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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 November, 2019

**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 Offices)

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

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**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: November 13, 2019

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## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
3.1	Articles of Association dated July 8, 2019
99.1	Interim Condensed Financial Statements (Unaudited) (IFRS) as of and for the Three and Nine Months Ended September 30, 2019
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations
99.3	Press Release dated November 13, 2019

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<p style="text-align: center;"><b>ARTICLES OF ASSOCIATION</b></p> <p style="text-align: center;">of</p> <p style="text-align: center;"><b>AC Immune SA (AC Immune AG) (AC Immune Ltd)</b></p> <p style="text-align: center;">with registered office in</p> <p style="text-align: center;"><b>Ecublens (VD)</b></p> <p>The French version of these articles of association shall prevail.</p>	<p style="text-align: center;"><b>STATUTS</b></p> <p style="text-align: center;">de</p> <p style="text-align: center;"><b>AC Immune SA (AC Immune AG) (AC Immune Ltd)</b></p> <p style="text-align: center;">avec siège à</p> <p style="text-align: center;"><b>Ecublens (VD)</b></p> <p style="text-align: center;">La version française de ces statuts fait foi.</p>
<p><b>I. CORPORATE NAME, PRINCIPAL OFFICE, DURATION AND PURPOSE OF THE COMPANY</b></p>	<p><b>I. RAISON SOCIALE, SIÈGE, DURÉE ET BUT DE LA SOCIÉTÉ</b></p>
<p><b>Art. 1 Corporate Name and Duration</b></p> <p>Under the name</p> <p style="text-align: center;">AC Immune SA (AC Immune AG) (AC Immune Ltd)</p> <p>there exists a Company pursuant to the provisions of Articles 620 <i>et seq.</i> of the Swiss Code of Obligations (CO) with registered office in Ecublens (VD). The duration of the Company is unlimited.</p>	<p><b>Art. 1 Raison sociale et durée</b></p> <p>Sous la raison sociale</p> <p style="text-align: center;">AC Immune SA (AC Immune AG) (AC Immune Ltd)</p> <p>il existe une société conformément aux articles 620 ss. du Code des Obligations suisse (CO) ayant son siège à Ecublens (VD). La durée de la société est illimitée.</p>
<p><b>Art. 2 Purpose</b></p> <p>The purpose of the Company is the research, study, development, manufacture, promotion, sale and marketing of products and substances within the pharmaceutical and nutrition industry as well as the purchase, sale and exploitation of patents and licenses in this field.</p>	<p><b>Art. 2 But</b></p> <p>Le but de la société est la recherche, les études, le développement, la fabrication, la promotion, la vente et le marketing des produits et des substances au sein de l'industrie pharmaceutique et de la nutrition ainsi que l'achat, la vente et l'exploitation de brevets et de licences dans ce domaine.</p>
<p>The Company may engage in any activities which are apt to favor the purpose of the Company directly or indirectly. The Company may also acquire and sell real estate.</p>	<p>La société peut se livrer à des activités qui sont de nature à favoriser directement ou indirectement le but de la société. La société peut également acquérir et vendre des biens immobiliers.</p>
<p>The Company may open branch offices in Switzerland and abroad and may also acquire participations in other companies.</p>	<p>La société peut ouvrir des succursales en Suisse et à l'étranger et peut également acquérir des participations dans d'autres sociétés.</p>

The Company may provide securities to its subsidiaries and supply guarantees.	La société peut fournir des titres à ses filiales et des garanties d'approvisionnement.
<b>II. SHARE CAPITAL AND SHARES</b>	<b>II. CAPITAL-ACTIONS ET ACTIONS</b>
<b>Art. 3 Share Capital and Shares</b> The Share Capital of the Company is CHF 1'433'243.30. It is divided into 71'662'165 registered shares with a nominal value of CHF 0.02 each, fully paid-in.	<b>Art. 3 Capital-actions et actions</b> Le capital-actions de la société se monte à CHF 1'433'243.30. Il est divisé en 71'662'165 actions nominatives d'une valeur nominale de CHF 0.02 chacune, entièrement libérées.
<b>Art. 3a Authorized Capital Increase of Share Capital</b>	<b>Art. 3a Augmentation autorisée du capital-actions</b>
The Board of Directors is authorized to increase the share capital, in one or several steps until 20 October 2017, by a maximum amount of CHF 288'950 by issuing a maximum of 14'447'500 registered shares with a par value of CHF 0.02 each, to be fully paid up. An increase of the share capital (i) by means of an offering underwritten by a financial institution, a syndicate or another third party or third parties, followed by an offer to the then-existing shareholders of the Company and (ii) in partial amounts shall also be permissible.	Le conseil d'administration est autorisé à augmenter le capital-actions, en une ou plusieurs étapes jusqu'au 20 octobre 2017, d'un montant maximum de CHF 288'950 par l'émission d'un montant maximum de 14'447'500 actions nominatives d'une valeur nominale de CHF 0.02 chacune, à libérer entièrement. Une augmentation de capital (i) par souscription d'actions par une institution financière, un syndicat ou un tiers ou des tiers, suivie par une souscription d'actions par les actionnaires de la société alors existants et (ii) par montants partiels, est également autorisée.
The Board of Directors shall determine the time of the issuance, the issue price, the manner in which the new registered shares have to be paid up, the date from which the registered shares carry the right to dividends, the conditions for the exercise of the preemptive rights and the allotment of preemptive rights that have not been exercised. The Board of Directors may allow the preemptive rights that have not been exercised to expire, or it may place with third parties such rights or registered shares, the preemptive rights of which have not been exercised, at market conditions or use them otherwise in the interest of the Company.	Le conseil d'administration fixe la date d'émission, le prix d'émission, la manière de libérer les nouvelles actions nominatives, la date à partir de laquelle les actions nominatives donnent droit à un dividende, les conditions pour l'exercice des droits de souscription préférentiels et l'attribution des droits de souscription préférentiels qui n'ont pas été exercés. Le conseil d'administration peut autoriser que des droits de souscription préférentiels qui n'ont pas été exercés expirent ou attribuer à des tiers ces droits ou actions nominatives, dont les droits de souscription préférentiels n'ont pas été exercés, aux conditions du marché ou les utiliser autrement dans l'intérêt de la société.
The Board of Directors is authorized to withdraw or limit the preemptive rights of the shareholders and to allot them to third	Le conseil d'administration est autorisé à retirer ou de limiter les droits de souscription préférentiels des actionnaires et de les

parties:	attribuer à des tiers:
<p>a) if the issue price of the new registered shares is determined by reference to the market price; or</p> <p>b) for the acquisition of an enterprise, part of an enterprise or participations, or for the financing or refinancing of any of such acquisition, or in the event of share placement for the financing or refinancing of such placement; or</p> <p>c) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing or registration of new registered shares on domestic or foreign stock exchanges; or</p> <p>d) for purposes of granting an over-allotment option (Greenshoe) of up to 20% of the total number of registered shares in a placement or sale of registered shares to the respective initial purchaser(s) or underwriter(s); or</p> <p>e) for raising of capital (including private placements) in a fast and flexible which probably could not be reached without the exclusion of the statutory pre-emptive right of the existing shareholders; or</p> <p>f) for other valid grounds in the sense of Article 652b para. 2 CO; or</p> <p>g) following a shareholder or a group of shareholders acting in concert having accumulated shareholdings in excess of 33 <math>\frac{1}{3}</math> % of the share capital registered in the commercial register without having submitted to the other shareholders a takeover offer recommended by the Board of Directors, or for the defense of an actual, threatened or potential takeover bid, in relation to which the Board of Directors, upon consultation with an independent financial adviser retained by it, has not</p>	<p>a) si le prix d'émission des nouvelles actions nominatives est déterminé avec une référence au prix de marché; ou</p> <p>b) pour l'acquisition d'une entreprise, part d'entreprise ou participation, ou pour le financement ou le refinancement de ladite acquisition, ou en cas de placement d'actions pour le financement ou le refinancement dudit placement; ou</p> <p>c) pour l'élargissement de la base des actionnaires de la société dans certains marchés financiers ou d'investissement, afin de permettre une participation de partenaires stratégiques, ou dans le cas de cotation ou d'enregistrement de nouvelles actions nominatives aux bourses nationales ou étrangères; ou</p> <p>d) pour octroyer une option de surallocation (Greenshoe) d'un maximum de 20% du nombre total d'actions nominatives dans un placement ou une vente d'actions nominatives à l'/des acheteur(s) initial(s) ou du/des souscripteur(s) respectif(s); ou</p> <p>e) pour lever des capitaux (y compris des placements privés) dans un délai rapide et flexible, ce qui ne pourrait probablement pas être réalisé sans l'exclusion du droit préférentiel de souscription statutaire des actionnaires existants; ou</p> <p>f) pour d'autres motifs valables au sens de l'article 652b al. 2 CO; ou</p> <p>g) suite à l'accumulation par un actionnaire ou un groupe d'actionnaires agissant de concert de participations supérieures à 33 <math>\frac{1}{3}</math> % du capital-actions inscrit au registre du commerce sans avoir soumis aux autres actionnaires une offre publique d'achat recommandée par le conseil d'administration, ou pour la défense d'une offre publique d'achat réelle, imminente ou potentielle, pour laquelle le conseil d'administration, après consultation avec un conseiller financier indépendant retenu par lui, n'a</p>

<p>recommended to the shareholders acceptance on the basis that the Board of Directors has not found the takeover bid to be financially fair to the shareholders.</p>	<p>pas recommandé l'acceptation aux actionnaires car il a estimé que l'offre publique d'achat n'était pas financièrement équitable pour les actionnaires.</p>
<p>The acquisition of registered shares out of authorized capital increase of share capital for general purposes and any transfers of registered shares shall be subject to the restrictions specified in Article 4 of the Articles of Association.</p>	<p>L'acquisition d'actions nominatives dans le cadre d'une augmentation autorisée du capital-actions à des fins générales et les transferts d'actions nominatives sont soumis aux restrictions prévues à l'article 4 des statuts.</p>
<p><b>Art. 3b Conditional Capital Increase for Bonds and Similar Debt Instruments</b></p>	<p><b>Art. 3b Augmentation conditionnelle du capital-actions pour les obligations et instruments de dettes similaire</b></p>
<p>The share capital of the Company shall be increased by a maximum amount of CHF 19'560.94 through the issue of a maximum of 978'047 registered shares, payable in full, each with a nominal value of CHF 0.02 through the exercise of conversion and/or option or warrant rights granted in connection with bonds or similar instruments, issued or to be issued by the Company or by subsidiaries of the Company, including convertible debt instruments.</p>	<p>Le capital-actions de la société peut être augmenté d'un montant maximum de CHF 19'560.94 par l'émission d'un maximum de 978'047 actions nominatives, d'une valeur nominale de CHF 0.02 chacune, à libérer entièrement, suite à l'exercice de droits de conversion et/ou d'option ou de bons de souscription accordés en relation avec des obligations ou d'instruments similaires, émis ou devant être émis par la société ou par des filiales de la société, y compris les instruments d'emprunt convertibles.</p>
<p>Shareholders' subscription rights are excluded. Shareholders' advance subscription rights with regard to the new bonds or similar instruments may be restricted or excluded by decision of the Board of Directors in order to finance or re-finance the acquisition of companies, parts of companies or holdings, or new investments planned by the Company, or in order to issue convertible bonds and warrants on the international capital markets or through private placement. If advance subscription rights are excluded, then (1) the instruments are to be placed at market conditions, (2) the exercise period is not to exceed ten years from the date of issue for warrants and twenty years for conversion rights and (3) the conversion or exercise price for the new shares is to be set at least in line with the market conditions prevailing</p>	<p>Le droit de souscription préférentiel des actionnaires est exclu. Les droits de souscription préférentiels préalable des actionnaires à l'égard des nouvelles obligations ou instruments similaires peuvent être limités ou exclus par décision du conseil d'administration afin de financer ou de refinancer l'acquisition d'entreprises, parts d'entreprises ou de holdings, ou de nouveaux investissements prévus par la société, ou en vue d'émettre des obligations convertibles et des bons de souscription sur les marchés internationaux de capitaux ou par placement privé. Si les droits de souscription préférentiels préalable sont exclus, (1) les instruments doivent être attribués aux conditions du marché, (2) la période d'exercice ne doit pas dépasser dix ans à partir de la date d'émission des bons de souscription et vingt ans pour les droits</p>

<p>at the date on which the instruments are issued. The respective holders of conversion and/or option or warrant rights are entitled to subscribe the new shares.</p>	<p>de conversion et (3) le prix de conversion ou d'exercice des actions nouvelles doit être fixé au moins aux conditions du marché prévalant à la date à laquelle les instruments sont émis. Les détenteurs respectifs de droits de conversion et/ou option ou de bons de souscription ont le droit de souscrire les nouvelles actions.</p>
<p>The acquisition of registered shares through the exercise of conversion rights or warrants and any transfers of registered shares shall be subject to the restrictions specified in Article 4 of the Articles of Association.</p>	<p>L'acquisition d'actions nominatives par l'exercice de droits ou de bons de conversion et les transferts d'actions nominatives sont assujetties aux restrictions prévues par l'article 4 des statuts.</p>
<p><b>Art. 3c Conditional Share Capital Increase for Employee Benefit Plans</b></p>	<p><b>Art. 3c Augmentation conditionnelle du capital-actions pour les plans d'avantages sociaux</b></p>
<p>The share capital of the Company shall be increased by an amount not exceeding CHF 70'460 through the issue of a maximum of 3'523'000 registered shares, payable in full, each with a nominal value of CHF 0.02, in connection with the exercise of option rights granted to any employee of the Company or a subsidiary, and any consultant, members of the Board of Directors, or other person providing services to the Company or a subsidiary.</p>	<p>Le capital social de la société sera augmenté d'un montant ne dépassant pas CHF 70'460 par l'émission d'un maximum de 3'523'000 actions nominatives, entièrement libérées, chacune avec une valeur nominale de CHF 0.02, dans le cadre de l'exercice de droits d'option accordés à tout employé de la Société ou d'une succursale, et à tout consultant, aux membres du conseil d'administration, ou à autres personnes fournissant des services en faveur de la société ou d'une filiale.</p>
<p>Shareholders' subscription rights shall be excluded with regard to these shares. These new registered shares may be issued at a price below the current market price. The Board of Directors shall specify the precise conditions of issue including the issue price of the shares.</p>	<p>Le droit de souscription préférentiel des actionnaires est exclu à l'égard de ces actions. Ces nouvelles actions nominatives peuvent être émises à un prix inférieur au prix du marché actuel. Le conseil d'administration doit préciser les conditions précises d'émission, y compris le prix d'émission des actions.</p>
<p>The acquisition of registered shares in connection with employee participation and any further transfers of registered shares shall be subject to the restrictions specified in Article 4 of the Articles of Association.</p>	<p>L'acquisition d'actions nominatives dans le cadre de la participation des employés et d'autres transferts d'actions nominatives sont soumis aux restrictions prévues à l'article 4 des statuts.</p>



<p><b>Art. 4 Share Register</b></p> <p>The Company shall maintain a share register in which it shall register the name, first name and place of residence (in case of legal persons the place of incorporation) of the owners and usufructuaries of its registered shares. Natural and legal persons as well as legal representatives of minors etc. entitled by law to the voting rights of a share which they do not own will be noted in the share register upon request.</p>	<p><b>Art. 4 Registre des actions</b></p> <p>La société tient un registre des actions nominatives, dans lequel sont inscrits le nom, le prénom et l'adresse (dans le cas d'une personne morale, le siège) des propriétaires et des usufruitiers des actions. Les personnes physiques et morales ainsi que les représentants légaux des mineurs etc. autorisés par la loi à voter alors qu'ils ne sont pas propriétaires des actions seront, sur demande, inscrits dans le registre des actions.</p>
<p>Upon request, acquirers of shares will be registered in the share register without limitation as shareholders if they expressly certify that they acquired the shares in their own name and for their own account.</p>	<p>Sur demande, les acquéreurs d'actions seront inscrits dans le registre des actions sans limitation comme actionnaires s'ils attestent expressément qu'ils ont acquis les actions en leur propre nom et pour leur propre compte.</p>
<p>Persons who do not expressly declare in the registration application that they are holding the shares on their own account (hereafter: nominees) shall forthwith be entered on the share register as shareholders with voting rights up to a maximum of 3 percent of the share capital. Beyond that limit, registered shares of nominees shall only be entered as voting if the nominees in question confirm in writing that they are willing to disclose the names, addresses and shareholdings of the persons on whose account they hold 0.5 percent or more of the share capital. The Board of Directors concludes agreements with nominees that among other things govern the representation of shareholders and the voting rights.</p>	<p>Les personnes qui ne déclarent pas expressément dans la demande d'inscription qu'ils détiennent les actions pour leur propre compte (par la suite: les candidats) doivent immédiatement être inscrits dans le registre des actions comme actionnaires avec droit de vote pour un maximum de 3 pour cent du capital-actions. Au-delà de cette limite, les actions nominatives des candidats ne sont inscrites avec droit de vote que si les candidats en question confirment par écrit qu'ils sont prêts à divulguer les noms, adresses et participations des personnes pour le compte desquelles ils détiennent 0,5 pour cent ou plus du capital-actions. Le conseil d'administration conclut des accords avec les candidats qui, entre autres choses, régissent la représentation des actionnaires et des droits de vote.</p>
<p>After hearing the registered shareholder or nominee, the Board of Directors may remove entries in the share register with retroactive effect as per the date of entry, if such entry was based on false information. The party affected must be informed of such removal immediately.</p>	<p>Après avoir entendu l'actionnaire enregistré ou le candidat, le conseil d'administration peut supprimer des inscriptions dans le registre des actions avec effet rétroactif à la date d'inscription, si cette inscription était basée sur de fausses informations. La partie touchée doit être immédiatement informée de cette suppression.</p>
<p>No individual or legal entity may, directly or</p>	<p>Aucune personne physique ou morale ne</p>

<p>indirectly, formally, constructively or beneficially own (as defined in the next paragraph below) or otherwise control voting rights ("Controlled Shares") with respect to 33 1/3 % or more of the registered share capital recorded in the Commercial Register except if such individual or legal entity has submitted prior to the acquisition of such Controlled Shares an orderly tender offer to all shareholders with a minimum price of the higher of (i) the volume weighted average price of the last 60 trading days prior to the publication of the tender offer or (ii) the highest price paid by such individual or legal entity in the 12 months preceding to the publication of the tender offer. Those associated through capital, voting power, joint management or in any other way, or joining for the acquisition of shares, shall be regarded as one person. The registered shares exceeding the limit of 33 1/3 % and not benefiting from the exemption regarding a tender offer shall be entered in the share register as shares without voting rights.</p>	<p>peut, directement ou indirectement, formellement ou implicitement détenir à son profit (comme défini dans le paragraphe ci-dessous) ou, d'une autre manière, contrôler le droit de vote (les "Actions Contrôlées") de 33 1/3 % ou plus du capital-actions nominatif tel qu'inscrit au registre du commerce sauf si cette personne physique ou morale a présenté avant l'acquisition de ces Actions Contrôlée une offre publique d'achat en bonne et due forme à tous les actionnaires à un prix minimum équivalent au montant le plus élevé entre (i) le cours moyen pondéré en fonction du volume des 60 derniers jours de bourse précédant la publication de l'offre publique d'achat et (ii) le plus haut prix payé par cette personne physique ou morale dans les 12 mois précédant la publication de l'offre publique d'achat. Les personnes associées par le capital, les droits de vote, une gestion commune ou de toute autre manière, ou qui se joignent pour une acquisition d'actions, sont considérées comme une personne. Les actions nominatives dépassant la limite de 33 1/3 % et ne bénéficiant pas de l'exemption relative à une offre publique d'achat sont inscrites dans le registre des actions comme des actions sans droit de vote.</p>
<p>For the purposes of this Article 4, "Controlled Shares" in reference to any individual or entity means:</p>	<p>Aux fins du présent article 4, Actions Contrôlées signifie en référence à toute personne physique ou morale:</p>
<p>(a) all shares of the Company directly, indirectly or constructively owned by such individual or entity; provided that</p> <p>(i) shares owned, directly or indirectly, by or for a partnership, or trust or estate will be considered as being owned proportionately by its partners, or beneficiaries; and</p> <p>(ii) shares owned, directly or indirectly, by or for a corporation will be considered as being owned proportionately by any shareholder owning 50% or more of the</p>	<p>(a) toutes actions directement, indirectement ou implicitement détenues par cette personne physique ou morale, à condition que</p> <p>(i) les actions détenues, directement ou indirectement, par ou pour un partenariat, une fiducie ou une communauté d'héritiers sont considérées comme étant détenues proportionnellement par leurs partenaires ou bénéficiaires; et</p> <p>(ii) les actions détenues, directement ou indirectement, par ou pour une société seront considérées comme étant détenues proportionnellement par tout actionnaire détenant 50%</p>

