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 May, 2020

Commission File Number: 001-37891

AC IMMUNE SA

(Exact name of registrant as specified in its charter)

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

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

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

Yes ☐ No ☒

SIGNATURE

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

AC IMMUNE SA

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

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

Date: May 4, 2020

EXHIBIT INDEX

Exhibit Number	Description
99.1	Interim Condensed Financial Statements (Unaudited) (IFRS) as of and for the Three Months Ended March 31, 2020
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations
99.3	Press Release dated May 4, 2020

Interim Condensed Financial Statements (Unaudited)

Interim Condensed Financial Statements (Unaudited) (IFRS) as of and for the Three Months Ended March 31, 2020

AC Immune SA
EPFL Innovation Park
Building B
1015 Lausanne
Switzerland

Balance Sheets
(in CHF thousands)

	Notes	As of March 31, 2020	As of December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,761	3,917
Right-of-use assets	6	2,147	2,255
Long-term financial assets	8	304	304
Total non-current assets		6,212	6,476
Current assets			
Prepaid expenses	7	3,419	2,788
Accrued income	3	190	1,095
Other current receivables		551	304
Short-term financial assets	8	95,000	95,000
Cash and cash equivalents	8	182,860	193,587
Total current assets		282,020	292,774
Total assets		288,232	299,250
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		1,437	1,437
Share premium		346,568	346,526
Accumulated losses		(82,404)	(75,521)
Total shareholders' equity		265,601	272,442
Non-current liabilities			
Long-term lease liabilities	6	1,713	1,813
Net employee defined benefit liabilities		7,666	7,485
Total non-current liabilities		9,379	9,298
Current liabilities			
Trade and other payables		760	142
Accrued expenses		9,155	11,797
Short-term deferred income	3	2,452	4,477
Short-term financing obligation	9	324	652
Short-term lease liabilities	6	435	442
Other short-term liabilities	10	126	—
Total current liabilities		13,252	17,510
Total liabilities		22,631	26,808
Total shareholders' equity and liabilities		288,232	299,250

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

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

	Notes	For the Three Months Ended March 31, 2020	2019
Revenue			
Contract revenue	3	12,411	75,042
Total revenue		12,411	75,042
Operating expenses			
Research & development expenses		(15,209)	(11,592)
General & administrative expenses		(4,504)	(3,294)
Total operating expenses		(19,713)	(14,886)
Operating income/(loss)		(7,302)	60,156
Finance expense, net		(393)	(80)
Change in fair value of conversion feature		—	4,505
Interest income		60	89
Interest expense		(54)	(1,096)
Finance result, net	11	(387)	3,418
Income/(loss) before tax		(7,689)	63,574
Income tax expense		—	—
Income/(loss) for the period		(7,689)	63,574
Earnings/(loss) per share (EPS):	4		
Basic income/(loss) for the period attributable to equity holders		(0.11)	0.94
Diluted income/(loss) for the period attributable to equity holders		(0.11)	0.91

Statements of Comprehensive Income/(Loss) **(in CHF thousands)**	For the Three Months ended March 31, 2020	2019
Income/(loss) for the period	(7,689)	63,574
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	—	—
Total comprehensive income/(loss), net of tax	(7,689)	63,574

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

Statements of Changes in Equity
(in CHF thousands)

	Share capital	Share premium	Accumulated losses	Total
Balance as of January 1, 2019	1,351	298,149	(121,877)	177,623
Net income for the period	—	—	63,574	63,574
Other comprehensive income/(loss)	—	—	—	—
Total comprehensive income	—	—	63,574	63,574
Share-based payments	—	—	584	584
Issuance of shares:				
restricted share awards	—	47	(47)	—
exercise of options	10	63	—	73
Balance as of March 31, 2019	1,361	298,259	(57,766)	241,854

	Share capital	Share premium	Accumulated losses	Total
Balance as of January 1, 2020	1,437	346,526	(75,521)	272,442
Net loss for the period	—	—	(7,689)	(7,689)
Other comprehensive income/(loss)	—	—	—	—
Total comprehensive income	—	—	(7,689)	(7,689)
Share-based payments	—	—	852	852
Issuance of shares:				
restricted share awards	—	46	(46)	—
exercise of options	—	(4)	—	(4)
Balance as of March 31, 2020	1,437	346,568	(82,404)	265,601

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

Statements of Cash Flows
(in CHF thousands)

