and Income replacement scheme (EO) as required by Federal Swiss law.

***Equity Incentive Plans***

Current Plan

The 2016 Option and Incentive Plan as amended and restated as of October 7, 2019 (the "2016 Plan") was established for the officers, employees, non-employee directors and consultants of AC Immune SA.In June 2019, the Board authorized, and the shareholders approved, an increase in the maximum number of shares reserved for issuance under the 2016 Plan. In October 2019, the Board authorized a second amendment and restatement to the 2016 Plan. These amendments were made to align certain elements with Swiss statutory requirements and had no financial impact for the Company in 2019. The amendments were made to align certain elements with Swiss statutory requirements and had no financial impact for the Company in 2019. The 2016 Plan provides for a variety of award types, including stock options, restricted share awards, restricted share units, unrestricted share awards, and performance based awards. Vesting and performance based conditions vary by grant and are determined by the plan administrator, which is the Compensation Committee of the Board of Directors or the Chief Executive Officer under specified delegation limitations granted by the Board of Directors. However, option awards with an "Exercise Price" shall be determined at the time of grant by the plan administrator, but shall not be less than 100 percent of fair market value on the date of grant. Further, awards with an "Option Term" may not exceed 10 years. In 2019 and 2018, awards were granted to members of the Executive Management and Board of Directors and are disclosed in Section 3 of this report. According to the external benchmarking, the equity awards continued to be in the lower range of the peer group.

**2016 Option and Incentive Plans**

Directors and Executive Consideration

For the fiscal years ended December 31, 2019 and 2018, we have granted our directors and executive management, in the aggregate, options for the right to acquire 669,758 and 280,848 shares, respectively at an exercise price of US$ 5.39 per share in 2019 and ranging from US$ 8.51 to US$ 9.50 per share in 2018. Options granted to directors vest at the end of a one-year period whereas options granted to executive management vest over a four year period with vesting to occur quarterly. In addition to the stock options granted, for the fiscal years ended December 31, 2019 and 2018, the Company also granted nil and 69,371 restricted share units, respectively to its directors and executive officers. The restricted share units granted to directors total nil and 54,489 in 2019 and 2018, respectively and vest at the end of a one-year period. The remaining nil and 14,882 restricted share units were granted to executives and have a four year vesting life and vest quarterly. Upon the death of our CSO in 2018, non-vested options and non-vested-restricted share

units were cancelled; such amounts aggregated 22,800 options of the 2018 grant and 9,966 restricted share units of the 2018 grant. Upon the departure of our VP Translational Sciences in August 2019, non-vested options were cancelled; such amounts aggregated 33,058.

### Prior Plans

Since our inception in 2003, we have had four separate Prior Plans under which stock options were granted (Prior Plans B and C2 have terminated): Plan A, which was established in 2004 and amended in June 2015 and June 2017 and Plan C1, which was established in 2006. Options granted under the C1 Plan from 2013 through the adoption of current 2016 Stock Option and Incentive Plan were taxed upon exercise instead of at grant due to a change in taxation rules. The options granted under Plan A vested immediately but were subject to a four-year lockup period. The options granted under Plan B and Plan C1 vested over a four year period with 25% of these options vesting each year. Under Plan C2, options were immediately exercisable.

Our Board of Directors has the authority to amend each of the Prior Plans.

## Other

### Employment Contracts

The Executive Management of the Company is employed under employment contracts of unlimited duration with a notice period of twelve months for each of the Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer and Chief Technical Operations Officer. The notice period for the Chief Scientific Officer is six months. Executive members are not contractually entitled to termination payments other than the vested portions of the stock options.