<p>outstanding voting shares of such corporation; and</p> <p>(iii) shares subject to options, warrants or other similar rights shall be deemed to be owned; and</p> <p>(b) all shares of the Company directly, indirectly beneficially owned by such individual or entity; provided that</p> <p>(i) a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise alone or together with other such persons has or shares:</p> <p>(1) voting power which includes the power to vote, or to direct the voting of, such security; and/or</p> <p>(2) investment power which includes the power to dispose, or to direct the disposition of, such security.</p> <p>(ii) Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose or effect of divesting such person of beneficial ownership of shares of the Company or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the provisions of these articles of association shall be deemed to be the beneficial owner of such shares.</p> <p>(iii) A person shall be deemed to be the beneficial owner of shares if that person has the right to acquire beneficial ownership of such shares within 60 days, including but not limited to any right acquired: (A) through the exercise of any option, warrant or right; (B) through the</p>	<p>ou plus des actions avec droit de vote en circulation de cette société; et</p> <p>(iii) les actions sujettes à des options, des bons de souscription ou autres droits semblables sont réputées être détenues; et</p> <p>(b) toutes actions de la société détenues directement, indirectement ou à son profit par cette personne physique ou morale, à condition que</p> <p>(i) un bénéficiaire effectif d'un titre comprend toute personne qui, directement ou indirectement, par le biais d'un contrat, d'un accord, d'une entente, d'une relation, ou autrement, seul ou avec d'autres personnes a ou partage:</p> <p>(1) le pouvoir de voter, y compris le pouvoir de voter ou de diriger le vote d'un tel titre; et/ou</p> <p>(2) le pouvoir d'investir, y compris le pouvoir de disposer ou de diriger la disposition d'un tel titre.</p> <p>(ii) Toute personne qui, directement ou indirectement, crée ou utilise une fiducie, une procuration, un pooling ou tout autre contrat, accord, ou un dispositif ayant pour objet ou pour effet de priver cette personne de la propriété effective des actions de la société ou d'en empêcher l'acquisition effective au moyen d'un plan ou programme visant à se soustraire aux dispositions de ces statuts est réputée être le propriétaire effectif de ces actions.</p> <p>(iii) Une personne est réputée être propriétaire effective d'actions si cette personne a le droit d'acquérir la propriété effective de ces actions dans les 60 jours, y compris, mais pas limité à un droit acquis: (A) au moyen de l'exercice d'une option, d'un bon ou d'un droit de</p>
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<p>conversion of a security; (C) pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or (D) pursuant to the automatic termination of a trust, discretionary account or similar arrangement.</p> <p>The limit of 33 <sup>1</sup>/<sub>3</sub> % of the registered share capital also applies to the subscription for, or acquisition of, registered shares by exercising option or convertible rights arising from registered or bearer securities or any other securities issued by the Company or third parties, as well as by means of exercising purchased preemptive rights arising from either registered or bearer shares. The registered shares exceeding the limit of 33 <sup>1</sup>/<sub>3</sub> % shall be entered in the share register as shares without voting rights.</p> <p>The Board of Directors may in special cases approve exceptions to the above regulations. The Board of Directors is in addition authorized, after due consultation with the person concerned, to delete with retroactive effect entries in the share register which were effected on the basis of false information.</p>	<p>souscription; (B) par la conversion d'un titre; (C) en vertu du pouvoir de révoquer une fiducie, compte discrétionnaire ou accord semblable; ou (D) conformément à la résiliation automatique d'une fiducie, compte discrétionnaire ou accord semblable.</p> <p>La limite de 33 <sup>1</sup>/<sub>3</sub> % du capital-actions nominatif s'applique également à la souscription ou l'acquisition d'actions nominatives par l'exercice d'options ou de droits convertibles découlant de titres nominatifs ou au porteur ou d'autres titres émis par la société ou par des tiers, ainsi que par le biais de l'exercice de droits de souscription préférentiels achetés découlant d'actions nominatives ou au porteur. Les actions nominatives dépassant la limite de 33 <sup>1</sup>/<sub>3</sub> % sont inscrites dans le registre des actions comme des actions sans droit de vote.</p> <p>Le conseil d'administration peut dans des cas particuliers approuver des exceptions aux règles précitées. Il est en outre autorisé, après consultation avec la personne concernée, de supprimer avec effet rétroactif des inscriptions du registre des actions qui ont été effectuées sur la base de fausses informations.</p>
<p><b>Art. 5 Share Certificates and Intermediated Securities</b></p> <p>The Company may issue registered shares in the form of single certificates, global certificates and uncertificated securities. Under the conditions set forth by statutory law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders.</p>	<p><b>Art. 5 Certificats d'actions et titres intermédiés</b></p> <p>La société peut émettre des actions nominatives sous forme de certificats individuels, de certificats globaux et de titres dématérialisés. Dans les conditions prévues par la loi, la société peut convertir ses actions nominatives d'une forme en une autre forme, à tout moment et sans l'approbation des actionnaires.</p>
<p>The shareholder has no right to demand a conversion of the registered shares. Each shareholder may, however, at any time request a written confirmation from the Company of the registered shares held by such shareholder, as reflected in the share register.</p>	<p>L'actionnaire n'a pas le droit d'exiger une conversion d'actions nominatives. Chaque actionnaire peut toutefois, à tout moment, demander une confirmation écrite de la société du nombre d'actions nominatives détenues par cet actionnaire telles qu'inscrites au registre du commerce.</p>
<p>The transfer of intermediated securities and the pledging of these intermediated</p>	<p>Le transfert des titres intermédiés et la mise en gage de ces titres intermédiés suivent les</p>

securities shall be based on the provisions of the Swiss Federal Intermediated Securities Act. Transfer of propriety as collateral by means of written assignment are not permitted.	dispositions de la Loi fédérale sur les titres intermédiés. Le transfert de propriété à titre de sûreté par cession écrite n'est pas autorisé.
<b>Art. 6 Exercise of Shareholders Rights</b> The shares are indivisible and the Company recognizes only one single representative per share.	<b>Art. 6 Exercice des droits des actionnaires</b> Les actions sont indivisibles et la société ne reconnaît qu'un seul représentant par action.
The right to vote and the other rights pertaining to a registered share may only be exercised by a shareholder, a usufructuary or a nominee who is registered with the right to vote in the share register and by persons who are entitled by law to the voting rights of a share.	Le droit de vote et les autres droits relatifs à une action nominative ne peut être exercé que par un actionnaire, un usufruitier ou un candidat qui est inscrit avec le droit de vote dans le registre des actions et par des personnes autorisées par la loi à exercer les droits de vote d'une action.
<b>III. CORPORATE STRUCTURE</b>	<b>III. STRUCTURE DE LA SOCIÉTÉ</b>
<b>Art. 7 Organization</b> The corporate bodies are: A. the General Meeting; B. the Board of Directors; C. the Auditors.	<b>Art. 7 Organisation</b> Les organes de la société sont: A. L'assemblée générale; B. Le conseil d'administration; C. l'organe de révision.
<b>IV. THE GENERAL MEETING</b>	<b>IV. L'ASSEMBLÉE GÉNÉRALE</b>
<b>Art. 8 Powers</b> The General Meeting is the supreme body of the Company. It has the following non delegable powers:	<b>Art. 8 Pouvoirs</b> L'assemblée générale des actionnaires est le pouvoir suprême de la société. Elle a les droits intransmissibles suivants:
a) to adopt and amend the Articles of Association (Articles 651a, 652g, 653g und 653i CO remain reserved);	a) adapter et modifier les statuts (articles 651a, 652g, 653g et 653i CO sont réservés);

b) to elect and remove the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the Auditors and the Independent Proxy;	b) nommer et révoquer les membres du conseil d'administration, le président du conseil d'administration, les membres du comité de rémunération, l'organe de révision et le mandataire indépendant;
c) to approve the management report and the annual accounts and to determine the allocation of profits, in particular with regard to dividends and bonus payments;	c) approuver le rapport de gestion et les comptes annuels et déterminer la répartition des bénéfices, en particulier en ce qui concerne les dividendes et les bonus;
d) to discharge the members of the Board of Directors and of the Executive Committee;	d) donner décharge aux membres du conseil d'administration et au comité exécutif;
e) to approve the total compensation paid to the Board of Directors and the Executive Committee as per Articles 32 and 33 below;	e) approuver la rémunération totale versée au conseil d'administration et au comité exécutif conformément aux l'articles 32 et 33 ci-dessous;
f) to pass resolutions concerning all matters which are reserved to the authority of the General Meeting by law or by the Articles of Association.	f) prendre les décisions sur toutes les affaires qui sont attribuées à l'assemblée générale par la loi ou les statuts.
<b>Art. 9 Ordinary General Meeting</b>  The Ordinary General Meeting shall be held annually within six months after the close of the business year at such time and at such location, which may be within or outside Switzerland, as determined by the Board of Directors.	<b>Art. 9 Assemblée générale ordinaire</b>  L'assemblée générale ordinaire aura lieu chaque année dans les six mois qui suivent la clôture de l'exercice à la date et à l'endroit, qui peut être en ou hors de la Suisse, tel que déterminé par le conseil d'administration.
<b>Art. 10 Extraordinary General Meeting</b>  Extraordinary General Meetings may be called by resolution of the General Meeting, the Auditors or the Board of Directors, or by shareholders with voting powers, provided they represent at least 10% of the share capital and who submit (a)(1) a request signed by such shareholder(s) that specifies the item(s) to be included on the agenda, (2) the respective proposals of the shareholders and (3) evidence of the required shareholdings recorded in the share register and (b) such other information as would be required to be included in a proxy	<b>Art. 10 Assemblée générale extraordinaire</b>  Les assemblées générales extraordinaires peuvent être convoquées par décision de l'assemblée générale, l'organe de révision ou le conseil d'administration, ou par des actionnaires avec droit de vote, à condition qu'ils représentent au moins 10% du capital-actions et qu'ils soumettent (a) (1) une demande signée par le(s)dit(s) actionnaire(s) qui spécifie les objets à faire figurer sur l'ordre du jour, (2) les propositions respectives de ces actionnaires et (3) la preuve des participations requises inscrites dans le registre des actions et (b)

<p>statement pursuant to the rules of the country where the Company's shares are primarily listed.</p>	<p>les autres informations qui doivent être mentionnées dans une déclaration (proxy statement) conformément aux règles du pays où les actions de la société sont principalement cotées.</p>
<p><b>Art. 11 Notice and Agenda of Shareholders' Meetings</b></p> <p>Notice of a General Meeting of Shareholders shall be given by the Board of Directors or, if necessary, by the Auditor, not later than twenty calendar days prior to the date of the General Meeting of Shareholders. Notice of the General Meeting of Shareholders shall be given by way of a one-time announcement in the official means of publication of the Company pursuant to Article 46 of these Articles of Association. The notice period shall be deemed to have been observed if notice of the General Meeting of Shareholders is published in such official means of publication, it being understood that the date of publication shall not be computed in the notice period. Shareholders of record may in addition be informed of the General Meeting of Shareholders by ordinary mail or e-mail.</p>	<p><b>Art. 11 Convocations et ordres du jour des assemblées générales</b></p> <p>L'assemblée générale est convoquée par le conseil d'administration ou, si nécessaire, par l'organe de révision, au moins 20 jours avant la tenue de l'assemblée générale des actionnaires. La convocation à l'assemblée générale des actionnaires doit être faite au moyen d'une seule publication conformément à l'article 46 de ces statuts. La période de préavis sera réputée avoir été respectée si la convocation à l'assemblée générale des actionnaires est publiée conformément à l'article 46 de ces statuts, étant entendu que la date de publication ne doit pas être calculée dans la période de préavis. Les actionnaires inscrits peuvent en outre être informés de l'assemblée générale des actionnaires par courrier ordinaire ou par e-mail.</p>
<p>The notice of a General Meeting of Shareholders shall specify the items on the agenda and the proposals of the Board of Directors and the shareholder(s) who requested that a General Meeting of Shareholders be held or an item be included on the agenda, and, in the event of elections, the name(s) of the candidate(s) that has or have been put on the ballot for election.</p>	<p>La convocation à l'assemblée générale des actionnaires doit préciser les objets de l'ordre du jour et les propositions du conseil d'administration et l'/les actionnaire(s) qui a/ont demandé que l'assemblée générale des actionnaires ait lieu ou qu'un objet soit inscrit à l'ordre du jour, et, dans le cas d'élections, le/les nom(s) du/des candidat(s) qui a ou ont été mis sur le bulletin de vote pour l'élection.</p>
<p>The Board of Directors shall state the matters on the agenda.</p>	<p>Le conseil d'administration doit indiquer les objets de l'ordre du jour.</p>
<p>Shareholders who represent an aggregate of at least 10 percent of the share capital or together representing shares with a nominal value of 1 million Swiss francs may demand that an item be placed on the agenda of a General Meeting of Shareholders. A request for inclusion of an item on the agenda must be requested in writing delivered to or mailed and received at the registered office of the Company at least 120 calendar days</p>	<p>Les actionnaires qui représentent un total d'au moins 10 pour cent du capital-actions ou qui représentent ensemble une valeur nominale de CHF 1 million d'actions peuvent exiger qu'un objet soit inscrit à l'ordre du jour d'une assemblée générale des actionnaires. Une demande d'inscription d'un objet à l'ordre du jour doit être faite par écrit et remise ou envoyée et reçue au siège de la société au moins 120 jours avant le premier</p>

<p>before the first anniversary of the date that the Company's proxy statement was released to shareholders in connection with the previous year's ordinary General Meeting of Shareholders. However, if no ordinary General Meeting of Shareholders was held in the previous year or if the date of the ordinary General Meeting of Shareholders has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement, request for inclusion of an item on the agenda must be requested not fewer than the later of (i) 150 calendar days prior to the date of the contemplated annual General Meeting or (ii) the date which is ten calendar days after the date of the first public announcement or other notification to the shareholders of the date of the contemplated annual General Meeting. To be timely for an extraordinary General Meeting, a shareholder's notice to the Secretary must be delivered to or mailed and received at the registered office of the Company not fewer than the later of (i) 120 calendar days before the date of the extraordinary General Meeting of Shareholders or (ii) the date which is ten calendar days after the date of the first public announcement or other notification to the shareholders of the date of the contemplated extraordinary General Meeting of Shareholders.</p>	<p>anniversaire de la date à laquelle la déclaration (proxy statement) de la Société a été communiquée aux actionnaires lors de l'assemblée générale ordinaire des actionnaires de l'année précédente. Toutefois, si aucune assemblée générale ordinaire des actionnaires n'a eu lieu l'année précédente ou si la date de l'assemblée générale ordinaire des actionnaires a été modifiée de plus de 30 jours calendaires à compter de la date prévue au moment de la déclaration (proxy statement) de l'année précédente, une demande d'inscription d'un objet à l'ordre du jour doit être demandée au moins à la date la plus tardive entre (i) 150 jours calendaires avant la date de l'assemblée générale ordinaire envisagée ou (ii) la date qui est dix jours calendaires plus tard que la date de la première annonce publique ou autre notification aux actionnaires de la date envisagée de l'assemblée générale ordinaire. Pour être dans les délais pour une assemblée générale extraordinaire, l'avis d'un actionnaire au secrétaire doit être livré ou envoyé et reçu au siège de la société au moins à la date la plus tardive entre (i) 120 jours calendaires avant la date de l'assemblée générale extraordinaire des actionnaires ou (ii) la date qui est dix jours calendaires plus tard que la date de la première annonce publique ou autre notification aux actionnaires de la date envisagée de l'assemblée générale extraordinaire des actionnaires.</p>
<p>Each request for inclusion of an item on the agenda must include (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting; (ii) the name and address, as they appear on the Company's register of shareholders, of the shareholder proposing such business; (iii) the number of shares of the Company which are beneficially owned by such shareholder; (iv) the dates upon which the shareholder acquired such shares; (v) documentary support for any claim of beneficial ownership; (vi) any material interest of such shareholder in such business; and (vii) a</p>	<p>Chaque demande d'inscription d'un objet à l'ordre du jour doit inclure (i) une brève description de l'affaire qui sera soumise à l'assemblée et les raisons pour lesquelles cette affaire est soumise à l'assemblée; (ii) le nom et l'adresse, tels qu'ils apparaissent dans le registre des actionnaires de la société, de l'/des actionnaire(s) proposant un tel objet; (iii) le nombre d'actions de la société effectivement détenues par (un) tel(s) actionnaire(s); (iv) les dates auxquelles l'/les actionnaire(s) a/ont acquis ces actions; (v) l'appui documentaire pour toute revendication de propriété effective;</p>



<p>statement in support of the matter and, for proposals sought to be included in the Company's proxy statement, any other information required by Securities and Exchange Commission Rule "14a-8".</p>	<p>(vi) un intérêt important de cet/ces actionnaire(s) par rapport à cet objet; et (vii) une déclaration à l'appui de cet objet et, pour les propositions devant être incluses dans la déclaration (proxy statement) de la société, toute autre information requise par la Securities and Exchange Commission règle "14a-8".</p>
<p>In addition, if the shareholder intends to solicit proxies from the shareholders of the Company, such shareholder shall notify the Company of this intent in accordance with Securities and Exchange Commission Rule "14a-4" and/or Rule "14a-8".</p>	<p>En outre, si un actionnaire a l'intention de solliciter des procurations des actionnaires de la société, cet actionnaire doit en informer la société conformément aux dispositions de la Securities and Exchange Commission règle "14a-4" et "14a-8".</p>
<p>No resolution may be passed at a General Meeting of Shareholders concerning an item in relation to which due notice was not given. Proposals made during a General Meeting of Shareholders to (i) convene a extraordinary General Meeting or (ii) initiate a special investigation in accordance with article 697a of the Swiss Code of Obligations are not subject to the due notice requirement set forth herein.</p>	<p>Aucune décision ne peut être adoptée lors d'une assemblée générale des actionnaires si un objet n'a pas été inscrit à l'ordre du jour dans le délai de préavis. Les propositions faites au cours d'une assemblée générale des actionnaires pour (i) convoquer une assemblée générale extraordinaire ou (ii) instituer un contrôle spécial au sens de l'article 697a CO ne sont pas soumises à l'obligation d'inscription prévue dans ces statuts.</p>
<p>No advance notice is required to propose motions on duly notified agenda items and to debate items without passing resolutions.</p>	<p>Aucun préavis n'est nécessaire pour proposer des motions sur les objets inscrits à l'ordre du jour ou débattre desdits objets sans prendre de décisions.</p>
<p><b>Art. 12 Documentation</b></p> <p>The annual business report, the compensation report and the Auditor's report must be submitted for examination by the shareholders at the registered office of the Company at least 20 days prior to the date of the Ordinary General Meeting. Each shareholder may request that a copy of this documentation be sent to him promptly by e-mail. Such right shall be included in the invitation to the General Meeting.</p>	<p><b>Art. 12 Documents</b></p> <p>Le rapport de gestion annuel, le rapport de rémunération et le rapport du réviseur doivent être présentés aux actionnaires pour examen au siège de la société au moins 20 jours avant la date de l'assemblée générale ordinaire. Chaque actionnaire peut demander une copie de ces documents qui doivent lui être envoyés promptement par e-mail. Ce droit doit être mentionné dans l'invitation à l'assemblée générale.</p>

<p><b>Art. 13 Meeting of All Shareholders</b></p> <p>Shareholders or their proxies representing all shares issued may hold a General Meeting without observing the formalities required for calling a meeting, unless objection is raised. At such a meeting, discussions may be held and resolutions passed on all matters within the scope of the powers of a General Meeting for so long as the shareholders or proxies representing all shares issued are present.</p>	<p><b>Art. 13 Assemblée universelle</b></p> <p>Les propriétaires ou les représentants de la totalité des actions peuvent, s'il n'y a pas d'opposition, tenir une assemblée générale sans observer les formes prévues pour sa convocation. Aussi longtemps que les propriétaires ou les représentants de la totalité des actions sont présents, cette assemblée a le droit de délibérer et de statuer valablement sur tous les objets qui sont du ressort de l'assemblée générale.</p>
<p><b>Art. 14 Chairman and Scrutineers</b></p> <p>The Chairman of the Board of Directors shall preside over the General Meeting. In his absence, a member of the Board of Directors or another Chairman of the Meeting designated by the General Meeting shall preside.</p>	<p><b>Art. 14 Président et scrutateurs</b></p> <p>L'assemblée générale est présidée par le président du conseil d'administration. En cas d'empêchement, un autre membre du conseil d'administration ou un président ad hoc nommé par l'assemblée générale préside celle-ci.</p>
<p>The Chairman of the Meeting shall designate a Secretary and the scrutineers who need not be shareholders.</p>	<p>Le président de l'assemblée générale désigne un secrétaire et les scrutateurs qui ne doivent pas nécessairement être actionnaires.</p>
<p><b>Art. 15 Minutes</b></p> <p>The Board of Directors is responsible for the keeping of the minutes of the Meeting, which shall state the number, kind, nominal value of shares represented by the shareholders, by the corporate bodies and by the independent proxy and gives information on resolutions passed, elections, requests for information and information as well as declarations given by the shareholders. The minutes shall be signed by the Chairman and the Secretary.</p>	<p><b>Art. 15 Procès-verbal</b></p> <p>Le conseil d'administration est responsable de la tenue du procès-verbal de l'assemblée, qui doit indiquer le nombre, le type, la valeur nominale des actions représentées par les actionnaires, par les organes sociaux et par le représentant indépendant et donne des informations sur les décisions adoptées, les élections, les demandes de renseignements et les informations ainsi que les déclarations faites par les actionnaires. Le procès-verbal est signé par le président et le secrétaire.</p>
<p>The shareholders are entitled to inspect the minutes.</p>	<p>Les actionnaires ont le droit d'examiner le procès-verbal.</p>
<p><b>Art. 16 Right to Vote</b></p> <p>Each share entitles to one vote.</p>	<p><b>Art. 16 Droit de vote</b></p> <p>Chaque action donne droit à une voix.</p>

<p>Each shareholder may be represented at a General Meeting by any person who is so authorized by a written proxy. A proxy need not be a shareholder.</p>	<p>Chaque actionnaire peut se faire représenter à l'assemblée générale par toute personne qui est autorisée par une procuration écrite. Le représentant ne doit pas nécessairement être un actionnaire.</p>
<p>Each shareholder may be represented by the Independent Proxy. The requirements regarding proxies and instructions are determined by the Board of Directors.</p>	<p>Chaque actionnaire peut se faire représenter par le représentant indépendant. Les exigences en matière de procurations et les instructions sont déterminées par le conseil d'administration.</p>
<p><b>Art. 17 Resolutions and Elections</b></p> <p>All voting and elections are held openly or electronically. A written voting or election shall be held if instructed so by the Chairman or if decided by the General Meeting.</p>	<p><b>Art. 17 Décisions and élections</b></p> <p>Tous votes et élections sont tenus ouvertement ou par voie électronique. Sur instruction du président ou de l'assemblée générale, un vote ou une élection doit être tenu par écrit.</p>
<p>The General Meeting shall pass its resolutions and carry out its elections with the simple majority of the votes cast regardless of abstentions and empty or invalid votes, unless statutory law or articles of association state otherwise. In the event of tie votes, the request shall be refused. The Chairman shall not have a casting vote.</p>	<p>Sous réserve des dispositions impératives de la loi ou des statuts, l'assemblée générale prend ses décisions et procède aux élections à la majorité simple des voix émises. En cas de partage égal des voix, la requête sera refusée. Le président n'a pas voix prépondérante.</p>
<p>A resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value is required for:</p>	<p>Une décision de l'assemblée générale recueillant au moins les deux tiers des voix attribuées aux actions représentées et la majorité absolue des valeurs nominales représentées est nécessaire pour:</p>
<p>a) The cases listed in art. 704 para. 1 CO, i.e.:</p> <ul style="list-style-type: none"> <li>(i) the change of the company purpose;</li> <li>(ii) the creation of shares with privileged voting rights;</li> <li>(iii) the restriction of the transferability of registered shares;</li> <li>(iv) an increase of capital, authorized or subject to a condition;</li> </ul>	<p>a) les cas énumérés dans l'art. 704 al. 1 CO, i.e.:</p> <ul style="list-style-type: none"> <li>(i) la modification du but social;</li> <li>(ii) l'introduction d'actions à droit de vote privilégié;</li> <li>(iii) la restriction de la transmissibilité des actions nominatives;</li> <li>(iv) l'augmentation autorisée ou conditionnelle du capital-actions;</li> </ul>