	Note	For the Three Months Ended March 31, 2020	2019
Operating activities			
Net income/(loss) for the period		(7,689)	63,574
Adjustments to reconcile net loss for the period to net cash flows:			
Depreciation of property, plant and equipment	5	368	292
Depreciation of right-of-use assets	6	108	103
Finance expense, net	11	433	80
Share-based compensation expense		852	584
Change in net employee defined benefit liability		181	144
Change in fair value of conversion feature	11	—	(4,505)
Interest expense	11	54	1,096
Changes in working capital:			
(Increase) in prepaid expenses	7	(632)	(636)
Decrease in accrued income		881	2,854
(Increase) in other current receivables		(247)	(548)
(Decrease) in accrued expenses		(2,587)	(1,658)
(Decrease)/Increase in deferred income	3	(2,025)	5,819
Increase/(Decrease) in trade and other payables		640	(1,278)
Cash provided by/(used in) operating activities		(9,663)	65,921
Interest income		60	89
Interest paid		(80)	(23)
Finance costs		(4)	(3)
Net cash flows provided by/(used in) operating activities		(9,687)	65,984
Investing activities			
Short-term financial assets	8	—	(50,000)
Purchases of property, plant and equipment	5	(212)	(511)
Net cash flows used in investing activities		(212)	(50,511)
Financing activities			
Proceeds from issuance of convertible loan		—	50,278
Repayment of short-term debt obligation	9	(263)	—
Principal payments of lease obligations	6	(107)	(103)
Proceeds from issuance of common shares		(4)	73
Net cash flows provided by/(used in) financing activities		(374)	50,248
Net (decrease)/increase in cash and cash equivalents		(10,273)	65,721
Cash and cash equivalents at January 1		193,587	156,462
Exchange loss on cash and cash equivalents		(454)	(45)
Cash and cash equivalents at March 31		182,860	222,138
Net increase/(decrease) in cash and cash equivalents		(10,273)	65,721

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.

The Interim Condensed Financial Statements of AC Immune SA as of and for the three months ended March 31, 2020 were authorized for issuance by the Company's Audit and Finance Committee on May 1, 2020.

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 months ended March 31, 2020 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, 2019, 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 agreements which are within the scope of IFRS 15, under which it licenses certain 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 products commercialized from the Company's IP. Each of these payments results in license, collaboration and other revenues, which are classified as contract revenue on the statement of income/(loss), except for revenues from royalties on net sales of products commercialized from the Company's IP, which are classified as royalty revenues.

Licenses of 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, upfront 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, upfront 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 customers 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 sheets. 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.

Fair value of financial assets and liabilities

The Company’s financial assets and liabilities are comprised of receivables, short-term financial assets, cash and cash equivalents, trade payables, financing obligations and derivative instruments. The fair value of these financial instruments approximate their respective carrying values due to the short-term maturity of these instruments and are held at their amortized cost in accordance with IFRS 9, unless otherwise explicitly noted.

Derivative financial instruments

The Company uses foreign currency exchange rate contracts to manage its exposure to changes in currency exchange rates. At inception of the contracts, the Company designated the derivatives as freestanding. These are not designated as a hedge and therefore changes in the value of these contracts are recorded through the statements of income/(loss), therefore offsetting the current earnings effect of the related change in value of foreign currency denominated assets and cash flows. The Company recognizes corresponding forward contract liabilities on the balance sheets within “other short-term liabilities”. These derivatives will mature in Q2 2020.

Using derivatives subjects the Company to certain risks, such as market and credit risks. The Company may be exposed to credit-related losses in the event of nonperformance by its counterparties to derivatives. Credit risk is monitored through established approval and monitoring procedures, including setting concentration limits by counterparty and regular reviewing credit ratings, Tier 1 capital ratios and CDS scores of the financial counterparties. Please see Note 10, “Fair Value Measurements” for the presentation of the Company's derivative liabilities.

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, 2019, except for the adoption of new standards and interpretations effective as of January 1, 2020.

The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Such standards are not currently 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 March 31, 2020 after considering the Company's cash position of CHF 182.9 million and short-term financial assets of CHF 95 million as of March 31, 2020. 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 patent 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.

In addition to the foregoing, based on the Company's current assessment, the Company does not expect any material impact on its long-term development timeline, its liquidity or ability to remain a going concern due to the worldwide spread of the Covid-19 virus. The Company is continuing to assess the effect on its operations by carefully monitoring the spread of Covid-19 and taking appropriate steps intended to offset any negative impacts from the Covid-19 virus.

3. Revenues

AC Immune generated revenues of CHF 12.4 million in the three months ended March 31, 2020 a decrease of CHF 62.6 million over the comparable period in 2019.

	For the Three Months Ended March 31,	
	2020	2019
	(in CHF thousands)	
Eli Lilly and Company	12,091	73,868
Genentech	—	—
Janssen	190	—
Life Molecular Imaging	—	—
Biogen	—	939
Other	130	235
Total contract revenue	12,411	75,042

3.1 Licensing and collaboration agreements

The following table presents changes in the Company's contract assets and liabilities during the three months ended March 31, 2020 and 2019:

	Balance at the beginning of the reporting period	Additions	Deductions	Balance at the end of the reporting period
	(in CHF thousands)			
Three months ended March 31, 2020:				
Accrued income	1,095	190	(1,095)	190
Deferred income	4,477	195	(2,221)	2,452
Three months ended March 31, 2019:				
Accrued income	3,667	813	(3,667)	813
Deferred income	351	6,945	(1,122)	6,174

During the three months ended March 31, 2020 and 2019, the Company recognized the following revenues as a result of changes in the contract asset and the contract liability balances in the respective periods (in CHF thousands):

	For the Three Months Ended March 31,	
	2020	2019
	(in CHF thousands)	
Revenue recognized in the period from:		
Amounts included in the contract liability at the beginning of the period	2,221	313
Performance obligations satisfied in previous periods	10,000	—

Morphomer Tau 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 Morphomer Tau small molecules for the treatment of Alzheimer's disease and other neurodegenerative diseases. More specifically, this is an exclusive license with the right to grant sublicenses, under the ACIU Patents, the ACIU Know-How, and ACIU's interests in the Joint Patents and the Joint Know-How

to Exploit the Licensed Compounds and Licensed Products The agreement became effective on January 23, 2019 (the "Effective Date") when the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, expired. In September 2019, the Company and Lilly entered into the first 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. In March 2020, the Company and Lilly entered into a second amendment to replace the second CHF 30 million to be paid on or before March 31, 2020 with two milestone payments, a CHF 10 million milestone payment to be paid on or before March 31, 2020 and a CHF 60 million milestone payment following the first patient dosed in a Phase 2 clinical study of a licensed product in the U.S. or European Union.

Per the terms of the agreement, the Company received an initial upfront payment of CHF 80 million in Q1 2019 for the rights granted by the Company to Lilly. The Company is conducting the development of ACI-3024, our lead candidate from our Morphomer Tau small molecules program 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. As it relates to our lead compound, ACI-3024, Lilly will lead development after the completion of Phase 1 and retain commercialization rights. As of March 31, 2020, Lilly is engaged in certain Preclinical activities of its own as defined in the agreement, which are intended to provide further data in support of the Phase 2 clinical study design.

Per the terms of the agreement, the Company may become eligible to receive additional milestone payments totaling up to approximately CHF 880 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. Per the agreement, the Company is responsible for the preclinical and Phase 1 activities, which the Company determined are distinct and capable of being completed by Lilly or a third party. Preclinical activities for which AC Immune was responsible prior to their completion in Q2 2019 included final manufacturing of materials for use in the Phase 1 and regulatory submission of the protocols. For the current Phase 1, AC Immune is responsible for leading the study design, obtaining relevant regulatory agency approvals, arranging necessary third party contracts, completing patient selection, ensuring patient treatment, following up with patients, drafting the clinical study report development and other relevant clinical activities to ensure that the primary objective of the study is completed. The Company used CMOs for certain of its preclinical activities and is currently using CROs to complete certain Phase 1 activities.

The Company's preclinical and Phase 1 activities do not represent integrated services with the licensed IP for which Lilly contracted. Lilly purchased a license to the Company's Tau therapeutic small molecule program, which was delivered at commencement of the agreement and AC Immune's preclinical and Phase 1 activities do not affect the form or functionality of this license. The Company's objective of the current Phase 1 activity is to assess safety and tolerability and does not modify or customize the lead compound and the completion of these preclinical and Phase 1 activities does not affect the licensed IP.

Finally, per the agreement, each party has three representatives in a joint steering committee ("JSC"); depending upon the agenda, additional field experts can attend the JSC to provide the technical and scientific contribution required. The JSC meets on a regular basis depending on agreements between the representatives. The JSC is responsible for (i) serving as the forum to discuss, review and approve certain activities by reviewing and discussing the development progress and updates to make, (ii) discuss, review and approve all amendments to the global development plan, (iii) periodically serve as forum to discuss and review commercialization of licensed products and (iv) review and approve reports related to development costs among other activities. The JSC is intended to ensure that communication between the parties remains consistent and that the development plan is both agreed to and progressing as intended.

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 March 31, 2020, the Company has cumulatively recognized CHF 4.7 million in revenue, resulting in a deferred income (contract liability) balance of CHF 2.2 million which is all classified on the balance sheet as current within “short-term deferred income.” The remaining CHF 73.1 million from the upfront payment was allocated to the right-of-use license and recognized on the effective date.

At inception of the agreement, none of the clinical, regulatory or commercial milestones had been included in the transaction price, as all milestone amounts were fully constrained. As acknowledged in the first and second amendments completed between the Company and Lilly in Q3 2019 and Q1 2020, respectively, the Company earned and received a CHF 30 million and a CHF 10 million milestone payment related to the right-of-use license for IP. The Company recognized contract revenues in Q3 2019 and Q1 2020, respectively as there were no further constraints related to this milestone. 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.

For the three months ended March 31, 2020 and 2019, we have recognized CHF 12.1 million and CHF 73.9 million, respectively.

Anti-Abeta antibody in AD – 2006 agreement with Genentech

In November 2006, we signed an exclusive, worldwide licensing agreement for crenezumab, our humanized monoclonal therapeutic antibody targeting misfolded Abeta. The agreement was amended March 2009, January 2013, May 2014 and May 2015. The agreement also provides for the development of a second therapeutic product for a non-Alzheimer’s disease indication based on the same intellectual property and anti-Abeta antibody compound. The value of this partnership is potentially greater than USD 340 (CHF 330) 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 that notice is given.

Genentech commenced a first Phase 3 clinical study in March 2016 for crenezumab (CREAD). 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 autosomaldominant 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 (CHF 70.1) million comprised of a USD 25 (CHF 31.6) million upfront 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 upfront 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 267) 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 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 months ended March 31, 2020 and 2019, respectively, 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 and diagnostics. The agreement was amended in December 2015. 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 at least an additional therapeutic indication outside of Alzheimer's disease built on the same anti-Tau antibody program as well an anti-Tau diagnostic products for Alzheimer's disease.