<ul style="list-style-type: none"> <li>(v) an increase of capital out of equity, against contribution in kind, or for the purpose of acquisition of assets and the granting of special benefits;</li> <li>(vi) the limitation or withdrawal of subscription rights;</li> <li>(vii) the change of the domicile of the Company; and</li> <li>(viii) the liquidation of the Company;</li> </ul> <p>b) the merger, de-merger or conversion of the Company (subject to mandatory law);</p> <p>c) the alleviating or withdrawal of restrictions upon the transfer of registered shares;</p> <p>d) the conversion of registered shares into bearer shares and vice versa; and</p> <p>e) the amendment or elimination of the provisions of Article 4 and 29 of the Articles of Association as well as those contained in this Article 17.</p>	<ul style="list-style-type: none"> <li>(v) l'augmentation du capital-actions au moyen des fonds propres, contre apport en nature ou en vue d'une reprise de biens et l'octroi d'avantages particuliers;</li> <li>(vi) la limitation ou la suppression du droit de souscription préférentiel;</li> <li>(vii) le transfert du siège de la société; et</li> <li>(viii) la dissolution de la société;</li> </ul> <p>b) la fusion, la scission ou la conversion de la société (sous réserve des dispositions impératives);</p> <p>c) l'atténuation ou la suppression des restrictions sur le transfert des actions nominatives;</p> <p>d) la conversion d'actions nominatives en actions au porteur et vice versa; et</p> <p>e) la modification ou la suppression des dispositions des articles 4 et 29 des statuts ainsi que ceux contenues dans le présent article 17.</p>
<p><b>Art. 18 Votes on Compensation</b></p> <p>Each year, the General 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:</p> <ul style="list-style-type: none"> <li>a) the non-performance-related compensation of the Board of Directors for the next term of office;</li> <li>b) a possible additional compensation of the Board of Directors for the preceding business year;</li> <li>c) the non-performance-related compensation of the Executive Committee for the 12-month period starting on 1 July following the Ordinary General Meeting;</li> </ul>	<p><b>Art. 18 Votes sur la rémunération</b></p> <p>Chaque année, l'assemblée générale approuve séparément les montants totaux maximaux proposés par le conseil d'administration conformément aux articles 32 et 33 des statuts pour:</p> <ul style="list-style-type: none"> <li>a) la rémunération non liée à la performance du conseil d'administration pour le prochain mandat;</li> <li>b) une éventuelle rémunération supplémentaire du conseil d'administration pour l'exercice précédent;</li> <li>c) la rémunération non liée à la performance du comité exécutif pour la période de 12 mois commençant le 1er juillet après chaque assemblée générale ordinaire;</li> </ul>

<p>d) the variable compensation for the Executive Committee for the current year;</p> <p>e) the grant of options or shares in the Company to the Board of Directors and the Executive Committee.</p>	<p>d) la rémunération variable pour le comité exécutif pour l'année en cours;</p> <p>e) l'octroi d'options ou d'actions de la société au conseil d'administration et au comité exécutif.</p>
<p>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 Committee and the Company.</p>	<p>Les montants totaux de rémunération respectifs comprennent la sécurité sociale et les cotisations de retraite professionnelle au profit des membres du conseil d'administration, du comité exécutif et de la société.</p>
<p>If the General 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 General 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 General Meeting.</p>	<p>Si l'assemblée générale refuse d'approuver une motion soumise par le conseil d'administration, le conseil d'administration peut, soit présenter une nouvelle motion à la même séance ou déterminer une rémunération maximale totale ou plusieurs rémunérations maximales partielles, sous réserve des principes concernant la rémunération, soit soumettre une nouvelle motion à la prochaine assemblée générale pour approbation. La société peut verser des rémunérations dans le cadre de la rémunération maximale totale ou partielle et sous réserve de l'approbation par l'assemblée générale.</p>
<p><b>Art. 19 Independent Proxy</b></p> <p>The Independent Proxy shall be elected by the Ordinary General Meeting for a term of one year until the end of the next Ordinary General Meeting. Re-election is permitted. The Independent Proxy informs the Company about number, type, par value and category of the represented shares. The Chairman of the Board discloses the information to the General Meeting. The other duties of the Independent Proxy are determined by the applicable statutory provisions.</p>	<p><b>Art. 19 Représentant indépendant</b></p> <p>Le représentant indépendant est élu par l'assemblée générale ordinaire pour une durée d'un an jusqu'à la fin de la prochaine assemblée générale ordinaire. Une réélection est possible. Le représentant indépendant informe la société sur le nombre, le type, la valeur nominale et la catégorie des actions représentées. Le président du conseil d'administration communique ces informations à l'assemblée générale. Les autres fonctions du représentant indépendant sont déterminées par les dispositions statutaires applicables.</p>

<p><b>V. BOARD OF DIRECTORS</b></p>	<p><b>V. CONSEIL D'ADMINISTRATION</b></p>
<p><b>Art. 20 Number of Members, Term of Office</b></p> <p>The Board of Directors shall consist of at least 3 and not more than 9 members. The chairman and the members of the Board of Directors are individually elected by the General Meeting for a term of one year until the end of the next Ordinary General Meeting, provided that he/she does not resign or is not replaced during his term.</p>	<p><b>Art. 20 Nombre de membres, durée de la fonction</b></p> <p>Le conseil d'administration se compose d'au minimum 3 et au maximum 9 membres. Le président et les membres du conseil d'administration sont élus individuellement par l'assemblée générale pour un mandat d'un an jusqu'à la fin de la prochaine assemblée générale ordinaire, à condition qu'il/elle ne démissionne pas ou ne soit pas remplacé(e) durant son mandat.</p>
<p>The members of the Board of Directors may be re-elected without limitation. The maximum age limit of members of the Board shall be 75 years. When a member of the Board of Directors reaches this age limit during his term of office, such term shall automatically extend to the next ordinary shareholders' meeting. The shareholders' meeting may resolve to grant an exception to the age limit.</p>	<p>Les membres du conseil d'administration peuvent être réélus sans limitation. La limite d'âge des membres du conseil d'administration est fixée à 75 ans. Lorsqu'un membre du conseil d'administration atteint cette limite d'âge durant son mandat, ledit mandat sera automatiquement prolongé jusqu'à la prochaine assemblée générale ordinaire. L'assemblée générale des actionnaires peut décider d'accorder une dérogation à la limite d'âge.</p>
<p><b>Art. 21 Constitution</b></p> <p>Subject to the powers of the General Meeting, the Board of Directors determines its own organization. It appoints a Secretary who needs not be a member of the Board of Directors.</p>	<p><b>Art. 21 Constitution</b></p> <p>Sous réserve des pouvoirs de l'assemblée générale, le conseil d'administration détermine sa propre organisation. Il nomme un secrétaire qui ne doit pas nécessairement être un membre du conseil d'administration.</p>
<p><b>Art. 22 Function, Organization</b></p> <p>It is the Board of Director's duty to lead the Company and to supervise the management. The Board of Director represents the Company and may take decisions on all affairs which are not assigned to any other body of the Company by law, the Articles of Association or the organizational regulations.</p>	<p><b>Art. 22 Fonction, organisation</b></p> <p>Le conseil d'administration exerce la direction de la société et en supervise la gestion. Le conseil d'administration représente la société et peut prendre les décisions sur toutes les affaires qui ne sont pas attribuées à un autre organe de la société par la loi, les statuts ou le règlement d'organisation.</p>
<p>The Board of Directors shall enact the organizational regulations and arrange for the appropriate contractual relationships.</p>	<p>Le conseil d'administration édicte le règlement d'organisation et s'occupe des relations contractuelles appropriées.</p>
<p><b>Art. 23 Powers</b></p> <p>The Board of Directors has the following</p>	<p><b>Art. 23 Pouvoirs</b></p> <p>Le conseil d'administration a les attributions</p>

<p>non-delegable and inalienable duties:</p> <p>a) the overall management of the company and the issuing of all necessary directives;</p> <p>b) determination of the company's organisation;</p> <p>c) the organisation of the accounting, financial control and financial planning systems as required for management of the company;</p> <p>d) the appointment and dismissal of persons entrusted with managing and representing the company;</p> <p>e) overall supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, articles of association, operational regulations and directives;</p> <p>f) compilation of the annual report, preparation for the general meeting and implementation of its resolutions;</p> <p>g) the preparation of the compensation report and to request approval by the General Meeting regarding compensation of the Board of Directors and the Executive Committee; and</p> <p>h) notification of the court in the event that the company is overindebted.</p>	<p>intransmissibles et inaliénables suivantes:</p> <p>a) exercer la haute direction de la société et établir les instructions nécessaires;</p> <p>b) fixer l'organisation;</p> <p>c) fixer les principes de la comptabilité et du contrôle financier ainsi que le plan financier pour autant que celui-ci soit nécessaire à la gestion de la société;</p> <p>d) nommer et révoquer les personnes chargées de la gestion et de la représentation;</p> <p>e) exercer la haute surveillance sur les personnes chargées de la gestion pour s'assurer notamment qu'elles observent la loi, les statuts, les règlements et les instructions données;</p> <p>f) établir le rapport de gestion, préparer l'assemblée générale et exécuter ses décisions;</p> <p>g) la préparation du rapport de rémunération et de demander l'approbation par l'assemblée générale en ce qui concerne la rémunération du conseil d'administration et du comité exécutif; et</p> <p>h) informer le juge en cas de surendettement.</p>
<p>The board of directors may assign responsibility for preparing and implementing its resolutions or monitoring transactions to committees or individual members. It must ensure appropriate reporting to its members.</p>	<p>Le conseil d'administration peut déléguer à un ou plusieurs membres, regroupés en comités, la charge de préparer et d'exécuter ses décisions ou de surveiller certaines affaires. Il veille à ce que ses membres soient convenablement informés.</p>
<p><b>Art. 24 Representation of the Company</b></p> <p>The Board of Directors shall assign the persons with signatory power for the company and the kind of signatory power.</p>	<p><b>Art. 24 Représentation de la société</b></p> <p>Le conseil d'administration nomme les personnes pouvant représenter la société ainsi que le mode de signature.</p>

<p><b>Art. 25 Delegation</b></p> <p>Moreover, the Board of Directors is authorized to delegate, in part or entirely, the management and the representation of the Company, within the limits of the law, to one or more individual directors (Delegates) or to third parties pursuant to organizational regulations.</p>	<p><b>Art. 25 Délégation</b></p> <p>En outre, le conseil d'administration peut, dans les limites de la loi, déléguer, en partie ou entièrement, la gestion et la représentation de la société à un ou plusieurs administrateurs (délégués) ou à des tiers conformément au règlement d'organisation.</p>
<p><b>Art. 26 Meetings, Resolutions and Minutes</b></p> <p>The organization of the meetings, the presence quorum and the passing of resolutions of the Board of Directors is determined by the organizational regulations. No presence quorum is required for the approval of the capital increase.</p>	<p><b>Art. 26 Réunions, décisions et procès-verbal</b></p> <p>L'organisation des réunions, le quorum de présence et l'adoption de décisions du conseil d'administration sont prévus dans le règlement d'organisation. Aucun quorum de présence n'est nécessaire pour l'approbation d'un rapport d'augmentation de capital.</p>
<p>Resolutions may be passed via telephone or videoconference. Resolutions may also be passed by way of circulation, provided that no member requests oral deliberation.</p>	<p>Les décisions peuvent être prises par téléphone ou par vidéoconférence. Les décisions peuvent également être prises par voie de circulation, à condition qu'aucun membre ne demande une délibération orale.</p>
<p>Minutes are kept of the board's discussions and resolutions and signed by the chairman and the minute-taker.</p>	<p>Les délibérations et les décisions du conseil d'administration sont consignées dans un procès-verbal signé par le président et le rédacteur du procès-verbal.</p>
<p><b>Art. 27 Right to information and inspection</b></p> <p>Any member of the board of directors may request information on any company business.</p>	<p><b>Art. 27 Droit aux renseignements et à la consultation</b></p> <p>Chaque membre du conseil d'administration a le droit d'obtenir des renseignements sur toutes les affaires de la société.</p>
<p>Outside meetings, any member may request information from the persons entrusted with managing the company's business concerning the company's business performance and, with the chairman's authorisation, specific transactions.</p>	<p>En dehors des séances, chaque membre du conseil d'administration peut exiger des personnes chargées de la gestion des renseignements sur la marche de l'entreprise et, avec l'autorisation du président, sur des affaires déterminées.</p>
<p>Where required for the performance of his duties, any member may request the chairman to have books of account and documents made available to him for inspection.</p>	<p>Dans la mesure où cela est nécessaire à l'accomplissement de ses tâches, chaque membre du conseil d'administration peut demander au président la production des livres ou des dossiers.</p>



<p>If the chairman refuses a request for information, a request to be heard or an application to inspect documents, the board of directors rules on the matter.</p>	<p>Si le président rejette une demande de renseignement, d'audition ou de consultation, le conseil d'administration tranche.</p>
<p><b>Art. 28 Compensation Committee</b></p> <p>The Compensation Committee shall comprise at least 2 members. The members of the Compensation Committee shall be individually elected by the Ordinary General Meeting from among the members of the Board of Directors for a term of one year until the next Ordinary General Meeting. Re-election is permitted. The Compensation Committee has the following duties:</p> <ul style="list-style-type: none"> <li>a) to draw up principles for compensation of members of the Board of Directors and the Executive Committee and to submit them to the Board of Directors for approval;</li> <li>b) to propose to the Board of Directors the resolution to be submitted to the Ordinary General Meeting for the maximum total compensation of the Board of Directors and Executive Committee;</li> <li>c) subject to and within the bounds of the maximum compensation approved by the Ordinary General Meeting, to request approval by the Board of Directors of the individual remuneration packages to be paid to members of the Board of Directors and members of the Executive Committee;</li> <li>d) to request approval by the Board of Directors regarding the determination of the compensation-related targets for the Executive Committee;</li> <li>e) to request approval by the Board of Directors regarding the adjustments to the Articles of Association relating to remuneration; and</li> <li>f) to prepare the Compensation Report and submit it to the Board of Directors.</li> </ul>	<p><b>Art. 28 Comité de rémunération</b></p> <p>Le comité de rémunération se compose d'au moins 2 membres. Les membres du comité de rémunération sont élus par l'assemblée générale ordinaire parmi les membres du conseil d'administration pour un mandat d'un an jusqu'à la prochaine assemblée générale ordinaire. Une réélection est possible. Le comité de rémunération a les fonctions suivantes:</p> <ul style="list-style-type: none"> <li>a) élaborer des principes de rémunération des membres du conseil d'administration et du comité exécutif et de les soumettre au conseil d'administration pour approbation;</li> <li>b) proposer au conseil d'administration la décision sera soumise à l'assemblée générale ordinaire pour la rémunération totale maximale du conseil d'administration et du comité exécutif;</li> <li>c) sous réserve et dans les limites de la rémunération maximale approuvée par l'assemblée générale ordinaire, demander l'approbation du conseil d'administration quant aux paquets de rémunération individuels devant être versés aux membres du conseil d'administration et aux membres du comité exécutif;</li> <li>d) requérir l'approbation du conseil d'administration sur la fixation d'objectifs liés à la rémunération pour le comité exécutif;</li> <li>e) requérir l'approbation du conseil d'administration sur les adaptations des statuts relatives à la rémunération; et</li> <li>f) préparer le rapport de rémunération et de le soumettre au conseil d'administration.</li> </ul>

<p>The Board of Directors shall set out any further duties and responsibilities vested on the Compensation Committee in the Company's Organizational Rules.</p>	<p>Le conseil d'administration fixe toutes les autres fonctions et responsabilités dévolues au comité de rémunération dans le règlement d'organisation de la société.</p>
<p><b>Art. 29 Indemnification</b></p>	<p><b>Art. 29 Indemnisation</b></p>
<p>As far as is permissible under applicable law, the Company shall indemnify any current or former member of the Board of Directors, former members of the Executive Committee, or any person who is serving or has served at the request of the Company as a member of the Board of Directors or member of the Executive Committee (each individually, a "Covered Person"), against any expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, to which he or she was, is, or is threatened to be made a party, or is otherwise involved (a "Proceeding"). This provision shall not indemnify any Covered Person against any liability arising out of (a) any fraud or dishonesty in the performance of such Covered Person's duty to the Company, or (b) such Covered Party's conscious, intentional or willful or grossly negligent breach of the obligation to act honestly and in good faith with a view to the best interests of the Company. Notwithstanding the preceding sentence, this section shall not extend to any person holding the office of auditor or special auditor of the Company.</p>	<p>Dans la mesure permise par la loi applicable, la société indemnifiera tout membre actuel ou ancien du conseil d'administration, les anciens membres du comité exécutif, ou toute personne qui sert ou a servi à la demande de la société en tant que membre du conseil d'administration ou membre du comité exécutif (chacun individuellement, une "Personne Couverte"), pour toutes les dépenses, y compris les honoraires d'avocat, jugements, amendes, et montants versés effectivement et raisonnablement à titre de règlement dans le cadre de toute action, poursuite ou procédure imminente, pendante ou terminée, qu'elle soit civile, pénale ou administrative, à laquelle il ou elle a été, est, ou est menacé d'être partie, ou est impliqué de toute autre manière (une "Procédure"). Cette disposition ne doit pas indemniser une Personne Couverte contre une responsabilité découlant de (a) une fraude ou une malhonnêteté de cette Personne Couverte dans l'exercice de ses fonctions vis-à-vis de la société, ou (b) une violation consciente, intentionnelle ou volontaire ou gravement négligente de l'obligation de cette Personne Couverte d'agir avec honnêteté en tenant compte du meilleur intérêt de la société. Nonobstant ce qui précède, cette disposition ne s'étend pas aux personnes qui occupent le poste de réviseur ou de réviseur spécial de la société.</p>
<p>In the case of any Proceeding by or in the name of the Company, the Company shall indemnify each Covered Person against expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense or settlement thereof, except no indemnification shall be made in respect of any claim, issue or matter as to which a Covered Person shall have been adjudged to be liable for fraud or dishonesty in the</p>	<p>Dans le cas de toute Procédure intentée par ou au nom de la société, la société doit indemniser chaque Personne Couverte pour les dépenses, y compris les honoraires d'avocat, effectivement et raisonnablement encourus dans le cadre de la défense ou du règlement dans le cadre de la Procédure. Aucune indemnisation ne sera octroyée pour une réclamation, problème ou affaire pour</p>

<p>performance of his or her duty to the Company, or for conscious, intentional or willful or grossly negligent breach of his or her obligation to act honestly and in good faith with a view to the best interests of the Company, unless and only to the extent that a court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all the circumstances of the case, such Covered Person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper. Notwithstanding the preceding sentence, this section shall not extend to any person holding the office of auditor or special auditor of the Company.</p>	<p>laquelle une Personne Couverte est tenue responsable à la suite de fraude ou de malhonnêteté dans l'exercice de ses fonctions vis-à-vis de la société, ou à cause d'une violation consciente, intentionnelle ou volontaire ou gravement négligente de l'obligation de la Personne Couverte d'agir avec honnêteté en tenant compte du meilleur intérêt de la société, sauf et uniquement si un tribunal auquel une telle action ou poursuite a été porté détermine que, malgré la reconnaissance de la responsabilité, mais compte tenu de toutes les circonstances du cas d'espèce, cette Personne Couverte a équitablement et raisonnablement droit à une indemnisation de ces dépenses, mais uniquement à hauteur du montant que le tribunal jugera convenable. Nonobstant la phrase précédente, cette disposition ne s'étend pas aux personnes qui occupent le poste de réviseur ou de réviseur spécial de la société.</p>
<p>Any indemnification under this Article 29 (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances because such person has met the applicable Standard of conduct set forth in this Article 29. Such determination shall be made, with respect to a Covered Person (a) by a majority vote of the members of the Board of Directors who are not parties to such proceeding, even though less than a quorum; (b) by a committee of such members of the Board of Directors designated by a majority vote of such the Board of Directors, even though less than a quorum; (c) if there are no such member of the Board of Directors, or if such member of the Board of Directors so direct, by independent legal counsel in a written opinion; or (d) by the General Meeting of Shareholders. Such determination shall be made, with respect to any other Covered Person, by any person or persons having the authority to act on the matter on behalf of the Company. To the extent, however, that any Covered Person has been successful on the merits or otherwise in defense of any proceeding, or in defense of any claim, issue</p>	<p>Toute indemnisation en vertu du présent article 29 (sauf si ordonnée par un tribunal) doit être octroyée par la société dans chaque cas dans les limites de l'autorisation sur la base d'une détermination que l'indemnisation de la Personne Couverte est appropriée dans les circonstances parce que cette personne a satisfait au standard de conduite applicable énoncé dans le présent article 29. Une telle décision concernant une Personne Couverte doit être prise (a) par la majorité des votes des membres du conseil d'administration qui ne sont pas parties à cette procédure, même si le quorum requis n'est pas réuni; (b) par un comité de membres du conseil d'administration désignés par une majorité des votes du conseil d'administration, même si le quorum requis n'est pas réuni; (c) s'il n'y a pas de tel membre du conseil d'administration, ou si ce membre du conseil d'administration l'ordonne, par un conseiller juridique indépendant dans un avis écrit; ou (d) par l'assemblée générale des actionnaires. Une telle décision concernant une Personne Couverte doit être prise par une personne ou des personnes ayant le pouvoir d'agir dans cet affaire au nom de la société. Dans la mesure, cependant, où une Personne</p>