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 that notice is given.

To date, we have received payments totaling CHF 59 million, including a CHF 14 million milestone payment received and recognized in Q4 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 Q2 2016 and received in July 2016, associated with the announcement of the commencement of the Phase 1 clinical study of semorinemab 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 upfront 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 months ended March 31, 2020 and 2019, respectively, 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 April 2016, July 2017, January 2019 and November 2019, the companies entered into the First, Second, Third and Fourth 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 research and development 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 upfront, 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 upfront 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 March 31, 2020 and 2019 we have recognized CHF 0.2 million and nil, 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, 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 170) million, plus royalties on sales at a percentage rate ranging from mid-single digits to low double digits. Life Molecular may terminate the LCA at any time by providing three months' notice to us.

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. The Company is eligible to receive variable consideration related to the achievement of certain clinical milestones totaling EUR 8 (CHF 9) 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 158) million. Finally, the Company is 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 March 31, 2020 and 2019, respectively, the Company has recognized no revenues from this agreement.

Grants 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 was to conduct a first-in-human ("FiH") study in 2019. This grant aimed 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 Q3 2019 is a supplement for the further development of the PET tracer. The Company retains its intellectual property rights for these alpha-synuclein PET tracers.

As part of both the Q4 2018 and Q3 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. Our deliverables under the November 2018 grant have been completed. Management estimated a 100% likelihood of completing all milestones under the terms of the August 2019 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 March 31, 2020.

For the three months ended March 31, 2020 and 2019, the Company has recognized CHF 0.1 million and less than CHF 0.1 million, respectively. The Company may expect to recognize approximately CHF 0.2 million through the end of this grant extension.

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, or 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 March 31, 2020 and 2019, the Company has recognized nil and CHF 0.9 million, respectively. This collaboration concluded on April 13, 2019.

4. Earnings per share

	For the Three Months Ended March 31,	
in CHF thousands except for share and per share data	**2020**	**2019**
Basic income/(loss) per share (EPS):		
Numerator:		
Net income/(loss) attributable to equity holders of the Company	(7,689)	63,574
Denominator:		
Weighted-average number of shares outstanding to equity holders	71,864,213	67,922,939
Basic income/(loss) for the period attributable to equity holders	(0.11)	0.94
Diluted income/(loss) per share (EPS)		
Numerator:		
Net income/(loss) attributable to equity holders of the Company	(7,689)	63,574
Effective interest expense of convertible loan	—	991
Net income/(loss) attributable to equity holders of the Company - diluted	(7,689)	64,565
Denominator:		
Weighted-average number of shares outstanding to equity holders	71,864,213	67,922,939
Effect of dilutive securities from equity incentive plans	18,394	661,650
Effect of dilutive securities from convertible loan	—	2,691,411
Weighted-average number of shares outstanding – diluted to equity holders	71,882,607	71,276,000
Diluted income/(loss) for the period attributable to equity holders	(0.11)	0.91

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

	For the Three Months Ended March 31,	
	2020	**2019**
Share options issued and outstanding	331,896	692,890
Restricted share awards subject to future vesting	154,195	—

5. Property, plant and equipment

in CHF thousands	As of March 31, 2020				
	Furniture	IT Equipment	Lab Equipment	Leasehold Improvements	Total
Acquisition Cost:					
Balance at December 31, 2019	158	1,187	6,698	402	8,445
Acquisitions	15	78	99	20	212
Balance at March 31, 2020	173	1,265	6,797	422	8,657
Accumulated depreciation:					
Balance at December 31, 2019	(68)	(627)	(3,619)	(214)	(4,528)
Depreciation expense	(6)	(83)	(263)	(16)	(368)
Balance at March 31, 2020	(74)	(710)	(3,882)	(230)	(4,896)
Carrying Amount:					
December 31, 2019	90	560	3,079	188	3,917
March 31, 2020	99	555	2,915	192	3,761

The Company continues to enhance its laboratory equipment to support its research and development functions. This effort has continued since the year ended December 31, 2019, with CHF 0.1 million invested in lab and IT equipment representing a 1.5% increase. This is consistent with the Company's long-term strategic plan.

6. Right-of-use assets and lease liabilities

The Company did not recognize additions of right-of-use of leased assets for buildings or for office equipment for the three months ended March 31, 2020.

Regarding lease liabilities, the amortization depends on the rate implicit in the contract or the incremental borrowing rate for the respective lease component. The weighted averages of the incremental borrowing rates are 2.5% for buildings, 4.2% for office equipment and 2.6% for IT equipment, respectively.

The following table shows the movements in the net book values of right-of-use of leased assets for the period ended March 31, 2020:

in CHF thousands	Buildings	Office Equipment	IT Equipment	Total
Balance as of January 1, 2020	2,106	81	68	2,255
Additions	—	—	—	—
Disposals	—	—	—	—
Depreciation	(99)	(4)	(5)	(108)
Balance as of March 31, 2020	2,007	77	63	2,147

Overall, IFRS 16 was cash flow neutral for the Company. 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.