<p>or matter therein, such Covered Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.</p>	<p>Couverte a gagné sur le fond ou autrement dans la défense d'une procédure, ou dans la défense de toute réclamation, problème ou affaire dans cette procédure, cette Personne Couverte doit être indemnisée pour les dépenses (y compris les honoraires d'avocat) effectivement et raisonnablement encourus dans le cadre de l'affaire en question sans qu'il soit nécessaire d'avoir une autorisation dans le cas spécifique.</p>
<p>As far as is permissible under applicable law, expenses, including attorneys' fees, incurred in defending any proceeding for which indemnification is permitted pursuant to this Article 29 shall be paid by the Company in advance of the final disposition of such proceeding upon receipt by the Board of Directors of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Company under these Articles of Association.</p>	<p>Dans la mesure permise par la loi applicable, les dépenses, y compris les honoraires d'avocats, encourus dans la défense de toute procédure pour laquelle l'indemnisation est permise en vertu du présent article 29, doivent être payées par la société avant la décision finale dans cette procédure à réception par le conseil d'administration d'une promesse faite par ou au nom de la Personne Couverte de rembourser ce montant s'il s'avère finalement que cette Personne Couverte n'a pas droit à l'indemnisation par la société en vertu de ces statuts.</p>
<p>It being the policy of the Company that indemnification of the persons specified in this Article 29 shall be made to the fullest extent permitted by law and the indemnification provided by this Article 29 shall not be deemed exclusive (a) of any other rights to which those seeking indemnification or advancement of expenses may be entitled under these Articles of Association, any agreement, any insurance purchased by the Company, vote of shareholders or disinterested members of the Board of Directors, or pursuant to the decision of any court of competent jurisdiction, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, or (b) of the power of the Company to indemnify any person who is or was an employee or agent of the Company or of another corporation, joint venture, trust or other enterprise which he or she is serving or has served at the request of the Company, to the same extent and in the same situations and subject to the same determinations as are hereinabove set forth</p>	<p>La politique de la société prévoit que l'indemnisation des personnes visées au présent article 29 doit être payée dans toute la mesure autorisée par la loi et l'indemnisation prévue par cet article 29 ne sera pas considérée comme exclusive (a) d'autres droits auxquels les personnes demandant une indemnisation ou une avance des dépenses ont droit en vertu de ces statuts, d'un accord, d'une assurance souscrite par la société, d'un vote d'actionnaires ou de membres du conseil d'administration n'ayant pas d'intérêt direct, ou en vertu d'une décision d'un tribunal compétent, ou autrement, soit à l'égard d'actions faites en sa capacité officielle, soit à l'égard d'actions faites à un autre titre tout en ayant une telle fonction, ou (b) du pouvoir de la société d'indemniser toute personne qui est ou était un employé ou un mandataire de la société ou d'une autre société, d'une joint venture, d'une fiducie ou d'une autre entreprise pour laquelle il ou elle travaille ou a travaillé à la demande de la société, dans la même mesure et dans les mêmes situations et sous réserve des</p>

<p>with respect to a Covered Person.</p> <p>As used in this Article 29, references to the "Company" include all constituent corporations in a consolidation or merger in which the Company or a predecessor to the Company by consolidation or merger was involved.</p> <p>The indemnification provided by this Article 29 shall continue as to a person who has ceased to be a member of the Board of Directors or the Executive Committee and shall inure to the benefit of their heirs, executors, and administrators.</p>	<p>mêmes principes concernant une Personne Couverte évoquées ci-dessus.</p> <p>Tel qu'utilisé dans le présent article 29, les références à la "société" comprennent toutes les sociétés ayant fait l'objet d'un regroupement ou d'une fusion dans laquelle la société ou un prédécesseur à la société a été impliqué.</p> <p>L'indemnisation prévue par cet article 29 est maintenue à l'égard d'une personne qui a cessé d'être un membre du conseil d'administration ou le comité exécutif et sera en vigueur au bénéfice de ses héritiers, exécuteurs et administrateurs.</p>
<p><b>VI. AUDITORS</b></p>	<p><b>VI. ORGANE DE RÉVISION</b></p>
<p><b>Art. 30 Election, Term</b></p> <p>The General Meeting shall elect one or more accountants as its Auditors in terms of Articles 727 <i>et seq.</i> CO every year with the rights and duties determined by law.</p>	<p><b>Art. 30 Élection, durée</b></p> <p>L'assemblée générale nomme chaque année un ou plusieurs réviseurs comme organe de révision selon les articles 727 ss. CO avec les droits et les devoirs déterminés par la loi.</p>
<p>The General Meeting may appoint Special Auditors for a term of up to three years who provide the attestations required for capital increases.</p>	<p>L'assemblée générale peut nommer des réviseurs spéciaux pour une durée de trois ans au maximum qui fournissent les attestations requises pour les augmentations de capital.</p>
<p><b>Art. 31 Duties</b></p> <p>The Auditors shall perform their duties to audit and report whether the accounting, the annual accounts and the proposal regarding allocation of profits are in accordance with law and the Articles of Association.</p>	<p><b>Art. 31 Fonctions</b></p> <p>L'organe de révision vérifie et rapporte si la comptabilité, les comptes annuels et la proposition relative à la répartition des bénéfices sont en conformité avec la loi et les statuts.</p>
<p><b>VII. COMPENSATION AND RELATED PROVISIONS</b></p>	<p><b>VII. RÉMUNÉRATION ET DISPOSITIONS ANALOGUES</b></p>
<p><b>Art. 32 Principles of the Compensation of the Board of Directors</b></p> <p>The compensation payable to the members of the Board of Directors comprises, subject to and within the bounds of the approval by the General Meeting of the total compensation, the following elements:</p> <p>a) a fixed basic remuneration;</p>	<p><b>Art. 32 Principes de rémunération du conseil d'administration</b></p> <p>La rémunération des membres du conseil d'administration comprend, sous réserve et dans les limites de l'approbation de la rémunération totale par l'assemblée générale, les éléments suivants:</p> <p>a) une rémunération fixe de base;</p>

<p>b) a fixed committee fee for work in a committee of the Board of Directors;</p> <p>c) a lump sum compensation for expenses;</p> <p>d) a number of options or shares in the Company, as further outlined in Art. 41.</p>	<p>b) des frais de commission fixes pour le travail dans un comité du conseil d'administration;</p> <p>c) une compensation forfaitaire pour les dépenses;</p> <p>d) un nombre d'actions ou d'options dans la société, comme détaillée à l'art. 41.</p>
<p>The compensation is paid in cash and in form of options or shares in the Company. The board of directors or, to the extent delegated to it, the compensation committee shall determine grant, exercise and forfeiture conditions. In particular, they may provide for continuation, acceleration or removal of vesting, exercise and forfeiture conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. The Company may procure the required shares through purchases in the market, from treasury shares or by using contingent or authorized share capital.</p>	<p>La rémunération est versée en espèces et sous forme d'options ou d'actions de la société. Le conseil d'administration ou, en cas de délégation des fonctions, le comité de rémunération doit fixer les conditions de l'octroi, de l'exercice et de la péremption. En particulier, il peut prévoir la poursuite, l'accélération ou la suppression des conditions d'acquisition, d'exercice et de péremption, pour le paiement ou l'octroi d'une rémunération basée sur la réalisation des objectifs supposés, ou pour la péremption, dans chaque cas, dans le cas d'événements prédéterminés tels qu'un changement de contrôle ou la résiliation d'un contrat de travail ou d'un mandat. La société peut fournir les actions nécessaires par des achats sur le marché, par ses actions propres ou en utilisant du capital conditionnel ou autorisé.</p>
<p>Subject to the approval by the General Meeting, the members of the Board of Directors may receive remuneration in cash at customary conditions for advisory services rendered outside their capacity as Board member for the benefit of the Company or companies under its control. The General Meeting may approve an additional bonus for the members of the Board of Directors in exceptional cases.</p>	<p>Sous réserve de l'approbation par l'assemblée générale, les membres du conseil d'administration peuvent recevoir une rémunération en espèces dans les conditions habituelles pour des services consultatifs rendus en-dehors de leur qualité de membre du conseil pour le bénéfice de la société ou des sociétés sous son contrôle. L'assemblée générale peut approuver un bonus supplémentaire pour les membres du conseil d'administration dans des cas exceptionnels.</p>
<p>The compensation may also be paid for activities in companies that are directly or indirectly controlled by the Company and may be paid by the Company or by a company controlled by it.</p>	<p>La rémunération peut également être accordée pour des activités dans des entreprises qui sont contrôlées directement ou indirectement par la société et peuvent être versées par la société ou par une société contrôlée par elle.</p>
<p><b>Art. 33 Principles of the Compensation of the Executive Committee</b></p>	<p><b>Art. 33 Principe de rémunération du comité exécutif</b></p>

<p>The compensation payable to the members of the Executive Committee is subject to the approval by the General Meeting and comprises the following elements:</p> <p>a) a fixed remuneration payable in cash;</p> <p>b) a performance-related remuneration payable in cash (variable);</p> <p>c) a number of options or shares in the Company, as further outlined in Art. 41.</p>	<p>La rémunération des membres du comité exécutif est soumise à l'approbation l'assemblée générale et comprend les éléments suivants</p> <p>a) une rémunération fixe payable en espèces;</p> <p>b) une rémunération liée à la performance payable en espèces (variable);</p> <p>c) un nombre d'actions ou d'options dans la société, comme détaillée à l'art. 41.</p>
<p>The performance-related remuneration depends on the Company's business success and the individual performance of the member of the Executive Committee based on the achievement of pre-determined targets during a business year. The Board of Directors determines annually at the beginning of each relevant business year the decisive targets and their weighting upon proposal by the Compensation Committee. The amount of the performance-related remuneration for each member of the Executive Committee is determined by the Board of Directors and may not exceed 100 percent of the respective individual fixed remuneration for the same year.</p>	<p>La rémunération liée à la performance dépend de la réussite économique de la société et de la performance individuelle du membre du comité exécutif sur la base de la réalisation des objectifs prédéterminés au cours d'une année d'activité. Le conseil d'administration détermine au début de chaque exercice les objectifs décisifs et leur pondération sur proposition du comité de rémunération. Le montant de la rémunération liée à la performance pour chaque membre du comité exécutif est déterminé par le conseil d'administration et ne peut dépasser 100 pour cent de la rémunération fixe individuelle respective pour la même année.</p>
<p>The compensation may also be paid for activities in companies that are directly or indirectly controlled by the Company and may be paid by the Company or by a company controlled by it.</p>	<p>La rémunération peut également être versée pour activités dans des entreprises qui sont contrôlées directement ou indirectement par la société et peut être versée par la société ou par une société contrôlée par elle.</p>
<p><b>Art. 34 Compensation for new Members of the Executive Committee</b></p> <p>If new members of the Executive Committee are appointed and take up their position in the Company after the General Meeting has approved the maximum total compensation for members of the Executive Committee for the year in question, the new members may be paid an additional amount for the period until the next Ordinary Meeting of Shareholder. The additional amount payable to all new members of the Executive Committee may not exceed 50 percent of</p>	<p><b>Art. 34 Rémunération pour les nouveaux membres du comité exécutif</b></p> <p>Si de nouveaux membres du comité exécutif sont nommés et prennent leur position dans la société après que l'assemblée générale a approuvé la rémunération totale maximale pour les membres du comité exécutif pour l'année en question, les nouveaux membres peuvent être payés au moyen d'un montant additionnel pour la période allant jusqu'à la prochaine assemblée ordinaire des actionnaires. Le montant additionnel payable à tous les nouveaux membres du comité</p>

<p>the respective total compensation already approved by the General Meeting. The additional compensation may only be paid if the total compensation amount that has been approved by the General Meeting for the compensation of the members of the Executive Committee is insufficient to compensate the newly appointed members. The General Meeting is not required to vote on this additional amount.</p>	<p>exécutif ne peut pas dépasser 50 pour cent de la rémunération totale respectivement déjà approuvée par l'assemblée générale. La rémunération additionnelle ne peut être versée que si le montant total de la rémunération qui a été approuvée par l'assemblée générale pour la rémunération des membres du comité exécutif est insuffisant pour rémunérer les membres nouvellement nommés. L'assemblée générale n'a pas à se prononcer sur ce montant supplémentaire.</p>
<p>This additional overall compensation is understood to include any settlements for any disadvantage suffered as a result of the change of job.</p>	<p>Cette rémunération additionnelle globale est sensée comprendre toutes les règlements pour tout inconvénient subi à la suite du changement de travail.</p>
<p><b>Art. 35 Expenses</b></p> <p>Expenses which are not covered by the lump sum compensation pursuant to the Company's expense regulations shall be reimbursed following presentation of the supporting receipts. This additional remuneration is not subject to a separate vote by the General Meeting.</p>	<p><b>Art. 35 Dépenses</b></p> <p>Les dépenses qui ne sont pas couvertes par l'indemnité forfaitaire conformément aux règlements de frais de la société sont remboursées à la suite de la présentation des reçus correspondants. Cette rémunération additionnelle n'est pas soumise à un vote séparé par l'assemblée générale.</p>
<p><b>Art. 36 Compensation Agreements</b></p> <p>Agreements on compensation with members of the Board of Directors may not exceed the term of maximal one year.</p>	<p><b>Art. 36 Accords sur la rémunération</b></p> <p>Les accords sur la rémunération des membres du conseil d'administration ne peuvent pas excéder la durée maximale d'une année.</p>
<p>Employment agreements of the members of the Executive Committee are principally concluded for an indefinite period of time whereas a notice period may not exceed 12 months. If an employment agreement is concluded for a fixed term such term may not exceed one year.</p>	<p>Les contrats de travail des membres du comité exécutif sont principalement conclus pour une durée indéterminée. Un délai de préavis ne peut pas excéder 12 mois. Si un accord de travail est conclu pour une durée déterminée, telle durée ne peut pas excéder un an.</p>



<p><b>Art. 37 Mandates of a Member of the Board of Directors outside the Company</b></p> <p>A member of the Board of Directors may cumulatively assume not more than the following number of mandates in the board of directors, the superior management or an administrative body of a legal entity which is obliged to be registered in the Swiss commercial register or an equivalent foreign register:</p> <ul style="list-style-type: none"> <li>a) 7 mandates for publicly traded companies pursuant to art. 727 para. 1 number 1 CO; and</li> <li>b) 8 mandates for companies pursuant to art. 727 para. 1 number 2 CO; and</li> <li>c) 5 mandates for companies which do not fulfil the criteria under a) and b) above.</li> </ul>	<p><b>Art. 37 Mandats d'un membre du conseil d'administration de la société</b></p> <p>Un membre du conseil d'administration ne peut pas cumuler plus que le nombre suivant de mandats dans un conseil d'administration, une direction supérieure ou un organisme administratif d'une personne morale qui est obligée d'être inscrite au registre du commerce suisse ou un registre étranger équivalent:</p> <ul style="list-style-type: none"> <li>a) 7 mandats pour les entreprises cotées en bourse selon l'art. 727 al. 1 chiffre 1 CO; et</li> <li>b) 8 mandats pour des entreprises selon l'art. 727 al. 1 chiffre 2 CO; et</li> <li>c) 5 mandats pour les entreprises qui ne remplissent pas les critères sous a) et b) ci-dessus.</li> </ul>
<p>Mandates held in several legal entities each operating under the same management or same beneficial owner (group) are deemed to be a single mandate.</p>	<p>Les mandats exercés dans plusieurs entités juridiques opérant chacune sous la même direction ou le même bénéficiaire effectif (groupe) sont réputés être un seul mandat.</p>
<p>If a legal entity fulfills several of the above mentioned criteria, it can be freely counted towards any category. The following mandates are excepted from these restrictions:</p> <ul style="list-style-type: none"> <li>a) mandates in legal entities which are controlled by the Company or which control the Company;</li> <li>b) honorary mandates in charitable legal entities.</li> </ul>	<p>Si une entité juridique remplit plusieurs des critères mentionnés ci-dessus, elle peut être librement placée dans une catégorie. Les mandats suivants sont exceptés de ces restrictions:</p> <ul style="list-style-type: none"> <li>a) les mandats dans des entités juridiques qui sont contrôlées par la société ou qui contrôlent la société;</li> <li>b) des mandats d'honneur à des personnes morales de bienfaisance.</li> </ul>
<p><b>Art. 38 Mandates of a Member of the Executive Committee outside the Company</b></p> <p>Each member of the Executive Committee may, with approval of the Board of Directors, cumulatively assume not more than the following number of mandates in the board of directors, the superior management or an administrative body of a legal entity which is obliged to be registered in the Swiss</p>	<p><b>Art. 38 Mandats d'un membre du comité exécutif en-dehors de la société</b></p> <p>Chaque membre du comité exécutif peut, avec l'approbation du conseil d'administration, cumuler pas plus que le nombre suivant de mandats dans un conseil d'administration, une direction supérieure ou un organisme administratif d'une personne morale qui est obligée d'être inscrite dans le</p>

<p>commercial register or an equivalent foreign register:</p> <p>a) 2 mandates for publicly traded companies pursuant to Art. 727 para. 1 number 1 CO; and</p> <p>b) 3 mandates for companies pursuant to Art. 727 para. 1 number 2 CO; and</p> <p>c) 5 mandates for companies which do not fulfil the criteria under litera a) and b) above.</p> <p>Mandates held in several legal entities each operating under the same management or same beneficial owner (group) are deemed to be a single mandate.</p> <p>If a legal entity fulfills several of the above mentioned criteria, it can be freely counted towards any category. The following mandates are excepted from this restrictions:</p> <p>a) mandates in legal entities which are controlled by the Company or which control the Company;</p> <p>b) honorary mandates in charitable legal entities.</p>	<p>registre du commerce suisse ou un registre étranger équivalent:</p> <p>a) 2 mandats pour les entreprises cotées en bourse selon l'art. 727 al. 1 chiffre 1 CO; et</p> <p>b) 3 mandats pour des entreprises selon l'art. 727 al. 1 chiffre 2 CO; et</p> <p>c) 5 mandats pour les entreprises qui ne remplissent pas les critères sous a) et b) ci-dessus.</p> <p>Les mandats exercés dans plusieurs entités juridiques opérant chacun sous la même direction ou même bénéficiaire effectif (groupe) sont réputés être un seul mandat.</p> <p>Si une entité juridique remplit plusieurs des critères mentionnés ci-dessus, elle peut être librement placée dans une catégorie. Les mandats suivants sont exceptés de ces restrictions:</p> <p>a) les mandats dans des entités juridiques qui sont contrôlées par la société ou qui contrôlent la société;</p> <p>b) mandats d'honneur dans des entités juridiques de bienfaisance.</p>
<p><b>Art. 39 Loans and Credits</b></p> <p>The members of the Board of Directors and the Executive Committee may not be granted any loans, credits or securities. Excepted from the above are advances in the maximum amount of CHF 500'000 per person for attorneys' fees, court and other similar costs required for the defence of third-party liability claims permitted by Article 29.</p>	<p><b>Art. 39 Prêts et crédits</b></p> <p>Les membres du conseil d'administration et du comité exécutif ne peuvent pas souscrire des prêts, des crédits ou des titres. Sont exceptées les avances d'un montant maximum de CHF 500'000 par personne pour les frais d'avocat, des coûts de tribunaux et d'autres coûts similaires nécessaires à la défense contre des actions en responsabilité civile autorisés par l'article 29.</p>
<p><b>Art. 40 Pension Funds</b></p> <p>The Company shall remunerate members of the Board of Directors only in respect of the employer's mandatory contributions to social insurance. Above and beyond this, the Company shall not make any contributions to pension funds or other such pension plans. In exceptional cases, contributions such as these may be made subject to a request by the Compensation Committee</p>	<p><b>Art. 40 Fonds de pension</b></p> <p>La société ne doit rémunérer les membres du conseil d'administration que du montant dû au titre de contributions obligatoire de l'employeur à l'assurance sociale. Au-delà de ce montant, la société ne doit pas verser de cotisations à des institutions de prévoyance ou à d'autres régimes de retraite. Dans des cas exceptionnels, des contributions comme celles-ci peuvent être faites sur demande au</p>

<p>and the approval of the General Meeting.</p>	<p>comité de rémunération et sous réserve de l'approbation de l'assemblée générale.</p>
<p>Members of the Executive Committee participate in the Company's pension plans (the Company's pension fund and the management pension plan). The pension plans conform to the legal requirements. For members of the Executive Committee, the insured income is defined as the fixed remuneration plus 50 percent of the target performance-related remuneration, up to the legal maximum. Equity-linked income components are not included.</p>	<p>Les membres du comité exécutif participent aux régimes de retraite de la société (le fond de pension de la société et le régime de retraite du management). Les régimes de retraite sont conformes aux exigences légales (LPP). Pour les membres du comité exécutif, le revenu assuré est défini comme la rémunération fixe plus les 50 pour cent de la rémunération liée à la performance, jusqu'au maximum légal. Les composantes du revenu liées au capital propre ne sont pas inclus.</p>
<p>Within the overall compensation approved by the General Meeting, the Company may make additional payments into the Company's pension funds for the benefit of members of the Executive Committee in order to cover any disadvantage suffered as a result of the change of jobs or to purchase additional pension entitlements. In this context the Company may conclude life insurance policies on behalf of members of the Executive Committee and pay the insurance premiums either fully or in part.</p>	<p>Dans la rémunération globale approuvée par l'assemblée générale, la société pourra effectuer des paiements supplémentaires dans les caisses de retraite de la société pour le bénéfice des membres du comité exécutif afin de couvrir tout désavantage subi par suite de la modification de l'emploi ou pour acheter des droits de pension supplémentaires. Dans ce contexte, la société peut conclure des contrats d'assurance-vie au nom des membres du comité exécutif et payer en totalité ou en partie les primes d'assurance.</p>
<p>Upon retirement, the Company may also grant members of the Executive Committee a bridging pension to cover the period between early retirement at 62 and the ordinary age of retirement, if such bridging pension does not exceed 100 percent of the total annual compensation of the respective member last paid.</p>	<p>À la retraite, la société peut également accorder aux membres du comité exécutif, une pension de transition pour couvrir la période entre la retraite anticipée à 62 ans et l'âge ordinaire de la retraite, si cette rente transitoire ne dépasse pas 100 pour cent du dernier montant de la rémunération annuelle totale payée au membre respectif.</p>
<p><b>Art. 41 Option and Share Plans</b></p> <p>Under the Company's Option Plan, the Board of Directors, upon proposal of the Compensation Committee, allocates the participating members of the Executive Committee and the Board of Directors a fixed number of options or shares with a vesting for a period of at least three years (the vesting period). At the end of the vesting period, participants in the Option Plan are entitled to exercise the options granted against payment of the strike price. These options to acquire shares in the</p>	<p><b>Art. 41 Options et plan d'actions</b></p> <p>En vertu du régime d'options de la société, le conseil d'administration, sur proposition du comité de rémunération, attribue aux membres participants du comité exécutif et du conseil d'administration un nombre fixe d'options ou d'actions avec une période de blocage d'une période d'au moins trois ans (la "Période de Blocage"). À la fin de la Période de Blocage, les participants au régime d'options sont habilités à exercer les options attribuées contre paiement du prix d'exercice. Ces options d'achat d'actions de</p>

<p>Company or allocated shares are subject to the basic principles set out in the following:</p> <ul style="list-style-type: none"> <li>a) it is the sole discretion of the Board of Directors to decide whether to allocate options or shares and to whom;</li> <li>b) each year, the Board of Directors, upon proposal of the Compensation Committee, stipulates the number of options and shares to be allocated, the date of allocation and the strike price;</li> <li>c) each option incorporates a non-transferable, pre-emptive, and contingent right to acquire a certain number of Company's shares;</li> <li>d) in the case of a change of control (as defined in the Option Plan) or delisting of the Company's shares, the vesting period shall end (accelerated vesting) and the participant shall be entitled to exercise the options on a pro rata basis on the day the transaction that led to the change of control or delisting was executed. It is at the sole discretion of the Board of Directors to decide upon proposal of the Compensation Committee whether the financial objectives have been met;</li> <li>e) the individual members of the Executive Committee or the Board of Directors participating in the Option Plan are responsible for paying any taxes or social security contributions and for declaring income correctly to the authorities;</li> <li>f) it is at the sole discretion of the Board of Directors to decide whether to supplement the Option Plan within the bounds of the principles set out above or to discontinue it.</li> </ul>	<p>la société ou d'actions attribuées sont soumises aux principes de base suivants:</p> <ul style="list-style-type: none"> <li>a) il relève de la libre appréciation du conseil d'administration de décider si des options ou actions sont attribuées et à qui;</li> <li>b) chaque année, le conseil d'administration, sur proposition du comité de rémunération, fixe le nombre d'options et d'actions à attribuer, la date d'attribution et le prix d'exercice;</li> <li>c) chaque option comporte un droit non transférable, de souscription préférentielle et optionnel d'acquérir un certain nombre d'actions de la société;</li> <li>d) dans le cas d'un changement de contrôle (tel que défini dans le régime d'options) ou la radiation des actions de la société, la Période de Blocage prend fin (acquisition accélérée) et le participant est en droit d'exercer les options sur une base pro rata le jour de la transaction qui a conduit à un changement de contrôle ou le jour où la radiation a été exécutée. Il relève de la libre appréciation du conseil d'administration de décider, sur proposition du comité de rémunération, si les objectifs financiers ont été atteints;</li> <li>e) les membres individuels du comité exécutif ou du conseil d'administration qui participent au régime d'options sont responsables du paiement de tous les impôts ou cotisations de sécurité sociale et de déclarer correctement le revenu aux autorités;</li> <li>f) il relève de la libre appréciation du conseil d'administration de décider si le régime d'options est complété dans les limites des principes énoncés ci-dessus ou de l'interrompre.</li> </ul>
<p>The Company may periodically offer shares in the Company to important and long-term employees for a price being at maximum ten percent below the average volume-weighted price of the last 30 trading days at the stock</p>	<p>La société peut périodiquement offrir des actions de la société aux salariés importants et à long terme pour un prix étant au maximum dix pour cent au-dessous du prix moyen pondéré par les volumes des 30</p>

exchange. Members of the Board of Directors and the Executive Committee may be included in this program. The shares acquired thereby shall be blocked for a period of at least 3 years.	derniers jours à la bourse. Les membres du conseil d'administration et du comité exécutif peuvent être inclus dans ce programme. Les actions ainsi acquises seront bloquées pour une période d'au moins 3 ans.
<b>VIII. BUSINESS YEAR, ACCOUNTING, ALLOCATION OF PROFITS</b>	<b>VIII. EXERCICE, COMPTABILITÉ, RÉPARTITION DES BÉNÉFICES</b>
<b>Art. 42 Business Year</b>  The Board of Directors shall determine the start and the end of the Company's business year.	<b>Art. 42 Exercice</b>  Le conseil d'administration détermine le début et la fin de l'exercice de la société.
<b>Art. 43 Accounting</b>  The annual accounts consist of the profit and loss statement, the balance sheet, the cash flow statement, the annex and the management report, and shall be drawn up pursuant to the provisions of the CO, particularly of Articles 958 <i>et seq.</i> CO, and the generally accepted commercial principles and customary rules in that business area.	<b>Art. 43 Comptabilité</b>  Les comptes annuels se composent du compte de profits et pertes, du bilan, du tableau des flux de trésorerie, de l'annexe et du rapport de gestion, et sont établis conformément aux dispositions du CO, en particulier des articles 958 ss. CO, et aux principes commerciaux généralement reconnus et aux règles coutumières dans ce secteur d'activité.
If required by law, the consolidated financial statements shall be drawn in accordance with the provisions of Article 962 CO.	Si requis par la loi, les états financiers consolidés sont établis en conformité avec les dispositions de l'article 962 CO.
<b>Art. 44 Allocation of Profits</b>  Subject to the legal provisions regarding distribution of profits, the profit as shown on the balance sheet shall be allocated by the General Meeting at its discretion after receipt of the proposals of the Board of Directors and the Auditors.	<b>Art. 44 Répartition des bénéfices</b>  Sous réserve des dispositions légales en matière de répartition des bénéfices, le bénéfice comme indiqué sur le bilan doit être alloué à la libre appréciation de l'assemblée générale après réception des propositions du conseil d'administration et de l'organe de révision.
In addition to the legal reserves, the General Meeting may create supplemental reserves.	En plus des réserves légales, l'assemblée générale peut créer des réserves supplémentaires.

Dividends not claimed within five years after the due date shall remain with the Company and be allocated to the general reserves.	Les dividendes non réclamés dans les cinq ans après la date d'échéance restent avec la société et sont attribués aux réserves générales.
<b>IX. DISSOLUTION AND LIQUIDATION</b>	<b>IX. DISSOLUTION ET LIQUIDATION</b>
<b>Art. 45 Dissolution and Liquidation</b> The dissolution and liquidation of the Company shall take place in accordance with the provisions of the CO.	<b>Art. 45 Dissolution et Liquidation</b> La dissolution et la liquidation de la société ont lieu en conformité avec les dispositions du CO.
<b>X. NOTICES AND PUBLICATIONS</b>	<b>X. AVIS ET PUBLICATIONS</b>
<b>Art. 46 Notices and Publications</b> The Swiss Official Gazette of Commerce is the official publication medium.	<b>Art. 46 Avis et Publications</b> L'organe de publication légal est la Feuille officielle suisse du commerce.
Shareholder communications and notices to the shareholders shall be made by publication in the Swiss Official Gazette of Commerce or sent by mail or e-mail to the addresses registered in the share register.	Les communications et avis aux actionnaires sont effectués par publication dans la Feuille officielle suisse du commerce ou envoyés par courrier ou e-mail aux adresses enregistrées dans le registre des actions.
Unless the law provides otherwise, notices shall be given to creditors by publication in the Swiss Official Gazette of Commerce. The Board of Directors may assign further means of communication.	Sauf si la loi en dispose autrement, les avis seront envoyés aux créanciers par publication dans la Feuille officielle suisse du commerce. Le conseil d'administration peut prévoir d'autres moyens de communication.

Statuts modifiés lors de la séance du conseil d'administration du 8 juillet 2019, incluant les modifications décidées par l'assemblée générale du 28 juin 2019.

L'atteste : [illegible]

**Interim Condensed Financial Statements (Unaudited)**

**Interim Condensed Financial  
Statements (Unaudited) (IFRS) as of and for the Three and Nine Months Ended September 30, 2019**

AC Immune SA  
EPFL Innovation Park  
Building B  
1015 Lausanne  
Switzerland

## Balance Sheets

	Note	As of September 30, 2019	As of December 31, 2018
(in CHF thousands)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	3,702	3,324
Right-of-use assets	7	1,893	—
Long-term financial assets	9	304	304
<b>Total non-current assets</b>		<b>5,899</b>	<b>3,628</b>
<b>Current assets</b>			
Prepaid expenses	8	2,997	2,364
Accrued income	3	939	3,667
Finance receivable	10	100	199
Other current receivables	3	2,957	236
Short-term financial assets	9	90,000	30,000
Cash and cash equivalents	9	212,457	156,462
<b>Total current assets</b>		<b>309,450</b>	<b>192,928</b>
<b>Total assets</b>		<b>315,349</b>	<b>196,556</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital		1,436	1,351
Share premium		346,479	298,149
Accumulated losses		(55,532)	(121,877)
<b>Total shareholders' equity</b>		<b>292,383</b>	<b>177,623</b>
<b>Non-current liabilities</b>			
Long-term financing obligation	10	297	186
Long-term lease liabilities	7	1,467	—
Long-term deferred income	3	1,092	—
Net employee defined benefit liabilities		6,098	5,665
<b>Total non-current liabilities</b>		<b>8,954</b>	<b>5,851</b>
<b>Current liabilities</b>			
Trade and other payables		—	1,979
Accrued expenses		8,551	10,420
Short-term deferred income	3	4,701	351
Short-term financing obligation	10	334	332
Short-term lease liabilities	7	426	—
<b>Total current liabilities</b>		<b>14,012</b>	<b>13,082</b>
<b>Total liabilities</b>		<b>22,966</b>	<b>18,933</b>
<b>Total shareholders' equity and liabilities</b>		<b>315,349</b>	<b>196,556</b>

The accompanying notes form an integral part of these Interim Condensed Financial Statements (Unaudited).



## Statements of Income/(Loss)

	Note	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2019	2018	2019	2018
(in CHF thousands except for per share data)					
<b>Revenue</b>					
Contract revenue	3	33,411	2,305	109,964	5,791
<b>Total revenue</b>		<b>33,411</b>	<b>2,305</b>	<b>109,964</b>	<b>5,791</b>
<b>Operating expenses</b>					
Research & development expenses		(11,478)	(11,546)	(35,770)	(32,150)
General & administrative expenses		(3,956)	(2,930)	(10,835)	(8,703)
<b>Total operating expenses</b>		<b>(15,434)</b>	<b>(14,476)</b>	<b>(46,605)</b>	<b>(40,853)</b>
<b>Operating income/(loss)</b>		<b>17,977</b>	<b>(12,171)</b>	<b>63,359</b>	<b>(35,062)</b>
Finance income/(expense), net		249	(1,314)	(1,564)	(1,149)
Change in fair value of conversion feature		—	—	4,542	—
Interest income		73	—	237	3
Interest expense		(86)	(31)	(1,686)	(66)
<b>Finance result, net</b>	11	<b>236</b>	<b>(1,345)</b>	<b>1,529</b>	<b>(1,212)</b>
<b>Income/(loss) before tax</b>		<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>
<b>Income tax expense</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Income/(loss) for the period</b>		<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>
Earnings/(loss) per share (EPS):	5				
Basic income/(loss) for the period attributable to equity holders		0.25	(0.21)	0.92	(0.61)
Diluted income/(loss) for the period attributable to equity holders		0.25	(0.21)	0.92	(0.61)

## Statements of Comprehensive Income/(Loss)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
(in CHF thousands)				
Income/(loss) for the period	18,213	(13,516)	64,888	(36,274)
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	—	—	—	—
<b>Total comprehensive income/(loss), net of tax</b>	<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>

The accompanying notes form an integral part of these Interim Condensed Financial Statements (Unaudited).

## Statements of Changes in Equity

	Note	Share capital	Share premium	Accumulated losses	Total
(in CHF thousands)					
<b>Balance as of January 1, 2018</b>		<b>1,147</b>	<b>188,299</b>	<b>(72,607)</b>	<b>116,839</b>
Net income for the period		—	—	(36,274)	(36,274)
Other comprehensive loss		—	—	—	—
Total comprehensive loss		—	—	(36,274)	(36,274)
Proceeds from public offerings, net of underwriting fees		200	111,329	—	111,529
Transaction offering costs		—	(2,016)	—	(2,016)
Share-based payments		—	—	1,897	1,897
Issuance of shares:					
restricted share awards		1	468	(468)	1
exercise of options		3	18	—	21
transaction costs		—	(21)	—	(21)
<b>Balance as of September 30, 2018</b>		<b>1,351</b>	<b>298,077</b>	<b>(107,452)</b>	<b>191,976</b>

	Note	Share capital	Share premium	Accumulated losses	Total
(in CHF thousands)					
<b>Balance as of January 1, 2019</b>		<b>1,351</b>	<b>298,149</b>	<b>(121,877)</b>	<b>177,623</b>
Net income for the period		—	—	64,888	64,888
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	64,888	64,888
Share-based payments		—	—	2,027	2,027
Issuance of shares:					
conversion of note agreement, net of transaction costs		73	47,705	—	47,778
restricted share awards		—	570	(570)	—
exercise of options, net of transaction costs		12	55	—	67
<b>Balance as of September 30, 2019</b>		<b>1,436</b>	<b>346,479</b>	<b>(55,532)</b>	<b>292,383</b>

The accompanying notes form an integral part of these Interim Condensed Financial Statements (Unaudited).

## Statements of Cash Flows

	Notes	For the Nine Months Ended September 30,	
		2019	2018
(in CHF thousands)			
<b>Operating activities</b>			
Net income/(loss) for the period		64,888	(36,274)
<b>Adjustments to reconcile net income/(loss) for the period to net cash flows:</b>			
Depreciation of property, plant and equipment	6	911	695
Depreciation of right-of-use assets	7	312	—
Finance expense, net	11	1,320	1,212
Share-based compensation expense		2,027	1,897
Changes in net employee defined benefit liability		433	413
Change in fair value of conversion feature	11	(4,542)	—
Interest expense	11	1,686	37
<b>Changes in working capital:</b>			
(Increase) in prepaid expenses	8	(633)	(1,245)
Decrease in accrued income		2,728	196
(Increase)/decrease in other current receivables		(2,734)	171
(Decrease)/increase in accrued expenses		(1,941)	1,595
(Decrease)/increase in deferred income	3	5,437	(321)
(Decrease) in trade and other payables		(2,016)	(600)
<b>Cash provided by/(used in) operating activities</b>		<b>67,876</b>	<b>(32,224)</b>
Interest income		237	3
Interest paid		(138)	—
Financial costs		(11)	(101)
<b>Net cash flows provided by/(used in) operating activities</b>		<b>67,964</b>	<b>(32,322)</b>
<b>Investing activities</b>			
Short-term financial assets	9	(60,000)	—
Purchases of property, plant and equipment	6	(1,307)	(1,625)
Rent deposit		—	(84)
<b>Net cash flows used in investing activities</b>		<b>(61,307)</b>	<b>(1,709)</b>
<b>Financing activities</b>			
Proceeds from issuance of convertible loan	4	50,278	—
Principal payments of lease obligations	7	(312)	—
Proceeds from public offering of common shares, net of underwriting fees		—	111,529
Transaction costs on public offerings of common shares		—	(1,801)
Proceeds from issuance of common shares – option plan		67	21
Transaction costs on issuance of shares		(510)	(21)
Proceeds from restricted shares		—	1
Proceeds from long-term financing obligation	10	101	148
<b>Net cash flows provided by financing activities</b>		<b>49,624</b>	<b>109,877</b>
<b>Net increase in cash and cash equivalents</b>		<b>56,281</b>	<b>75,846</b>
Cash and cash equivalents at January 1		156,462	124,377
Exchange gain/(loss) on cash and cash equivalents		(286)	(1,101)
Cash and cash equivalents at September 30		212,457	199,122
<b>Net increase in cash and cash equivalents</b>		<b>56,281</b>	<b>75,846</b>

### Additional Information:

The Company settled its convertible loan via equity for CHF 48.3 million, gross of CHF 510 thousand for transaction costs.

The accompanying notes form an integral part of these Interim Condensed Financial Statements (unaudited)

**Notes to the Interim Condensed Financial Statements (Unaudited)**  
**(in CHF thousands, except share and per share amounts)**

**1. Corporate 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.

These interim condensed financial statements of AC Immune SA as of and for the three and nine months ended September 30, 2019 were authorized for issuance by the Company’s Audit Committee on November 11, 2019.

**2. Basis of preparation and changes to the Company’s accounting policies**

**Statement of compliance**

These interim condensed financial statements as of and for the three and nine months ended September 30, 2019 have been prepared in accordance with International Accounting Standard 34 (IAS 34), *Interim Financial Reporting*, and such financial information should be read in conjunction with the audited financial statements in the Company’s Annual Report on Form 20-F for the year ended December 31, 2018, and any public announcements made by the Company during the interim reporting period.

**Basis of measurement**

The financial statements have been prepared under the historical cost convention.

**Revenue recognition**

The Company enters into licensing and collaboration agreements which are within the scope of IFRS 15, under which it licenses certain proprietary rights to its product candidates and intellectual property (“IP”) to third parties. The terms of these arrangements typically include payment to the Company of one or more of the following: non-refundable, up-front license fees; development, regulatory and/or commercial milestone payments; payments for research and clinical services the Company provides through either its full-time employees or third-party vendors; and royalties on net sales of licensed commercialized products depending on the Company’s IP. Each of these payments results in license, collaboration and other revenues, which are classified as contract revenue on the statements of income/(loss), except for revenues from royalties on net sales of commercialized products depending on the Company’s IP, which are classified as royalty revenues.

*Licenses on intellectual property:* If the license to the Company’s intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenues from non-refundable, up-front fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. For licenses that are sold in conjunction with a related service, the Company uses judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time. If the performance obligation is settled over time, the Company determines the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, up-front fees. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

*Milestone payments:* At the inception of each arrangement that includes development, regulatory and/or commercial milestone payments, the Company evaluates whether the milestones are considered highly probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is highly probable that a significant revenue reversal would not occur in future periods, the associated milestone value is included in the transaction price. These amounts for the performance obligations under the contract are recognized as they are satisfied. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of such milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments recorded would affect contract revenues and earnings in the period of adjustment.

*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. The Company assesses if these services are considered distinct in the context of each contract and, if so, they are accounted for as separate performance obligations. These revenues are recorded in contract revenue as the services are performed.

*Sublicense revenues:* The Company has certain arrangements with our collaboration partners that include provisions for sublicensing. The Company recognizes any sublicense revenues at the point in time it is highly probable to obtain and not subject to reversal in the future.

*Royalties:* For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). To date, the Company has not recognized any royalty revenue resulting from any of its licensing and collaboration agreements.

*Contract balances:* The Company receives payments and determines credit terms from its licensees for its various performance obligations based on billing schedules established in each contract. The timing of revenue recognition, billings and cash collections results in billed other current receivables, accrued income (contract assets), and deferred income (contract liabilities) on the balance sheet. Amounts are recorded as other current receivables when the Company's right to consideration is unconditional. The Company does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the licensees and the transfer of the promised goods or services to the licensees will be one year or less.

### **Critical judgments and accounting estimates**

The preparation of the Company's interim condensed financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the amounts reported in the interim condensed financial statements and accompanying notes and the related application of accounting policies as it relates to 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 licensing and collaboration agreements, (ii) clinical development accruals, (iii) net employee defined benefit liability, (iv) income taxes, (v) share-based compensation and (vi) right-of-use assets and lease liabilities. 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.

### **Accounting policies, new standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2018, except for the adoption of new standards and interpretations effective as of January 1, 2019. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### ***Recent accounting pronouncements – recently adopted***

##### *IFRS 16 – Leases*

Effective January 1, 2019, the Company adopted IFRS 16 Leases which provides a new model for lessee accounting in which all leases, other than short-term and low-value leases, are accounted for by the recognition on the balance sheet of a right-of-use asset and a lease liability, and the subsequent amortization of the right-of-use asset over the earlier of the end of the useful life or the lease term. The Company applied the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying IFRS 16 as of January 1, 2019 to accumulated losses and not to restate prior years. Since the Company recognized the right-of-use assets at the amount equal to the lease liabilities there was no impact to accumulated losses. For a complete discussion of accounting, see Note 7, "Right-of-use assets and lease liabilities."

The Company has elected to apply the following practical expedients in adopting IFRS 16: (i) not to recognize right-of-use assets and lease liabilities for leases of low value (i.e. approximate fair value of USD 5,000), (ii) to apply a single discount rate to our property leases and to our portfolio of office equipment leases, respectively, (iii) to apply hindsight in determining the lease term for contracts which contain certain options to extend or terminate the lease, (iv) to account for each lease component and any non-lease components as a single lease component and (v) to rely on our assessment of whether leases were onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of application. The Company's weighted average incremental borrowing rate calculated as of January 1, 2019 was 2.54%.

The following table reconciles the Company's operating lease obligations at December 31, 2018, as previously disclosed in the Company's consolidated financial statements on Form 20-F, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019.

	<b>(in CHF thousands)</b>
Operating lease commitments at December 31, 2018	861
Discounted using the incremental borrowing rate at January 1, 2019	847
Recognition exemption for short-term leases	(535)
Recognition exemption for leases of low value	—
Extension options reasonably certain to be exercised	1,873
<b>Lease obligation recognized at January 1, 2019</b>	<b>2,185</b>

In accordance with the adoption of IFRS 16 *Leases* as of January 1, 2019, the Company recorded at initial recognition a non-cash CHF 2.2 million right-of-use asset and corresponding lease liability. Comparative information has not been restated. The Company's statement of income/(loss) for the three and nine months ended September 30, 2019 was impacted by an increase for depreciation of right-of-use of leased assets CHF 0.1 million and CHF 0.3 million, respectively. The impact for interest expense was less than CHF 0.1 million for both periods, respectively. During the same periods, the Company's cash flow statement was impacted by a shift from cash generated from operations of CHF 0.3 million to the net cash used in financing activities. Overall, IFRS 16 was cash flow neutral for the Company.

The Company made the following changes in presentation: in the balance sheets, additional line items to reflect the right-of-use assets, the non-current and the current lease liabilities and in the statement of cash flows, additional line items related to the depreciation of the right-of-use of leased assets and repayment of the principal portion of the lease payments.

#### *Impact on accounting for leases*

At inception of a leasing contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company generally uses the rate implicit in the contract or its incremental borrowing rate. Lease payments generally are fixed for the contract term. The lease liability is measured at amortized cost using the effective interest method. The lease liability is remeasured if there is change in the estimated lease term, a change in future lease payments arising from a change in an index or rate, a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or a change in assessment of whether it will exercise a purchase, extension or termination option.

The estimated lease term by right-of-use asset categories are as follows:

Buildings	5 years
Office equipment	5 years

At inception, the right-of-use asset comprises the initial lease liability and any initial direct costs. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Both the right-of-use-assets and lease liabilities are recognized in the balance sheets.