For the three months ended March 31, 2020 and 2019, the impact on the Company's statements of income/(loss) and statement of cash flows is as follows:

in CHF thousands	As of March 31, 2020	2019
Statements of income/(loss)		
Depreciation of right-of-use assets	108	103
Interest expense on lease liabilities	14	14
Expense for short-term leases and leases of low value	141	142
Total	263	259
Statements of cash flows		
Total cash outflow for leases	263	259

The Company's statements of cash flow were impacted by a shift from cash generated from operations of CHF 0.1 million and CHF 0.1 million to the net cash used in financing activities, for the three months ended March 31, 2020 and 2019, respectively.

The following table presents the contractual undiscounted cash flows for lease obligations as of March 31, 2020:

in CHF thousands	As of March 31, 2020
Less than one year	489
1-3 years	978
3-5 years	834
Total	2,301

7. Prepaid expenses

Prepaid expenses include prepaid research and development costs, administrative costs and net employee defined benefit liability expenses totaling CHF 3.4 million and CHF 2.8 million as of March 31, 2020 and December 31, 2019, respectively.

8. 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 March 31, 2020 and December 31, 2019:

	As of	
	March 31, 2020	December 31, 2019
	(in CHF thousands)	
Cash and cash equivalents	182,860	193,587
Total	182,860	193,587

	As of	
	March 31, 2020	December 31, 2019
	(in CHF thousands)	
Short-term financial assets due in one year or less	95,000	95,000
Total	95,000	95,000

The Company also has two deposits in escrow accounts totaling CHF 0.3 million for the lease of the Company's premises as of March 31, 2020 and December 31, 2019, respectively.

9. 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.

In Q4 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.

As of March 31, 2020 and December 31, 2019, the Company has recorded in current liabilities a short-term financing obligation of USD 333 (CHF 324) thousand and USD 667 (CHF 652) thousand, respectively.

10. Fair value measurements

Assets and liabilities recorded at fair value are measured using the fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

Level 1: observable inputs such as quoted prices in active markets;

Level 2: inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions.

Derivatives

The Company records its foreign currency exchange rate contracts at fair value. The fair value is the estimated amounts the Company would receive or pay upon termination of the related derivative agreements as of the reporting date. The foreign exchange rates included in the forward contracts are based upon observable market data, but are not quoted market prices, and therefore, the forward currency forward contracts are considered Level 2 liabilities on the fair value hierarchy. As of March 31, 2020, the notional amounts and fair values of the derivatives were as follows:

	As of March 31, 2020	
in CHF thousands	**Notional Amount**	**Fair Value**
Foreign currency exchange rate contracts	15,336	126
Total	15,336	126

11. Finance result, net

For three months ended March 31, 2020 and March 31, 2019, the Company recorded CHF 0.4 million and CHF 3.4 million in net financial losses and gains, respectively. The Company had CHF 0.5 in foreign currency remeasurement losses for the three months ended March 31, 2020 compared to less than CHF 0.1 million for the three months ended March 31, 2019.

For the prior period, the Company recorded a 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 1.1 million in interest expense of which CHF 1.0 million was effective interest recorded to amortize the host debt per the convertible loan due to Lilly. These transactions were not repeated in the current period.

12. Subsequent events

Management has evaluated subsequent events after the balance sheet date, through the issuance of these financial statements, for appropriate accounting and disclosures. The Company has determined that there were no other such events that warrant disclosure or recognition in these 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 months ended March 31, 2020 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, 2019 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" or the "Company," "we," "our," "ours," "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 May 4, 2020.

Results of Operations

The Covid-19 global pandemic has impacted various countries where we currently operate our clinical trials and business operations. The extent to which Covid-19 may impact us will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, the severity of Covid-19, or the effectiveness of actions to contain and treat for Covid-19.

The Company effected its business continuity plan in the three months ended March 31, 2020, and the Company was able to implement such plan quickly and continue to adapt as the situation evolves. Currently, we have only minimal, rotating staff conducting critical on-site activities while other functions of our business have continued remotely without substantial disruption to date. We are continuously assessing and adapting our working practices and business operations to ensure compliance with official guidance and orders related to the pandemic, and are working proactively with our partners and other stakeholders to take steps intended to mitigate and minimize any negative impact to our research, clinical programs and other business operations.

Many of our key trials are already fully enrolled and patient follow-up can continue remotely in most cases. However, the current pandemic may impact certain clinical trials as long as the pandemic is ongoing. Most notably:

ACI-3024: Our Phase 1 study for ACI-3024-1901 in Healthy Volunteers has completed the recruitment and treatment phases as planned. The Company is currently collecting safety, pharmacokinetic and biomarker data. The clinical data is currently anticipated to be communicated in H2 2020.

ACI-35 in Alzheimer's disease: The Company continues to collect data from the Phase 1b/2a ACI-35-1802 study. The interim analysis of cohort 1.1 (safety, tolerability and immunogenicity) is anticipated to be available in Q2 2020. The initiation of cohort 1.2 and cohort 2 is set to commence upon the resolution of the Covid-19 outbreak.

ACI-24 in Down syndrome: The Company's ACI-24-1301 Phase 1b trial recruitment and treatment phases have been completed. Several subjects are still being monitored during the safety follow-up period. The clinical data communication is anticipated by H2 2020.