### Accounting pronouncements – not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### Going concern

The Company believes it will be able to meet all of its obligations as they fall due for at least 12 months from September 30, 2019 after considering the Company's cash position of CHF 212.5 million and short-term financial assets of CHF 90 million as of September 30, 2019. Hence, the unaudited interim condensed financial statements have been prepared on a going concern basis.

To date, the Company has financed its cash requirements primarily from its public offerings, share issuances and revenues from license and collaboration agreements. The Company is a clinical stage company and is exposed to all the risks inherent to establishing a business. Inherent to the Company's business are various risks and uncertainties, including the substantial uncertainty as to whether current projects will succeed. The Company's success may depend in part upon its ability to (i) establish and maintain a strong IP position and protection, (ii) enter into collaborations with partners in the biotech and pharmaceutical industry, (iii) successfully move its product candidates through clinical development, (iv) attract and retain key personnel, and (v) acquire capital to support its operations.

### 3. Revenues

AC Immune generated revenues of CHF 33.4 million and CHF 110 million in the three and nine months ended September 30, 2019, an increase of CHF 31.1 million and an increase of CHF 104.2 million over the comparable periods in 2018, respectively.

	For the Three Months Ended September 30,	
	2019	2018
	(in CHF thousands)	
Eli Lilly	30,248	—
Genentech	—	—
Janssen	740	1,052
Life Molecular Imaging	2,206	—
Biogen	—	983
Other	217	270
<b>Total contract revenue</b>	<b>33,411</b>	<b>2,305</b>

	<b>For the Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in CHF thousands)</b>	
Eli Lilly	104,548	—
Genentech	—	—
Janssen	1,413	1,823
Life Molecular Imaging	2,206	—
Biogen	1,063	3,133
Other	734	835
<b>Total contract revenue</b>	<b>109,964</b>	<b>5,791</b>

### 3.1 Licensing and collaboration agreements

The following table presents changes in the Company's contract assets and liabilities during the nine months ended September 30, 2019 and 2018:

	<b>Balance at the beginning of the reporting period</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at the end of the reporting period</b>
	<b>(in CHF thousands)</b>			
<b>September 30, 2019:</b>				
Accrued income	3,667	2,041	(4,769)	939
Deferred income	351	7,686	(2,244)	5,793
<b>September 30, 2018:</b>				
Accrued income	2,799	4,782	(4,978)	2,603
Deferred income	355	909	(1,222)	42

During the three and nine months ended September 30, 2019 and 2018, the Company recognized the following revenues as a result of changes in the contract asset and the contract liability balances in the respective periods:

	<b>For the Three Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in CHF thousands)</b>	
<b>Revenue recognized in the period from:</b>		
Amounts included in the contract liability at the beginning of the period	385	417
Performance obligations satisfied in previous periods	32,206	—

	<b>For the Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in CHF thousands)</b>	
<b>Revenue recognized in the period from:</b>		
Amounts included in the contract liability at the beginning of the period	356	1,230
Performance obligations satisfied in previous periods	2,206	—

#### *Tau Morphomer Small Molecule – 2018 license agreement with Eli Lilly and Company*

In December 2018, we entered into an exclusive, worldwide licensing agreement with Eli Lilly and Company ("Lilly") to research and develop Tau Morphomer small molecules for the treatment of Alzheimer's disease and other neurodegenerative diseases. The agreement became effective on January 23, 2019 when the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, expired. On September 19, 2019, the Company and Lilly entered into an amendment to divide the first discretionary milestone payment under the agreement of CHF 60 million into two installments with the first CHF 30 million paid in Q3 2019 and the second CHF 30 million to be paid on or before March 31, 2020 unless Lilly earlier terminates the agreement.



Per the terms of the agreement, the Company received an initial upfront payment of CHF 80 million in February 2019. The Company is conducting the development of Tau Morphomer small molecules through the completion of Phase 1, which commenced in the first half of 2019. Lilly will lead and fund further clinical development and will retain global commercialization rights for all indications, including Alzheimer's disease, Progressive Supranuclear Palsy and other neurodegenerative diseases.

Per the terms of the agreement, the Company may become eligible to receive additional milestone payments totaling up to approximately CHF 840 million for clinical and regulatory milestones and CHF 900 million upon achievement of certain commercial milestones. In addition to milestones, we will be eligible to receive royalties on sales at a percentage rate ranging from the low-double digits to the mid-teens. The agreement will terminate by the date of expiration of the last royalty term for the last licensed product. However, under the terms of the agreement, Lilly may terminate the agreement at any time after March 31, 2020 by providing three months' notice to us.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Lilly is a customer. The Company identified the following significant performance obligations under the contract: (i) a right-of-use license and (ii) research and development activities outlined in the development plan. The valuation of each performance obligation involves estimates and assumptions with revenue recognition timing to be determined either by delivery or the provision of services.

The Company used the residual approach to estimate the selling price for the right-of-use license and an expected cost plus margin approach for estimating the research and development activities. The right-of-use license was delivered on the effective date. The research and development activities are expected to be delivered over time as the services are performed. For these services, revenue will be recognized over time using the input method, based on costs incurred to perform the services, since the level of costs incurred over time is thought to best reflect the transfer of services to Lilly. The Company determined the value of the research and development activities to be CHF 6.9 million and deferred this balance from the effective date. As of September 30, 2019, the Company has released CHF 1.5 million of deferred income (contract liability) yielding a balance of CHF 5.5 million of which CHF 1.1 million is long-term. The remaining CHF 73.1 million from the upfront payment was allocated to the right-of-use license and recognized on the effective date. Additionally, as recognized in the amendment, the Company earned and received a CHF 30 million milestone payment as of September 30, 2019.

At inception, none of the clinical, regulatory or commercial milestones had been included in the transaction price, as all milestone amounts were fully constrained. In assessing that future clinical, regulatory or commercial milestones are fully constrained, the Company considered numerous factors to determine that these milestones are not highly probable to obtain, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials and the licensee's efforts. Any consideration related to sales-based milestones (including royalties) will be recognized when the related sales occur as they were determined to relate predominantly to the license granted to Lilly and therefore have also been excluded from the transaction price. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

#### *Anti-Abeta antibody in AD – 2006 agreement with Genentech*

In November 2006, we signed an exclusive, worldwide licensing agreement for crenezumab, our humanized monoclonal antibody targeting misfolded Abeta. The value of this partnership is potentially greater than USD 340 (CHF 341) million.

The term of the agreement commenced on the Effective Date and, unless sooner terminated by mutual agreement or pursuant to any other provision of the agreement, terminates on the date on which all obligations between the Parties with respect to the payment of milestones or royalties with respect to Licensed Products have passed or expired. Either party may terminate the agreement for any material breach by the other Party, provided a cure period of 90 days from the date notice is given.

Genentech commenced a first Phase 3 clinical study in March 2016 for crenezumab (CREAD 1). In March 2017, Genentech started a second Phase 3 clinical trial (CREAD 2). Since 2013, Crenezumab is also studied in a Phase 2 trial in individuals who carry the PSEN1 E280A autosomal-dominant mutation and do not meet the criteria for mild cognitive impairment due to AD or dementia due to AD and are, thus, in a preclinical phase of AD (autosomal dominant AD (ADAD)). In 2019, Genentech initiated a Tau Positron Emission Tomography (PET) substudy to the ongoing Phase 2 trial in ADAD to evaluate the effect of crenezumab on tau burden which may also increase the understanding of disease progression in the preclinical stage of ADAD.

If crenezumab receives regulatory approval, we will be entitled to receive royalties that are tied to annual sales volumes with different royalty rates applicable in the U.S. and Europe. To date, we have received total milestone payments of USD 65 million (CHF 70.1 million) comprised of a USD 25 (CHF 31.6) million up-front payment and USD 40 (CHF 38.2) million for clinical development milestones achieved all in prior to January 1, 2017. Genentech may terminate the agreement at any time by providing three months' notice to us. In such event all costs incurred are still refundable.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Genentech is a customer. The Company identified the following performance obligations under the contract: (i) a right-of-use license and (ii) conduct of research under a research plan. The Company considered the research and development capabilities of Genentech and Genentech's right to sublicense to conclude that the license has stand-alone functionality and is distinct. The Company's obligation to perform research does not significantly impact or modify the licenses' granted functionality.

At execution of the agreement, the transaction price included the USD 25 (CHF 31.6) million up-front consideration received. At inception, none of the clinical or regulatory milestones had been included in the transaction price, as all milestone amounts were fully constrained. The Company has received three milestone payments since inception totaling USD 40 (CHF 38.2) million. The Company could receive greater than USD 275 (CHF 276) million or more for further regulatory milestones for this exclusive, worldwide alliance. In assessing that future regulatory milestones are fully constrained, the Company considered numerous factors, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials and the licensee's efforts. Any consideration related to royalties will be recognized when the related sales occur as they were determined to relate predominantly to the license granted to Genentech and therefore have also been excluded from the transaction price. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

On January 30, 2019, we announced that Roche, the parent of Genentech, is discontinuing the CREAD 1 and CREAD 2 (BN29552 and BN29553) Phase 3 studies of crenezumab in people with prodromal to mild sporadic AD. The decision came after an interim analysis conducted by the Independent Data Monitoring Center ("IDMC") indicated that crenezumab was unlikely to meet its primary endpoint of change from baseline in Clinical Dementia Rating-Sum of Boxes (CDR-SB) Score. This decision was not related to the safety of the investigational product. No safety signals for crenezumab were observed in this analysis and the overall safety profile was similar to that seen in previous trials.

Crenezumab continues to be studied in the Phase 2 preventive trial, which began in 2013, of cognitively healthy individuals in Columbia who carry the PSEN1 E280A autosomal-dominant mutation and are in a preclinical phase of ADAD. This study will determine if treating people carrying this mutation with crenezumab prior to the onset of AD symptoms will slow or prevent the decline of cognitive and functional abilities.

For the three and nine months ended September 30, 2019 and 2018, we have recognized no revenues from this arrangement.

#### *Anti-Tau antibody in AD – 2012 agreement with Genentech*

In June 2012, we entered into a second agreement with Genentech to research, develop and commercialize our anti-Tau antibodies for use as immunotherapeutics. The value of this exclusive, worldwide alliance is potentially greater than CHF 400 million and includes upfront and clinical, regulatory and commercial milestone payments. In addition to milestones, we will be eligible to receive royalties on sales at a percentage rate ranging from the mid-single digits to the high-single digits. The agreement also provides for collaboration on two additional indications built on the same anti-Tau antibody program as well as potential anti-Tau diagnostic products.

The term of the agreement commenced on the Effective Date and, unless sooner terminated by mutual agreement or pursuant to any other provision of the agreement, terminates on the date on which all obligations between the Parties with respect to the payment of milestones or royalties with respect to Licensed Products have passed or expired. Either party may terminate the agreement for any material breach by the other Party, provided a cure period of 90 days from the date notice is given.

To date, we have received payments totaling CHF 59 million, including a CHF 14 million milestone payment received and recognized in the fourth quarter of 2017 associated with the first patient dosing in a Phase 2 clinical trial for AD with an anti-Tau monoclonal body known as semorinemab, a CHF 14 million milestone payment recognized in the second quarter of 2016 and received in July 2016, associated with the announcement of the commencement of the Phase 1 clinical study of the lead anti-Tau antibody candidate and a CHF 14 million milestone payment received in 2015 in connection with the ED-GO decision. As we met all performance obligations on reaching these milestones, we have recognized revenue in the respective periods. Genentech may terminate the agreement at any time by providing three months' notice to us.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Genentech is a customer. The Company identified the following performance obligations under the contract: (i) a right-of-use license and (ii) conduct of research under a research plan. The Company considered the research and development capabilities of Genentech and Genentech's right to sublicense to conclude that the license has stand-alone functionality and is distinct. The Company's obligation to perform research does not significantly impact or modify the licenses' granted functionality.

At execution of the agreement, the transaction price included CHF 17 million up-front consideration received. At inception, none of the clinical or regulatory milestones had been included in the transaction price, as all milestone amounts were fully constrained. The Company has received three milestones since inception totaling CHF 42 million. The Company could also receive up to an additional CHF 368.5 million in clinical, regulatory and commercial milestones. In assessing that future clinical, regulatory or commercial milestones are fully constrained, the Company considered numerous factors, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials. Any consideration related to sales-based milestones (including royalties) will be recognized when the related sales occur as they were determined to relate predominantly to the license granted to Genentech and therefore have also been excluded from the transaction price. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

For the three and nine months ended September 30, 2019 and 2018, we have recognized no revenues from this arrangement.

#### *Tau Vaccine in AD – 2014 agreement with Janssen Pharmaceuticals*

In December 2014, we entered into an agreement with Janssen Pharmaceuticals, Inc. ("Janssen") one of the Janssen Pharmaceutical Companies of Johnson & Johnson, to develop and commercialize therapeutic anti-Tau vaccines for the treatment of AD and potentially other Tauopathies. The value of this partnership is potentially up to CHF 500 million and includes upfront and clinical, regulatory and commercial milestones. In addition to milestones, we will be eligible to receive royalties on sales at a percentage rate ranging from the low-double digits to the mid-teens. In July 2017 and January 2019, the Companies entered into the Second and Third Amendments, respectively. These Amendments allow for the alignment of certain payment and activity provisions with the Development Plan and Research Plan activities. We and Janssen will co-develop second generation lead therapeutic vaccines, ACI-35.030 and JACI-35.054, through Phase 1b/2a completion. AC Immune and Janssen will jointly share R&D costs until the completion of the first Phase 2b. From Phase 2b and onwards, Janssen will assume responsibility for the clinical development, manufacturing and commercialization of the second generation vaccines.

Under the terms of the agreement, Janssen may terminate the agreement at any time after completion of the first Phase 1b clinical study in 2016 by providing 90 days' notice to us. If not otherwise terminated, the agreement shall continue until the expiration of all royalty obligations as outlined in the contract.

The agreement also allows for the expansion to a second indication based on the same anti-Tau vaccine program and based on intellectual property related to this program.

The Company received a CHF 25.9 million up-front, non-refundable license fee which we recognized as revenue in 2014. In May 2016, we received a CHF 4.9 million payment for reaching a clinical milestone in the first Phase 1b study. As we met all performance obligations on reaching the milestone, we have recognized this income as revenue.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Janssen is a customer. The Company identified the following performance obligations under the contract: (i) a right-of-use license and (ii) research and development services including a Development and CMC work plan. The Company considered the research and development capabilities of Janssen, Janssen's right to sublicense, and the fact that the research and development services are not proprietary and can be provided by other vendors, to conclude that the license has stand-alone functionality and is distinct. The Company's obligation to perform research and development services does not significantly impact or modify the licenses' granted functionality. Based on these assessments, the Company identified the license and the research and development services as the performance obligations at the inception of the arrangement, which were deemed to be distinct in the context of the contract.

At execution of the agreement, the transaction price included only the CHF 25.9 million up-front consideration received. At inception, none of the clinical, regulatory or commercial milestones has been included in the transaction price, as all milestone amounts were fully constrained. The Company did receive a CHF 4.9 million payment for reaching a clinical milestone in the first Phase 1b study in May 2016. The Company could also receive up to more than CHF 458 million in clinical, regulatory and commercial milestones as well as tiered, low-double digit to mid-teen royalties on aggregate net sales of products. In assessing that future clinical, regulatory or commercial milestones are fully constrained, the Company considered numerous factors to determine that these milestones are not highly probable to obtain, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials and the licensee's efforts. Any consideration related to sales-based milestones (including royalties) will be recognized when the related sales occur as they were determined to relate predominantly to the license granted to Janssen and therefore have also been excluded from the transaction price. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

For the three months ended September 30, 2019 and 2018 we have recognized CHF 0.7 million and CHF 1.1 million, respectively. For the nine months ended September 30, 2019 and 2018 we have recognized CHF 1.4 million and CHF 1.8 million, respectively.

*Tau-PET imaging agent in AD –2014 agreement with Life Molecular Imaging (formerly Piramal Imaging SA)*

In May 2014, we entered into an agreement, our first diagnostic partnership, with Life Molecular Imaging ("Life Molecular"), the former Piramal Imaging SA. The partnership with Life Molecular is an exclusive, worldwide licensing agreement for the research, development and commercialization of the Company's Tau protein Positron Emission Tomography (PET) tracers supporting the early diagnosis and clinical management of AD and other Tau-related disorders and includes upfront and sales milestone payments totaling up to EUR 159 (CHF 174.4) million, plus royalties on sales at a percentage rate ranging from mid-single digits to low double digits. If not earlier terminated, the agreement shall continue until the date of expiration of the last to expire royalty term.

In connection with this agreement, AC Immune received a EUR 500 (CHF 664) thousand payment which was fully recognized in 2015. In Q1 2017, we recorded a EUR 1 (CHF 1.1) million milestone related to the initiation of "Part B" of the first-in-man Phase 1 study. In Q3 2019, the Company recognized EUR 2 (CHF 2.2) million in connection with the initiation of a Phase 2 Trial of Tau PET Tracer in patients with mild cognitive impairment (MCI) and mild to moderate AD in comparison with non-demented control (NDC) participants. As of September 30, 2019, this amount is recorded within "other current receivables" in our balance sheets. The Company is eligible to receive variable consideration related to the achievement of certain clinical milestones totaling EUR 8 (CHF 8.6) million should the compound make it through Phase 3 clinical studies. We are also eligible to receive potential regulatory and sales based milestones totaling EUR 148 (CHF 161.9) million. The Company is also eligible for royalties from the mid-single digits to low-double digits.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Life Molecular is a customer. The Company has identified that the right-of-use license as the only performance obligation. The Company determined that transaction price based on the defined terms allocated to each performance obligation specified in the contract.

The upfront payment constitutes the amount of consideration to be included in the transaction price and has been allocated to the license. None of the clinical, regulatory and commercial milestones have been included in the transaction price as these variable consideration elements are considered fully constrained. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials and the licensee's efforts.

Any consideration related to sales-based milestones (including royalties) will be recognized when the related sales occur as these amounts have been determined to relate predominantly to the license granted to Life Molecular and therefore are recognized at the later of when the performance obligation is satisfied or the related sales occur. The Company considered Life Molecular's right to sublicense and develop the Tau Protein PET tracers, and the fact that Life Molecular could perform the research and development work themselves within the license term without AC Immune, to conclude that the license has stand-alone functionality and is distinct. The Company believes that the contracted amount represents the fair value. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

For the three months ended September 30, 2019 and 2018, the Company has recognized CHF 2.2 million and no revenues from this agreement. For the nine months ended September 30, 2019 and 2018, the Company has recognized CHF 2.2 million and no revenues from this agreement.

*Alpha-synuclein and TDP-43 PET tracers in AD – 2016 agreement with Biogen*

On April 13, 2016, we entered into a non-exclusive research collaboration agreement with Biogen International GmbH, ("Biogen"). Under the agreement, we and Biogen have agreed to collaborate in the research and early clinical development of our alpha-synuclein PET tracer program for Parkinson's disease and other synucleinopathies, and a second program for the identification, research and development of novel PET ligands against TDP-43, a protein recently linked to neurodegeneration in diseases such as amyotrophic lateral sclerosis. In addition, we have agreed to share the costs of the collaboration, with Biogen primarily funding the majority of research costs, subject to a cap, which includes an upfront technology access fee and funding towards research and development personnel. We own all intellectual property rights to any invention relating to alpha-synuclein or TDP-43 PET tracers.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Biogen is a customer. The Company has identified two performance obligations in our Biogen collaboration: (i) technology access fee and (ii) research and development services. The Company determined the transaction price based on the defined terms allocated to each performance obligation specified in the contract. In instances where the Company is reimbursed for research and development contributions procured from third parties such as negotiated terms with clinical research organizations, AC Immune records revenues for such services as it is acting as a principal in procuring the goods or services. The Company has the primary responsibility for fulfilling the promise to provide the specified good or service, it has inventory risk before transfer to the customer and it has discretion in negotiating the price with third parties. For other research and development services, revenues are recognized as work is performed, which correspond with, and best depict the transfer of control to the customer in line with the terms outlined in the contract.

For the three months ended September 30, 2019 and 2018, the Company has recognized nil and CHF 1.0 million, respectively. For the nine months ended September 30, 2019 and 2018, the Company has recognized CHF 1.1 million and CHF 3.1 million, respectively. This collaboration concluded on April 13, 2019.

*Recombinant protein therapeutic candidate – 2017 agreement with Essex Bio-Technology Limited*

On May 19, 2017, we entered into a Research Project agreement with Essex Bio-Technology Limited, or Essex, to develop a recombinant protein therapeutic candidate acting on a unique neuroprotective mechanism for treatment of neurological diseases, such as AD and frontotemporal dementia. Essex will provide joint research commitment as well as financial support to AC Immune for the pre-IND development of the biological agent.

Subject to the terms of this agreement, Essex and the Company have the right to terminate by providing 60 days' notice to the other Party. Otherwise, the agreement shall remain in force until the later of the (i) completion of the Research and Development program or (ii) five years from the Effective date.

As part of this agreement, the parties have agreed to an initial two-year Research Plan, which intends to develop a basic Fibroblast Growth Factor as a therapeutic for the treatment of neurodegenerative diseases and to generate novel antibody therapeutics.

AC Immune assessed this arrangement in accordance with IFRS 15 and concluded that Essex Bio-Technology is a customer. AC Immune has identified that its performance obligation is for full-time employees to provide research support.

The transaction price consists of the contractual amounts to recognize for the full-time employee charges. For the full-time employee charges, we recorded revenues throughout the period based on the contractual rates over the service period as this best depicts the transfer of control to Essex.

For the three months ended September 30, 2019 and 2018, the Company has recognized less than CHF 0.1 million and CHF 0.2 million, respectively. For the nine months ended September 30, 2019 and 2018, the Company has recognized CHF 0.4 and CHF 0.6 million, respectively.

#### *Grant continuations from the Michael J. Fox Foundation*

On September 16, 2017, we formally signed a grant continuation with the Michael J. Fox Foundation for Parkinson's disease research ("MJFF"). This grant provides funds for the development of PET tracers for pathological forms of the protein alpha-synuclein, to support the early diagnosis and clinical management of Parkinson's disease. We have since received two additional grants. The first in November 2018 is to conduct a first-in-human ("FiH") study in 2019. This grant aims to facilitate the execution of a FiH study for a potential alpha-synuclein PET tracer ("PET tracer") with the current lead compound. The second in August 2019 is a supplement for the further development of the PET tracer.

As part of both the November 2018 and August 2019 grants, the MJFF expects that AC Immune will complete tasks according to the agreed timelines. AC Immune's funding is variable depending on the satisfactory achievement of specific tasks. The Company identified various milestones to achieve and these are outputs of the Company's standard services to develop its PET tracer. The services themselves over time are considered the performance obligation and not each a distinct performance obligation. Therefore, AC Immune has determined it has one performance obligation in the arrangement: the clinical and regulatory services in support of the development of the alpha-synuclein PET tracer.

The transaction price consists of the contractual amount of CHF 0.3 million and CHF 0.6 million for the two grants, respectively which is allocated to the services performed. However, the consideration is variable dependent upon AC Immune's completion of key milestones. Using the most likely amount method, AC Immune assessed the project funding and likelihood of milestone obtainment. Management estimated a 100% likelihood of completing all milestones under the terms of the grant and no discount of the transaction price is taken. The Company therefore recognizes the revenues associated with these grants as services are performed. Quarterly, the Company estimates its progress and whether to constrain further revenue recognition. There are no constraints assessed as of September 30, 2019.

For the three months ended September 30, 2019 and 2018, the Company has recognized CHF 0.2 million and CHF 0.1 million, respectively. For the nine months ended September 30, 2019 and 2018, the Company has recognized CHF 0.4 million and CHF 0.3 million, respectively. The Company has also recorded CHF 0.3 million as short-term deferred income. The Company may expect to recognize approximately CHF 0.5 million through the end of these grants.

#### **4. Share capital**

The Company and Lilly entered into a convertible note agreement effective January 23, 2019 for USD 50.0 (CHF 50.3) million. On April 25, 2019, the Convertible Note Agreement with Lilly automatically converted in line with the terms of the agreement. As a result of this conversion, 3,615,328 of our common shares were issued to Lilly. This note is now fully settled and there is no further equity or cash consideration due to Lilly thereunder.

## 5. Earnings/(loss) per share

	<b>For the Three Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in CHF thousands except for share and per share data)</b>	
<b>Basic income/(loss) per share (EPS):</b>		
<b>Numerator:</b>		
Net income/(loss) attributable to equity holders of the Company	18,213	(13,516)
<b>Denominator:</b>		
Weighted-average number of shares outstanding to equity holders	71,822,884	64,862,822
Basic income/(loss) for the period attributable to equity holders	<u>0.25</u>	<u>(0.21)</u>
<b>Diluted income/(loss) per share (EPS):</b>		
<b>Numerator:</b>		
Net income/(loss) attributable to equity holders of the Company	18,213	(13,516)
<b>Denominator:</b>		
Weighted-average number of shares outstanding to equity holders	71,822,884	64,862,822
Effect of dilutive securities from equity incentive plans	458,380	—
Weighted-average number of shares outstanding – diluted to equity holders	<u>72,281,264</u>	<u>64,862,822</u>
Diluted income/(loss) for the period attributable to equity holders	0.25	(0.21)

	<b>For the Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in CHF thousands except for share and per share data)</b>	
<b>Basic income/(loss) per share (EPS):</b>		
<b>Numerator:</b>		
Net income/(loss) attributable to equity holders of the Company	64,888	(36,274)
<b>Denominator:</b>		
Weighted-average number of shares outstanding to equity holders	70,184,257	59,912,283
Basic income/(loss) for the period attributable to equity holders	<u>0.92</u>	<u>(0.61)</u>
<b>Diluted income/(loss) per share (EPS):</b>		
<b>Numerator:</b>		
Net income/(loss) attributable to equity holders of the Company	64,888	(36,274)
<b>Denominator:</b>		
Weighted-average number of shares outstanding to equity holders	70,184,257	59,912,283
Effect of dilutive securities from equity incentive plans	516,433	—
Weighted-average number of shares outstanding – diluted to equity holders	<u>70,700,690</u>	<u>59,912,283</u>
Diluted income/(loss) for the period attributable to equity holders	0.92	(0.61)

Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows:

	<b>For the Three Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
Share options issued and outstanding	1,522,923	1,389,796
Restricted share awards subject to future vesting	—	138,548
	<b>For the Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
Share options issued and outstanding	1,023,279	1,335,402
Restricted share awards subject to future vesting	—	123,096
Convertible shares	1,218,352	—

## 6. Property, plant and equipment

As of September 30, 2019					
	Furniture	Computers /IT	Lab Equipment	Leasehold Improvements	Total
(in CHF thousands)					
<b>Acquisition cost:</b>					
Balance at the end of the previous year	126	1,025	5,367	350	6,868
Acquisitions	60	221	994	32	1,307
Disposals	(33)	(129)	(139)	(7)	(308)
<b>Balance at end</b>	<b>153</b>	<b>1,117</b>	<b>6,222</b>	<b>375</b>	<b>7,867</b>
<b>Accumulated depreciation:</b>					
Balance at the end of the previous year	(77)	(455)	(2,857)	(155)	(3,544)
Depreciation expense	(17)	(204)	(647)	(43)	(911)
Disposals	33	113	137	7	290
<b>Balance at end</b>	<b>(61)</b>	<b>(546)</b>	<b>(3,367)</b>	<b>(191)</b>	<b>(4,165)</b>
<b>Carrying amount:</b>					
December 31, 2018	49	570	2,510	195	3,324
September 30, 2019	92	571	2,855	184	3,702

The Company continues to enhance its laboratory equipment to support its research and development activities. This effort has accelerated since the year ended December 31, 2018, with CHF 0.9 million invested in lab equipment representing a 16.3% increase. This is consistent with the Company's long term strategic plan.

## 7. Right-of-use assets and lease liabilities

As of January 1, 2019, the Company recognized CHF 2.2 million of right-of-use of leased assets and lease liabilities. Thereof CHF 2.1 million are related to buildings and CHF 0.1 million to office equipment.

During the interim period, the Company recognized depreciation expense of CHF 0.3 million for buildings and an immaterial amount for office equipment. The Company did not recognize additions of right-of-use of leased assets for buildings or for office equipment for the nine months ended September 30, 2019. Regarding lease liabilities, the amortization depends on the applied incremental borrowing rate for the respective lease component. The weighted averages of the incremental borrowing rates are 2.5% for buildings and 4.2% for office equipment, respectively.

The following table shows the movements in the net book values of right-of-use of leased assets for the period ended September 30, 2019:

	Buildings	Office Equipment	Total
(in CHF thousands)			
Balance as of January 1, 2019	2,106	79	2,185
Additions	—	30	30
Disposals	—	(10)	(10)
Depreciation	(299)	(13)	(312)
<b>Balance as of September 30, 2019</b>	<b>1,807</b>	<b>86</b>	<b>1,893</b>



The Company's total expense for short-term leases and leases of low-value was CHF 0.1 million and CHF 0.4 million for the three and nine months ended September 30, 2019. There are no variable lease payments which are not included in the measurement of lease obligations. All extension options have been included in the measurement of lease obligations.

The following table presents the contractual undiscounted cash flows for lease obligations as of September 30, 2019:

	<b>(in CHF thousands)</b>
Less than one year	470
1 – 3 years	940
3 – 5 years	591
<b>Total</b>	<b>2,001</b>

#### 8. Prepaid expenses

Prepaid expenses include prepaid research and development costs, administrative costs and net employee defined benefit liability expenses totaling CHF 3.0 million and CHF 2.4 million as of September 30, 2019 and December 31, 2018, respectively.

#### 9. Cash and cash equivalents and financial assets

The following table summarizes the Company's cash and cash equivalents and short-term financial assets as of September 30, 2019 and December 31, 2018:

	<b>As of</b>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>
	<b>(in CHF thousands)</b>	
Cash and cash equivalents	212,457	156,462
<b>Total</b>	<b>212,457</b>	<b>156,462</b>

	<b>As of</b>	
	<b>September 30, 2019</b>	<b>December 31, 2018</b>
	<b>(in CHF thousands)</b>	
Short-term financial assets due in one year or less	90,000	30,000
<b>Total</b>	<b>90,000</b>	<b>30,000</b>

The Company also has two deposits in escrow accounts totaling CHF 0.3 million for the lease of the Company's premises as of September 30, 2019 and December 31, 2018, respectively.

#### 10. Financing obligation

On January 4, 2016, September 13, 2016 and January 26, 2018 for fiscal years 2016, 2017 and 2018, respectively, AC Immune obtained separate funding commitment notices from the LuMind Research Down Syndrome Foundation ("LuMind") totaling USD 200 thousand in each instance. Per the Research Grant Agreement, AC Immune has an obligation to reimburse LuMind for an amount equal to 125% of the then funding commitment made by LuMind to AC Immune.

On October 31, 2018, LuMind and the Company modified the repayment terms in an effort to fund a Down Syndrome Clinical Trials Network. The repayment terms were modified such that the Company will repay the outstanding balance in three installments in 2018, 2019 and 2020, with the total repayment to equal the total the Company is to receive in funding with the additional 25% interest.

The Company reclassified a certain portion of long-term financing obligation from non-current to current liabilities in the balance sheets to reflect the amended repayment terms. Additionally, per this modified payment term, the Company and LuMind memorialized the receipt of one final USD 200 (CHF 200) thousand payment due from LuMind in 2019. The Company recorded this as a finance receivable and an increase to the obligation accordingly. As of September 30, 2019 and December 31, 2018, we had finance receivables of USD 100 (CHF 100) thousand and USD 200 (CHF 199) thousand, respectively.

As of September 30, 2019 and December 31, 2018, AC Immune has recorded in current liabilities a short-term financing obligation for the total USD 333 (CHF 334) thousand and USD 333 (CHF 332) thousand committed, respectively. As of September 30, 2019 and December 31, 2018, the Company recorded a long-term financing obligation for the total USD 297 (CHF 297) thousand and USD 187 (CHF 186) thousand, respectively.

#### **11. Finance result, net**

For the three months ended September 30, 2019 and 2018, the Company recorded CHF 0.2 million in net financial gains and CHF 1.3 million in net financial losses, respectively. The Company incurred CHF 0.1 million in interest expense during the period. Finally, the Company had CHF 0.3 million in foreign currency remeasurement gains.

For the nine months ended September 30, 2019 and 2018, the Company recorded CHF 1.5 million in net financial gains and CHF 1.2 million in net financial losses, respectively. For the period, CHF 4.5 million related to a gain on the conversion feature of the convertible loan due to Lilly. This gain was offset by CHF 1.2 million related to a loss on the settlement of the convertible loan and CHF 1.6 million in interest expense of which CHF 1.4 million was effective interest recorded to amortize the host debt per the convertible loan due to Lilly. Finally, the Company had CHF 0.3 million in foreign currency remeasurement losses.

#### **12. Subsequent events**

Management has evaluated subsequent events after the balance sheet date, through the issuance of these interim condensed financial statements, for appropriate accounting and disclosures. The Company has determined that there were no such events that warrant disclosure or recognition in these interim condensed financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis is designed to provide you with a narrative explanation of our financial condition and results of operations. We recommend that you read this in conjunction with our unaudited interim condensed financial information as of and for the three and nine months ended September 30, 2019 included as Exhibit 99.1 to this Report on Form 6-K. We also recommend that you read our management's discussion and analysis and our audited financial statements and the notes thereto, which appear in our Annual Report on Form 20-F for the year ended December 31, 2018 on file with the U.S. Securities and Exchange Commission (the "SEC").

Unless otherwise indicated or the context otherwise requires, all references to "AC Immune," the "Company," "we," "our," "ours," or "us" or similar terms refer to AC Immune SA.

We prepare and report our financial statements and financial information in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). None of our financial statements were prepared in accordance with generally accepted accounting principles in the United States. We maintain our books and records in Swiss Francs (CHF). We have made rounding adjustments to some of the figures included in this management's discussion and analysis. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them. Unless otherwise indicated, all references to currency amounts in this discussion and analysis are in Swiss Francs.

This discussion and analysis is dated as of November 13, 2019.

### Results of operations

#### Comparison of the three and nine months ended September 30, 2019 and 2018

##### Revenues

For the three and nine months ended September 30, 2019, AC Immune generated revenues of CHF 33.4 million and CHF 110.0 million compared with CHF 2.3 million and CHF 5.8 million for the comparable periods in 2018, respectively. This represents an increase of CHF 31.1 million and CHF 104.2 million, respectively. The following table summarizes our revenues during the three and nine months ended September 30, 2019 and 2018:

	For the Three Months Ended September 30,		Change
	2019	2018	
	(in CHF thousands, unaudited)		
Contract revenue	33,411	2,305	31,106
<b>Total revenues</b>	<b>33,411</b>	<b>2,305</b>	<b>31,106</b>
	For the Nine Months Ended September 30		
	(in CHF thousands, unaudited)		
Contract revenue	109,964	5,791	104,173
<b>Total revenues</b>	<b>109,964</b>	<b>5,791</b>	<b>104,173</b>

For the three months ended September 30, 2019, the increase in collaboration revenues compared to the three months ended September 30, 2018 was principally due to recognition of CHF 30.0 million for the first installment of the first milestone achieved with Lilly and CHF 2.2 million in connection with the initiation of a Phase 2 Trial of Tau PET Tracer with Life Molecular Imaging.

For the nine months ended September 30, 2019, the increase in collaboration revenues compared to the nine months ended September 30, 2018 was principally due to recognition of a CHF 73.1 million upfront payment for a right-of-use license fee and CHF 30.0 million for the first installment of the first milestone achieved with Lilly. Additionally, the Company recognized CHF 1.5 million for research and development activities associated with our agreement to research and develop tau morphomer molecules for the potential treatment of Alzheimer's disease (AD) and other neurodegenerative diseases. There were no similar revenue generating activities in 2018.

*Research and development expenses*

Research and development activities are essential to our business and represent the majority of our costs incurred. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using information from the clinical sites and our vendors. Our collaboration arrangements share costs for the development of our product candidates differently. We have completed our research and development spending for both of our Genentech collaborations. From Phase 2b and onwards, Janssen will assume responsibility for the clinical development, manufacturing and commercialization of selected second generation anti-Tau vaccines.

For the three and nine months ended September 30, 2019, research and development expenses totaled CHF 11.5 million and CHF 35.8 million compared with CHF 11.5 million and CHF 32.2 million for the comparable periods in 2018, respectively. This represents a decrease of CHF 0.1 million and an increase of CHF 3.6 million for the three and nine month periods, respectively. The following table presents the research and development expenses during the three and nine months ended September 30, 2019 and 2018:

	<b>For the Three Months Ended September 30,</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	(in CHF thousands, unaudited)		
Operating expenses(1)	8,205	8,818	(613)
Salaries and related costs(2)	3,273	2,728	545
<b>Total research and development expenses</b>	<b>11,478</b>	<b>11,546</b>	<b>(68)</b>

  

	<b>For the Nine Months Ended September 30,</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	(in CHF thousands, unaudited)		
Operating expenses(1)	26,069	24,051	2,018
Salaries and related costs(2)	9,701	8,099	1,602
<b>Total research and development expenses</b>	<b>35,770</b>	<b>32,150</b>	<b>3,620</b>

(1) Includes depreciation expense

(2) Includes share-based compensation expense

The following tables present the research and development expenses by our major development programs during the three and nine months ended September 30, 2019 and 2018:

	<b>For the Three Months Ended September 30,</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	(in CHF thousands, unaudited)		
Alzheimer's disease	3,333	4,952	(1,619)
Non-Alzheimer's diseases	1,168	553	615
Diagnostics	543	538	5
New discovery programs	2,518	2,243	275
<b>Total programs</b>	<b>7,562</b>	<b>8,286</b>	<b>(724)</b>
Research and development expenses not allocated to specific programs	3,916	3,260	656
<b>Total</b>	<b>11,478</b>	<b>11,546</b>	<b>(68)</b>

	<b>For the Nine Months Ended September 30,</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	(in CHF thousands, unaudited)		
Alzheimer's disease	11,994	12,646	(652)
Non-Alzheimer's diseases	2,994	1,679	1,315
Diagnostics	1,466	1,678	(212)
New discovery programs	7,669	6,620	1,049
<b>Total programs</b>	<b>24,123</b>	<b>22,623</b>	<b>1,500</b>
Research and development expenses not allocated to specific programs	11,647	9,527	2,120
<b>Total</b>	<b>35,770</b>	<b>32,150</b>	<b>3,620</b>

The CHF 1.6 million decrease in expenditures in Alzheimer's disease programs for the three months ended September 30, 2019 predominantly relates to a CHF 1.1 million decrease for ACI-35 due to the completion of certain toxicology and manufacturing work in the prior year as well as a CHF 0.5 million decrease for ACI-24 AD related to higher costs for the initiation of the Phase 2 study in the prior period. The CHF 0.6 million increase in non-Alzheimer's disease programs predominantly relates to a CHF 0.1 million increase for research and preclinical activities associated with our morphomer alpha-synuclein program and a CHF 0.4 million increase in ACI-24 in Down Syndrome related to increased manufacturing activities and preparation of the Phase 2 study. The CHF 0.3 million in new discovery programs is driven predominantly by a CHF 0.2 million increase for manufacturing activities for our anti-a-Synuclein antibody.

The CHF 0.7 million decrease in expenditures in Alzheimer's disease programs for the nine months ended September 30, 2019 predominantly relates to a CHF 0.2 million decrease for ACI-35 due to the completion of certain toxicology and manufacturing work in the prior year as well as a CHF 0.5 million decrease for ACI-24 AD related to higher costs for the initiation of the Phase 2 study in the prior period. The CHF 1.3 million increase in non-Alzheimer's disease programs predominantly relates to a CHF 0.6 million increase for research and preclinical activities associated with our morphomer alpha-synuclein program and a CHF 0.6 million increase in ACI-24 in Down Syndrome related to increased manufacturing activities and preparation of the Phase 2 study. The CHF 1.0 million in new discovery programs is driven by a CHF 0.2 million increase for our TDP-43 antibody related to research activities in collaboration with the University of Pennsylvania, a CHF 0.4 million increase for research activities for our anti-a-Synuclein antibody and a CHF 0.3 million increase for research in our neuroinflammation discovery programs

#### *General and administrative expenses*

General and administrative expenses consist primarily of salaries and related costs, including share-based compensation, professional fees such as legal and accounting related services and other operating expenses.

For the three and nine months ended September 30, 2019, general and administrative expenses amounted to CHF 4.0 million and CHF 10.8 million compared with CHF 2.9 million and CHF 8.7 million for the comparable periods in 2018, respectively. This represents an increase of CHF 1.0 million and CHF 2.1 million, respectively. The increase is predominantly associated with increases in our payroll expense due to an increase from 15 to 21 FTEs.

For the three months ended September 30, 2019, there was a CHF 0.3 million increase in rental and IT related expenditures and a CHF 0.5 million increase in salaries and share based compensation, offset by a decrease of less than CHF 0.1 million for professional services. For the nine months ended September 30, 2019, there was a CHF 1.0 million increase in rental and IT related expenditures, a CHF 0.8 million increase in salaries and share based compensation and a CHF 0.4 million increase in investor relations offset by a decrease of CHF 0.2 million for professional services. The remaining CHF 0.1 million increase for the three and nine months ended September 30, 2019 are across various other categories and immaterial. The following tables present the general and administrative expenses for the three and nine months ended September 30, 2019 and 2018:

	For the Three Months Ended September 30,		
	2019	2018	Change
	(in CHF thousands, unaudited)		
Operating expenses(1)	1,570	1,095	475
Salaries and related costs(2)	2,386	1,835	551
<b>Total general and administrative expenses</b>	<b>3,956</b>	<b>2,930</b>	<b>1,026</b>

	For the Nine Months Ended September 30,		
	2019	2018	Change
	(in CHF thousands, unaudited)		
Operating expenses(1)	4,366	3,225	1,141
Salaries and related costs(2)	6,469	5,478	991
<b>Total general and administrative expenses</b>	<b>10,835</b>	<b>8,703</b>	<b>2,132</b>

(1) Includes depreciation expense

(2) Includes share-based compensation expense

#### *Finance result, net*

The following table presents the net financial income and expenses during the three and nine months ended September 30, 2019 and 2018:

	For the Three Months Ended September 30,		
	2019	2018	Change
	(in CHF thousands, unaudited)		
Interest expense	(86)	(31)	(55)
Change in fair value of conversion feature	—	—	—
Foreign currency remeasurement gain/(loss), net	272	(1,296)	1,568
Other finance income/(expense)	50	(18)	68
<b>Finance result, net</b>	<b>236</b>	<b>(1,345)</b>	<b>1,581</b>

	For the Nine Months Ended September 30,		
	2019	2018	Change
	(in CHF thousands, unaudited)		
Interest expense	(1,686)	(66)	(1,620)
Change in fair value of conversion feature	4,542	—	4,542
Foreign currency remeasurement gain/(loss), net	(286)	(1,101)	815
Other finance income/(expense)	(1,041)	(45)	(996)
<b>Finance result, net</b>	<b>1,529</b>	<b>(1,212)</b>	<b>(2,741)</b>

In the three and nine months ended September 30, 2019 and 2018, the Company reported CHF 0.2 million and CHF 1.5 million in net financial gains compared with CHF 1.3 million and CHF 1.2 million in net financial losses for the comparable periods in 2018, respectively. This represents a difference of CHF 1.6 million and CHF 2.7 million, respectively.

The key drivers for the financial losses during the three months ended September 30, 2019 relate to a strengthening of the USD against the Swiss Franc resulting in a CHF 0.3 million foreign currency gain compared to a CHF 1.3 million foreign currency loss in the comparable period.

The key drivers for the financial gains during the nine months ended September 30, 2019 relate to a CHF 4.5 million change in the fair value of the conversion feature for the convertible loan due to Lilly. This gain was offset by CHF 1.6 million in interest expense, of which CHF 1.4 million is effective interest to amortize the host debt for the convertible loan. The Company also recorded a CHF 1.2 million loss associated with the revaluation of the convertible loan prior to its settlement in April 2019. Finally, as the USD fluctuated throughout the nine month period, the Company recorded a CHF 0.3 million foreign currency loss compared to a CHF 1.1 million foreign currency loss in the comparable period.

#### *Liquidity and capital resources*

To date, the Company has financed its cash requirements primarily from its public offerings, share issuances and revenues from collaboration agreements. The Company is a clinical stage company and is exposed to all the risks inherent to establishing a business. Inherent to the Company's business are various risks and uncertainties, including the substantial uncertainty as to whether current projects will succeed. As of September 30, 2019, we had cash and cash equivalents of CHF 212.5 million and short-term financial assets of CHF 90.0 million for a total liquidity balance of CHF 302.5 million.