The Regulatory submission of the ACI-24-DS-1902 Phase 2 trial is proceeding as planned. The initiation of the clinical trial is on track to commence in H2 2020.

ACI-24 in Alzheimer's disease: The Company continues to collect safety, immunogenicity and biomarker data from patients in the ongoing Phase 2 study of ACI-24-1801. The 12-month interim data analysis will be performed as planned on a reduced patient data-set due to Covid-19.

crenezumab: In response to the government-imposed stay at home order in Colombia related to the Covid-19 pandemic, the dosing of participants in the Colombian API study has been temporarily interrupted. The order has been extended until May 11, 2020. While the ultimate duration of the dosing interruption is not yet known, participants are receiving crenezumab or placebo for at least five years as part of the long-term prevention study, and we continue to expect data from the study in 2022.

The Company has drug supplies that are expected to be sufficient to complete ongoing trials as well as additional drug substance supplies expected to be sufficient to support ongoing cohorts of clinical trials for a period of at least three to six months. The Company will refrain from starting new clinical trials if a minimum of a six-months supply on hand cannot be secured. Finally, the Company currently does not expect delays to its clinical trials due to manufacturing or supply-chain issues.

Comparison of the three months ended March 31, 2020 and 2019

Revenues

AC Immune generated revenues of CHF 12.4 million in the three months ended March 31, 2020, a decrease of CHF 62.6 million over the comparable period in 2019. The following table summarizes our revenues during the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
	(in CHF thousands, unaudited)		
Contract revenue	12,411	75,042	(62,631)
Total revenues	12,411	75,042	(62,631)

For the three months ended March 31, 2020, the Company recorded CHF 12.4 million. Although the Company recorded a CHF 10 million milestone in Q1 2020, the decrease predominantly relates to the recognition of a CHF 73.1 million upfront payment for a right-of-use license fee associated with our agreement to research and develop Morphomer Tau small molecules for the potential treatment of Alzheimer's disease (AD) and other neurodegenerative diseases. The difference was partially offset by the recognition of CHF 2.1 million for research and development activities in this agreement compared to CHF 0.8 million in the prior period.

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 in both of our Genentech collaborations. Janssen will be responsible for the full development cost from Phase 2b and onwards. In addition to these arrangements, we expect that our total future research and development costs will continue to increase over current levels in line with our three-pillar strategy that focuses on Alzheimer's disease, non-Alzheimer's neurodegenerative diseases including NeuroOrphan indications and diagnostics.

For the three months ended March 31, 2020, research and development expenses totaled CHF 15.2 million compared with CHF 11.6 million for the three months ended March 31, 2019. This represents an increase of CHF 3.6 million. The following table presents the research and development expenses during the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
	(in CHF thousands, unaudited)		
Operating expenses[(1)]	11,446	8,452	2,994
Salaries and related costs[(2)]	3,763	3,140	623
Total research and development expenses	15,209	11,592	3,617

(1) Includes depreciation expense
(2) Includes share-based compensation expense

The table below provides a breakdown of our research and development costs, including direct research and development costs and manufacturing costs related to research and development, by major development categories of our programs for the periods covered by this Form 6-K. The research and development costs not allocated to specific programs include employment costs, regulatory, quality assurance and intellectual property costs. We do not assign our internal costs, such as salary and benefits, stock-based compensation expense, laboratory supplies and other direct expenses and infrastructure costs to individual research and development projects, because the employees within our research and development groups typically are deployed across multiple research and development programs.

The following table summarizes our research and development expenses by major development program during the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
Alzheimer’s disease	5,853	5,424	429
Non-Alzheimer’s diseases	3,509	1,770	1,739
Diagnostics	389	401	(12)
New discovery programs	374	161	213
Total programs	10,125	7,756	2,369
R&D expenses not allocated to specific programs	5,084	3,836	1,248
Total	15,209	11,592	3,617

The CHF 0.4 million increase in investments in Alzheimer’s disease programs for the three months ended March 31, 2020 predominantly relates to a CHF 1.0 million increase in certain Phase 1 clinical activities completed for our lead Morphomer Tau compound. This is largely offset by a CHF 0.5 million decrease in spending on ACI-24 for Alzheimer’s disease primarily related to certain reductions in development of the second generation vaccine technology. The CHF 1.7 million increase in Non-Alzheimer’s disease programs is led by a CHF 1.3 million increase for ACI-24 for Down syndrome related costs primarily related to scaling up activities for a Phase 2 clinical study. We also incurred a CHF 0.3 million increase associated primarily with higher preclinical and manufacturing costs for our alpha-synuclein antibodies. This was offset by a decrease in various other programs.

R&D Expenses not allocated to specific programs increased CHF 1.2 million predominantly driven by a CHF 0.6 million increase in salaries and related costs with the increase of 15 full time equivalents and CHF 0.6 million in regulatory and quality assurance and other unallocated research and development costs.