Our primary uses of capital are, and we expect will continue to be, research and development expenses, compensation and related expenses, and other operating expenses including rent. Cash used to fund operating expenses is impacted by the timing of when we pay expenses, as reflected in the change in our outstanding trade and other payables and accrued expenses. We expect to incur expenses in connection with a number of our product candidates in various stages of clinical development including co-funding ACI-35 to the end of the Phase 1b/2a clinical study, expenditures for clinical activities in accordance with our agreement with Lilly, ACI-24 in AD and ACI-24 in Down syndrome, our PET tracer candidates focused on alpha-synuclein and TDP-43 and a number of research initiatives focused on neurodegenerative orphan diseases other than AD.

We plan to continue to fund our operating and capital funding needs through proceeds received from licensing and collaboration agreements and through equity or other forms of financing. We may also consider entering into additional collaboration agreements and selectively partnering for clinical development and commercialization.

#### *Cash flows*

The following table summarizes our cash flows for the periods indicated:

	<b>For the Nine Months Ended September 30,</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>(in CHF thousands, unaudited)</b>			
Net cash provided by (used in):			
Operating activities	67,964	(32,322)	100,286
Investing activities	(61,307)	(1,709)	(59,598)
Financing activities	49,624	109,877	(60,253)
<b>Net change in cash and cash equivalents</b>	<b>56,281</b>	<b>75,846</b>	<b>(19,565)</b>

#### *Operating activities*

Net cash provided by operating activities was CHF 68.0 million for the nine months ended September 30, 2019 compared with net cash used in operating activities of CHF 32.3 million for the nine months ended September 30, 2018. The change in cash provided by operating activities for the nine months ended September 30, 2019 was due to the Company's reporting net income of CHF 64.9 million for the nine months ended September 30, 2019 compared with net loss of CHF 36.3 million for the same period in 2018 driven by (i) an increase of CHF 104.2 million in revenues principally due to recognition of a CHF 73.1 million upfront payment for a right-of-use license fee, CHF 1.5 million for research and development activities and a CHF 30 million payment for the first installment of the first milestone associated with our agreement with Lilly (ii) offset by the increase in research and development costs in the nine months ended September 30, 2019.

### *Investing activities*

Net cash used in investing activities rose to CHF 61.3 million for the nine months ended September 30, 2019 compared with net cash used in investing activities of CHF 1.7 million for the nine months ended September 30, 2018 due to CHF 60.0 million increase in fixed-term deposits with maturities of six to 12 months as well as a CHF 1.2 million investment in capital expenditures to strengthen our manufacturing and research infrastructure.

### *Financing activities*

Net cash provided by financing activities was CHF 49.6 million for the nine months ended September 30, 2019 compared with net cash provided by financing activities of CHF 109.9 million for the nine months ended September 30, 2018. The decrease of CHF 60.3 million is predominantly related to CHF 109.5 million received from three follow-on offerings completed in July 2018. This increase is offset by CHF 50.3 million received from Lilly for a convertible loan offset by CHF 0.5 million for transaction costs associated with loan settlement.

### *Operating capital requirements and plan of operations*

We do not expect to generate revenues from royalties based on product sales unless and until our partners obtain regulatory approval of, and successfully commercialize, our current or any future product candidates. As of September 30, 2019, we had cash and cash equivalents of CHF 212.5 million and short-term financial assets of CHF 90.0 million, resulting in CHF 302.5 million of liquidity. The increase relative to December 31, 2018 is due to the receipt of a CHF 80 million upfront payment from Lilly, a CHF 30 million for the first milestone payment from Lilly as well as USD 50 (CHF 50.3) million in consideration for the convertible note agreement. These increases in cash receipts were offset by an increase in research and development spending on our major discovery, research and development programs and the strengthening of the Company's infrastructure, systems and organization. There can be no certainty as to the exact timing, or in fact, whether any future milestone payments will ever be made given that these milestone payments are contingent on clear milestones being reached. Accordingly, assuming we do not receive potential milestone payments and based upon our currently contemplated research and development strategy, we believe that our existing capital resources will be sufficient to meet our projected operating requirements through the third quarter of 2023.

We expect to generate losses for the foreseeable future, and these losses could increase as we continue product development until we successfully achieve regulatory approvals for our product candidates and begin to commercialize any approved products. We are subject to all the risks pertinent to the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may harm our business. We expect to incur additional costs associated with operating a public company and we anticipate that we will need substantial additional funding in connection with our continuing operations. If we need to raise additional capital to fund our operations and complete our ongoing and planned clinical studies, funding may not be available to us on acceptable terms, or at all.

Our future funding requirements will depend on many factors, including but not limited to the following:

- The scope, rate of progress, results and cost of our pre-clinical and clinical studies and other related activities, according to our long-term strategic plan;
- The cost of manufacturing clinical supplies and establishing commercial supplies of our product candidates and any other products we may develop;
- The cost, timing and outcomes of regulatory approvals;
- The costs and timing of establishing sales, marketing and distribution capabilities;
- The terms and timing of any collaborative, licensing and other arrangements that we may establish, including any required milestone and royalty payments thereunder;
- The emergence of competing technologies or other adverse market developments; and
- The potential cost and timing of managing, protecting, defending and enforcing our portfolio of intellectual property.



### *Quantitative and qualitative disclosures about market risk*

During the three and nine months ended September 30, 2019, there were no significant changes to our quantitative and qualitative disclosures about market risk described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk” in the Annual Report on Form 20-F.

### *Critical judgments and accounting estimates*

There have been no material changes to the significant accounting policies and estimates described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Judgments and Accounting Estimates” in the Annual Report on Form 20-F.

### *JOBS Act exemption*

On April 5, 2012, the Jumpstart our Business Startups Act of 2012, or the JOBS Act, was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an “emerging growth company.” As an emerging growth company, we are not required to provide an auditor attestation report on our system of internal controls over financial reporting. This exemption will apply until the earlier of (i) until December 31, 2021 or (ii) our no longer being an “emerging growth company.” In particular, we would cease to be an emerging growth company if (i) we have more than USD 1.07 billion in annual revenue, (ii) we are deemed to be a “large accelerated filer” under the rules of the SEC, which means the market value of our common shares that are held by non-affiliates exceeds USD 700 million as of the most recently completed second fiscal quarter, or (iii) we have issued more than USD 1.0 billion in non-convertible debt during the prior three-year period.

### **Non-IFRS Financial Measures**

In addition to our operating results, as calculated in accordance with International Financial Reporting Standards, or IFRS, as adopted by the International Accounting Standards Board, we use adjusted income/(loss) and adjusted earnings/(loss) per share when monitoring and evaluating our operational performance. Adjusted income/(loss) is defined as income/(loss) for the relevant period, as adjusted for certain items that we believe are not indicative of our ongoing operating performance. Adjusted earnings/(loss) per share is defined as adjusted income/(loss) for the relevant period divided by the weighted-average number of shares for such period.

We believe that these measures assist our shareholders because they enhance comparability of our results each period and provide more useful insight into operational results for the period. The Company’s executive management uses these non-IFRS measures to evaluate our operational performance. These non-IFRS financial measures are not meant to be considered alone or as substitutes for our IFRS financial measures and should be read in conjunction with AC Immune’s financial statements prepared in accordance with IFRS. The most directly comparable IFRS measure to these non-IFRS measures is net income/(loss). The following table reconciles net income/(loss) to adjusted income/(loss) and adjusted earnings/(loss) per share for the periods presented:

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

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>(in CHF thousands except for share and per share data)</b>			
<b>Income/(Loss)</b>	<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>
<b>Adjustments:</b>				
Non-cash share-based payments (a)	882	583	2,027	1,897
Foreign currency (gains)/ losses (b)	(272)	1,296	286	1,101
Effective interest expense (c)	—	—	1,355	—
Change in fair value of conversion feature (d)	—	—	(4,542)	—
<b>Adjusted Income/(Loss)</b>	<b>18,823</b>	<b>(11,637)</b>	<b>64,014</b>	<b>(33,276)</b>
<b>Earnings/(Loss) per share – basic</b>	<b>0.25</b>	<b>(0.21)</b>	<b>0.92</b>	<b>(0.61)</b>
<b>Earnings/(Loss) per share – diluted</b>	<b>0.25</b>	<b>(0.21)</b>	<b>0.92</b>	<b>(0.61)</b>
<b>Adjustment to earnings/(loss) per share – basic</b>	<b>0.01</b>	<b>0.03</b>	<b>(0.01)</b>	<b>0.05</b>
<b>Adjustment to earnings/(loss) per share – diluted</b>	<b>0.01</b>	<b>0.03</b>	<b>(0.01)</b>	<b>0.05</b>
<b>Adjusted earnings/(loss) per share – basic</b>	<b>0.26</b>	<b>(0.18)</b>	<b>0.91</b>	<b>(0.56)</b>
<b>Adjusted earnings/(loss) per share – diluted</b>	<b>0.26</b>	<b>(0.18)</b>	<b>0.91</b>	<b>(0.56)</b>
Weighted-average number of shares used to compute Adjusted earnings/(loss) per share – basic	71,822,884	64,862,822	70,184,257	59,912,283
Weighted-average number of shares used to compute Adjusted earnings/(loss) per share – diluted	72,281,264	64,862,822	70,700,690	59,912,283

- (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.

For the three and nine months ended September 30, 2019, adjustments increased net income and decreased net income by CHF 0.6 million and CHF 0.9 million compared with decreases to the net losses by CHF 1.9 million and CHF 3.0 million for the comparable periods in 2018, respectively. The Company recorded CHF 0.9 million and CHF 2.0 million for the three and nine months, respectively, for share-based compensation expenses. There were foreign currency remeasurement gains of CHF 0.3 million and remeasurement losses of CHF 0.3 million, respectively, related to foreign currency fluctuations. The Company recorded nil and CHF 1.4 million for amortization of effective interest for the three and nine months ended September 30, 2019, respectively. Finally, the Company recognized nil and a CHF 4.5 million gain for the change in fair value of the liability related to the conversion feature.

### ***Cautionary Statement Regarding Forward Looking Statements***

This discussion and analysis contains statements that constitute forward-looking statements. All statements other than statements of historical facts contained in this discussion and analysis, including statements regarding our future results of operations and financial position, business strategy, product candidates, product pipeline, ongoing and planned clinical studies, including those of our collaboration partners, regulatory approvals, research and development costs, timing and likelihood of success, as well as plans and objectives of management for future operations are forward-looking statements. Many of the forward-looking statements contained in this prospectus can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate,” “will” and “potential,” among others. Forward-looking statements appear in a number of places in this discussion and analysis and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified under the section entitled “Risk Factors” in our annual report on Form 20-F. These forward-looking statements speak only as of the date of this discussion and analysis and are subject to a number of risks, uncertainties and assumptions described under the sections in the our annual report on Form 20-F entitled “Risk Factors” and this discussion and analysis. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.



## AC Immune Q3 2019 Financial Results and Business Update

*CHF 32 Million in Milestone Revenues*

*Multiple Upcoming Catalysts*

*Execution Across Clinical and Preclinical Neurodegenerative Development Pipeline*

**Lausanne, Switzerland, November 13, 2019** – AC Immune SA (NASDAQ: ACIU), a Swiss-based biopharmaceutical company with a broad clinical-stage pipeline focused on neurodegenerative diseases, today provided a business and clinical update and reported its consolidated financial results for the third quarter of 2019.

**Prof. Andrea Pfeifer, Ph.D., CEO of AC Immune, commented:** “AC Immune, together with our leading pharmaceutical partners, is advancing one of the industry’s broadest, most diversified development pipelines targeting neurodegenerative diseases. This quarter, we continued to demonstrate strong progress across our pipeline of potentially best-in-class small molecule, antibody, and vaccine therapeutics, as well as our cutting-edge diagnostic agents. This resulted in milestones achieved totaling CHF 32 million which were comprised of CHF 30 million from Eli Lilly and Company and EUR 2 million (CHF 2.2 million) from Life Molecular Imaging.”

Prof. Pfeifer continued, “We anticipate multiple catalysts in 2019 and 2020, highlighted by expected Phase 2 data for semorinemab, our anti-Tau antibody partnered with Genentech/Roche, which we anticipate will be the first Phase 2 data available for a Tau-targeted therapy in Alzheimer’s disease (AD). We also anticipate achieving further progress across our development pipeline with both early and late stage data readouts that we believe will build substantial value for the Company.”

AC Immune’s unique, multi-pronged approach is designed to address the full spectrum of neurodegenerative diseases. By selectively targeting misfolded pathological proteins both intracellularly and extracellularly, and by creating state-of-the-art diagnostic imaging agents that enable early detection of multiple disease pathologies and tracking of disease progression, AC Immune is pioneering a personalized medicine approach to deliver the right therapy to the right patient at the right time.

### Research & Development Highlights

- Earned a EUR 2 million (CHF 2.2 million) [milestone](#) following initiation of longitudinal Phase 2 clinical development of next-generation Tau positron emission tomography (PET) tracer PI-2620 by partner Life Molecular Imaging
- Received first CHF 30 million [milestone payment](#) from Lilly based on achievement of preclinical milestones related to the oral small molecule Tau Morphomer™ program, which is currently advancing in a Phase 1 clinical study. A second CHF 30 million milestone payment is scheduled for Q1 2020, linked to achievement of further development milestones

- Vaccinated the first patient in a [Phase 1b/2a study](#) of anti-phospho-Tau (anti-pTau) vaccine candidate ACI-35.030 in collaboration with Janssen Pharmaceuticals. ACI-35.030 is intended as a disease-modifying treatment for AD and other Tauopathies
- Recently hosted a [key opinion leader \(KOL\)](#) event focused on the therapeutic and diagnostic potential of targeting Tau pathology, which highlighted AC Immune's differentiated Tau pipeline candidates and key updates from the ACI-3024 Tau Morphomer<sup>TM</sup> small molecule and ACI-35.030 programs
- Awarded a new [grant](#) from The Michael J. Fox Foundation for the Company's pioneering alpha-synuclein (a-syn) PET tracer program. If successful, AC Immune's program could deliver the world's first imaging agent capable of accurately detecting and monitoring progression of Parkinson's disease

#### Analysis of Financial Statements for the Three and Nine Months Ended September 30, 2019

- **Cash Position:** The Company had a total cash balance of CHF 302.5 million, comprised of CHF 212.5 million in cash and cash equivalents and CHF 90.0 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 116 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 from December 31, 2018 to CHF 292.4 million from CHF 177.6 million. Further details are available in our corresponding Financial Statements filed on the accompanying Form 6-K
- **Revenues:** Revenues for the three and nine months ended September 30, 2019 totaled CHF 33.4 million and CHF 110 million, respectively. This represents an increase of CHF 31.1 million and CHF 104.2 million compared to the respective periods in 2018. The increase for the three-month period relates to the recognition of CHF 30.0 million for the first installment of the first milestone achieved with Lilly and EUR 2 million (CHF 2.2 million) in connection with the initiation of a Phase 2 Trial of Tau PET Tracer with Life Molecular Imaging. The increase for the nine-month period is driven by the recognition of CHF 74.6 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 installment of the first milestone achieved with Lilly
- **R&D Expenditures:** R&D expenditures decreased by CHF 0.1 million (-0.6%) and increased CHF 3.6 million (+11%) for the three and nine months ended September 30, 2019 compared to the comparable periods in 2018, respectively. The increase in R&D expenditures in 2019 was largely due to increased investments in non-AD and new discovery programs. For non-AD, the Company increased investment in its Morphomer<sup>TM</sup> alpha-synuclein programs and continued to advance the clinical development of its anti-Abeta vaccine ACI-24 in Down Syndrome (DS). In new discovery, the Company continued to focus on its neuroinflammation discovery programs while also increasing investment in its anti-a-synuclein antibody. For AD, the Company's expenditures for the anti-pTau vaccine program decreased due to the completion of certain toxicology and manufacturing work in the prior year as well as a decrease for ACI-24 related to higher costs for the initiation of the Phase 2 study in the prior period

- **G&A Expenses:** For the three and nine months ended September 30, 2019, G&A increased CHF 1.0 million (+35%) and CHF 2.1 million (+24%) to CHF 4.0 million and CHF 10.8 million, respectively. Increases are driven by rental, personnel and IT expenses
- **IFRS Income/(Loss) for the period:** The Company recorded net income after taxes of CHF 18.2 million and CHF 64.9 million for the three and nine months ended September 30, 2019, respectively, compared with net losses of CHF 13.5 million and CHF 36.3 million for the comparable periods in 2018

#### About AC Immune

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 is utilizing two proprietary discovery platforms, SupraAntigen<sup>TM</sup> and Morphomer<sup>TM</sup>, 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 five currently in clinical trials. It has collaborations with major pharmaceutical companies including Roche/Genentech, Lilly and Janssen Pharmaceuticals Inc.

As a strategic leader in the field of neurodegenerative diseases, AC Immune has developed a five-point [Roadmap to Successful Therapies for Neurodegenerative Diseases](#) that recognizes the importance of treating earlier, targeting Tau, focusing on more homogeneous patient populations, precision medicine and exploring neuroinflammation as a target.

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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

	As of September 30, 2019	As of December 31, 2018
in CHF thousands		
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	3,702	3,324
Right-of-use assets	1,893	—
Long-term financial assets	304	304
<b>Total non-current assets</b>	<b>5,899</b>	<b>3,628</b>
Current assets		
Prepaid expenses	2,997	2,364
Accrued income	939	3,667
Finance receivable	100	199
Other current receivables	2,957	236
Short-term financial assets	90,000	30,000
Cash and cash equivalents	212,457	156,462
<b>Total current assets</b>	<b>309,450</b>	<b>192,928</b>
<b>Total assets</b>	<b>315,349</b>	<b>196,556</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity		
Share capital	1,436	1,351
Share premium	346,479	298,149
Accumulated losses	(55,532)	(121,877)
<b>Total shareholders' equity</b>	<b>292,383</b>	<b>177,623</b>
Non-current liabilities		
Long-term financing obligation	297	186
Long-term lease liabilities	1,467	—
Long-term deferred income	1,092	—
Net employee defined benefit liabilities	6,098	5,665
<b>Total non-current liabilities</b>	<b>8,954</b>	<b>5,851</b>
Current liabilities		
Trade and other payables	—	1,979
Accrued expenses	8,551	10,420
Short-term deferred income	4,701	351
Short-term debt obligation	334	332
Short-term lease liabilities	426	—
<b>Total current liabilities</b>	<b>14,012</b>	<b>13,082</b>
<b>Total liabilities</b>	<b>22,966</b>	<b>18,933</b>
<b>Total shareholders' equity and liabilities</b>	<b>315,349</b>	<b>196,556</b>



## Statements of Income/(Loss)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
	(in CHF thousands except for per share data)			
<b>Revenue</b>				
Contract revenue	33,411	2,305	109,964	5,791
<b>Total revenue</b>	<b>33,411</b>	<b>2,305</b>	<b>109,964</b>	<b>5,791</b>
Operating expenses				
Research & development expenses	(11,478)	(11,546)	(35,770)	(32,150)
General & administrative expenses	(3,956)	(2,930)	(10,835)	(8,703)
<b>Total operating expenses</b>	<b>(15,434)</b>	<b>(14,476)</b>	<b>(46,605)</b>	<b>(40,853)</b>
Operating income/(loss)	17,977	(12,171)	63,359	(35,062)
Finance income / (expense), net	249	(1,314)	(1,564)	(1,149)
Change in fair value of conversion feature	—	—	4,542	—
Interest income	73	—	237	3
Interest expense	(86)	(31)	(1,686)	(66)
<b>Finance result, net</b>	<b>236</b>	<b>(1,345)</b>	<b>1,529</b>	<b>(1,212)</b>
<b>Income/(loss) before tax</b>	<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>
<b>Income tax expense</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Income/(loss) for the period</b>	<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>
Income/(loss) per share (EPS):				
Basic income/(loss) for the period attributable to equity holders	0.25	(0.21)	0.92	(0.61)
Diluted income/(loss) for the period attributable to equity holders	0.25	(0.21)	0.92	(0.61)

## Statements of Comprehensive Income/(Loss)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
	(in CHF thousands)			
Income/(loss) for the period	18,213	(13,516)	64,888	(36,274)
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	—	—	—	—
<b>Total comprehensive income/(loss), net of tax</b>	<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2019	2018	2019	2018
	(in CHF thousands except for share and per share data)			
<b>Income/(Loss)</b>	<b>18,213</b>	<b>(13,516)</b>	<b>64,888</b>	<b>(36,274)</b>
Adjustments:				
Non-cash share-based payments (a)	882	583	2,027	1,897
Foreign currency (gains)/losses (b)	(272)	1,296	286	1,101
Effective interest expense (c)	—	—	1,355	—
Change in fair value of conversion feature (d)	—	—	(4,542)	—
<b>Adjusted Income/(Loss)</b>	<b>18,823</b>	<b>(11,637)</b>	<b>64,014</b>	<b>(33,276)</b>
Earnings/(Loss) per share – basic	0.25	(0.21)	0.92	(0.61)
Earnings/(Loss) per share – diluted	0.25	(0.21)	0.92	(0.61)
Adjustment to earnings/(loss) per share – basic	0.01	0.03	(0.02)	0.05
Adjustment to earnings/(loss) per share – diluted	0.01	0.03	(0.01)	0.05
<b>Adjusted earnings/(loss) per share – basic</b>	<b>0.26</b>	<b>(0.18)</b>	<b>0.91</b>	<b>(0.56)</b>
<b>Adjusted earnings/(loss) per share – diluted</b>	<b>0.26</b>	<b>(0.18)</b>	<b>0.91</b>	<b>(0.56)</b>
Weighted-average number of shares used to compute Adjusted earnings/(loss) per share – basic	71,822,884	64,862,822	70,184,257	59,912,283
Weighted-average number of shares used to compute Adjusted earnings/(loss) per share – diluted	72,281,264	64,862,822	70,700,690	59,912,283

- (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.

For the three and nine months ended September 30, 2019, adjustments increased net income and decreased net income by CHF 0.6 million and CHF 0.9 million compared with decreases to the net losses by CHF 1.9 million and CHF 3.0 million for the comparable periods in 2018, respectively. The Company recorded CHF 0.9 million and CHF 2.0 million for the three and nine months, respectively, for share-based compensation expenses. There were foreign currency remeasurement gains of CHF 0.3 million and remeasurement losses of CHF 0.3 million, respectively, related to foreign currency fluctuations. The Company recorded nil and CHF 1.4 million for amortization of effective interest for the three and nine months ended September 30, 2019, respectively. Finally, the Company recognized nil and a CHF 4.5 million gain for the change in fair value of the liability related to the conversion feature.