General and administrative expenses

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

General and administrative expenses amounted to CHF 4.5 million for the three months ended March 31, 2020 compared with CHF 3.3 million for the three months ended March 31, 2019. This represents an increase of CHF 1.2 million. The increase is predominantly associated with increases in our payroll expense due to an increase of seven FTEs as well as a CHF 0.2 million increase in administrative expenses and depreciation expense, respectively. The following tables present the general and administrative expenses for the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
	(in CHF thousands, unaudited)		
Operating expenses[(1)]	1,737	1,420	317
Salaries and related costs[(2)]	2,767	1,874	893
Total general and administrative expenses	4,504	3,294	1,210

(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 months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
	(in CHF thousands, unaudited)		
Interest income/(expense), net	6	(1,007)	1,013
Change in fair value of conversion feature	—	4,505	(4,505)
Foreign currency remeasurement gain/(loss), net	(454)	(45)	(409)
Other finance income/(expense)	61	(35)	96
Finance result, net	(387)	3,418	(3,805)

In the three months ended March 31, 2020 and 2019, the Company reported CHF 0.4 million and CHF 3.4 million in net financial losses and gains, respectively.

The key driver for the change in financial gains relates to items related to our Lilly agreement in the prior period. Notably, a CHF 4.5 million remeasurement gain associated with the change in fair value of the conversion feature for the convertible loan due to Lilly and CHF 1.0 million in effective interest to amortize the host debt for the convertible loan were not repeated in the current period.

The Company incurred a higher foreign currency loss of CHF 0.5 million in the first quarter of 2020 as a result of fluctuations predominantly between the USD and CHF. The Company held approximately 88% of its cash and cash equivalents and short-term financial assets in local currency, which is down from more than 90% as of March 31, 2019. Exchange rate volatility throughout Q1 2020 was greater than Q1 2019, negatively impacting our USD cash balances for the 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 March 31, 2020, we had cash and cash equivalents of CHF 182.9 million and short-term financial assets of CHF 95 million for a total liquidity balance of CHF 277.9 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 accounts payable and accrued expenses. We expect to incur substantial expenses in connection with a number of our product candidates in various stages of clinical development. This includes 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, material increases in spending on ACI-24 in AD to fund an ongoing Phase 2 study and for the preparation of a Phase 2 study in ACI-24 in Down syndrome, increased investment in 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:

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
	(in CHF thousands, unaudited)		
Net cash provided by (used in):			
Operating activities	(9,687)	65,984	(75,671)
Investing activities	(212)	(50,511)	50,299
Financing activities	(374)	50,248	(50,622)
Net change in cash and cash equivalents	(10,273)	65,721	(75,994)

Operating activities

Net cash used in operating activities was CHF 9.7 million for the three months ended March 31, 2020 compared with net cash provided by operating activities of CHF 66.0 million for the three months ended March 31, 2019. The change in cash used in operating activities for the three months ended March 31, 2020 was due to the Company's reporting net loss of CHF 7.7 million for the three months ended March 31, 2020 compared with net income of CHF 63.6 million for the same period in 2019 driven by (i) a decrease of CHF 62.6 million in revenues, principally due to recognition of CHF 73.9 million from the upfront payment for a right-of-use license fee and research and development activities associated with our agreement with Lilly in the prior period compared to CHF 12.1 million in Q1 2020 (ii) further increased by a CHF 3.6 increase in research and development costs for the three months ended March 31, 2020.

Investing activities

Net cash used in investing activities was CHF 0.2 million for the three months ended March 31, 2020 compared with net cash used in investing activities of CHF 50.5 million for the three months ended March 31, 2019. The Company made no additional investments in fixed-term deposits in Q1 2020 compared to CHF 50 million in the prior period.

Financing activities

Net cash used in financing activities was CHF 0.4 million for the three months ended March 31, 2020 compared with net cash provided by financing activities of CHF 50.2 million for the three months ended March 31, 2019. The decrease of CHF 50.6 million is predominantly related to CHF 50.3 million received from Lilly for a convertible loan in the prior period that was not repeated in the current period.

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 March 31, 2020, we had cash and cash equivalents of CHF 182.9 million and short-term financial assets of CHF 95 million totaling CHF 277.9 million in liquidity. The decrease relative to December 31, 2019 is due to the receipt of a CHF 10 million milestone payment from Lilly. There were corresponding offsets from an increase in research and development spending on our major discovery 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 first quarter of 2024.

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 and protecting our portfolio of intellectual property.

Quantitative and Qualitative Disclosures about Market Risk

During the three months ended March 31, 2020, 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 for a period of five years following the completion of our initial public offering (through 2021) or until we no longer meet the requirements of being an “emerging growth company,” whichever is earlier. We would also 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

(in CHF thousands except for share and per share data)	For the Three Months Ended March 31, 2020	2019
Income/(Loss)	(7,689)	63,574
Adjustments:		
Non-cash share-based payments (a)	852	584
Foreign currency losses (b)	454	45
Effective interest expense (c)	54	991
Change in fair value of conversion feature (d)	—	(4,505)
Adjusted Income/(Loss)	(6,329)	60,689
Earnings/(Loss) per share – basic	(0.11)	0.94
Earnings/(Loss) per share – diluted	(0.11)	0.91
Adjustment to earnings/(loss) per share – basic	0.02	(0.05)
Adjustment to earnings/(loss) per share – diluted	0.02	(0.06)
Adjusted earnings/(loss) per share – basic	(0.09)	0.89
Adjusted earnings/(loss) per share – diluted	(0.09)	0.85
Weighted-average number of shares outstanding Adjusted earnings/(loss)–basic	71,864,213	67,922,939
Weighted-average number of shares outstanding Adjusted earnings/(loss)–diluted	71,882,607	71,276,000

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

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

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

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

Adjustments for the three months ended March 31, 2020 and March 31, 2019 were CHF 1.3 million in net losses and CHF 2.9 million in net gains, respectively. The Company recorded CHF 0.9 million for the three months, respectively, for share-based compensation expenses. There were foreign currency remeasurement losses of CHF 0.5 million and less than CHF 0.1 million, respectively, predominantly related to the increased foreign currency cash balance of the Company and movement in our forward contract. In Q1 2019, the Company recorded CHF 1.0 million for amortization of effective interest and recognized a CHF 4.5 million gain for the change in fair value of the liability related to the conversion feature. These were not repeated in the current period.

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, including: the impact of Covid-19 on our business, suppliers, patients and employees and any other impact of Covid-19. 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 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 such as the global pandemic originating with Covid-19, 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

PRESS RELEASE

AC Immune Reports Q1 2020 Financial Results and Provides Business Update

- On track to meet the five clinical milestones expected in 2020 with no modifying guidance as a result of Covid-19
- Ongoing strong financial position with CHF 277.9 million in cash, ensuring the Company is fully financed through Q1 2024, excluding potential incoming milestones
- Added new potential CHF 60 million Phase 2 initiation milestone for the small molecule Morphomer™ Tau aggregation inhibitor program and received CHF 10 million milestone in Q1 2020 in Lilly partnership
- Advanced a lead anti-alpha-synuclein therapeutic antibody candidate into preclinical development based on new proof-of-concept data presented at AAT-AD/PD™

Lausanne, Switzerland, May 4, 2020 – AC Immune SA (NASDAQ: ACIU), a Swiss-based, clinical-stage biopharmaceutical company with a broad pipeline focused on neurodegenerative diseases, today announced financial results for the first quarter ended March 31, 2020 and provided a business and 2020 research and development update.

Prof. Andrea Pfeifer, CEO of AC Immune SA, commented: “AC Immune has had a strong start to 2020. We received a second milestone payment and expanded our transformative agreement with Eli Lilly and Company, further reinforcing our position as one of the most influential biotechnology companies targeting neurodegenerative diseases.

“With increasing recognition that precision medicine is likely to be the best way to address the complexity of neurodegenerative disease (NDD) pathology, one of AC Immune’s key strengths is our diversified approach. New proof-of-concept data presented at this year’s AAT-AD/PD™ reflects that alongside programs advancing on well-established targets like Tau and Abeta, we are also focused on novel targets and mechanisms. Our TDP-43 and alpha-synuclein therapeutic and diagnostic programs are amongst the most advanced in the field, as it becomes clear that co-pathologies in AD and NDD are an important element in the route to a cure.

“We continue to believe that 2020 will be an important and eventful year for AC Immune and for the entire field of neurodegenerative diseases, despite the challenges posed by the Covid-19 pandemic. Our continued strong cash position of CHF 277.9 million provides a solid foundation with the Company being fully financed through at least Q1 2024. And we remain on track to meet multiple value-creating milestones this year, with five clinical readouts, including the first Phase 2 proof-of-concept data for semorinemab, a anti-Tau antibody, through our partnership with Genentech, a member of the Roche group.”

Q1 2020 Research & Development Highlights:

- Presented new preclinical data at the first ever online AAT-AD/PD™ Focus, describing proof-of-concept data for lead candidates in AC Immune's therapeutic and diagnostic programs targeting TDP-43 and alpha-synuclein. These pathological proteins represent targets of increasing interest for the treatment of neurodegenerative diseases, and AC Immune's programs are amongst the most advanced in the field

- Dr. Juan Fortea, an internationally renowned neurologist with a specific focus in the emerging field of Down syndrome-related Alzheimer's disease, joined AC Immune's Clinical Advisory Board (CAB)

- Received a second milestone payment of CHF 10 million from Lilly related to development progress in the small molecule Morphomer™ Tau aggregation inhibitor program. Under updated collaboration terms, AC Immune is now eligible for a new additional milestone payment of CHF 60 million within 60 days after dosing of the first patient in the first Phase 2 clinical trial of a Morphomer™ Tau in the United States or European Union. The amendment to the financial terms increases the total deal value by CHF 40 million to CHF 1.86 billion, up from CHF 1.82 billion

2020 Research & Development Outlook

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

2020 Clinical Readouts

- Semorinemab, anti-Tau antibody: Phase 2 trial primary completion (estimated last patient, last visit) in prodromal/mild in Q2

- ACI-24 anti-Abeta vaccine in Down syndrome (DS): Phase 1b full study reporting in H2

- ACI-35.030 anti-pTau vaccine: Phase 1b/2a in AD interim analysis in Q2

- ACI-3024 small molecule Morphomer™ Tau aggregation inhibitor: Phase 1 results in healthy volunteers in Q2; data disclosed by Lilly in H2 (expected)

- ACI-24 in AD: Phase 2, 12-month interim analysis in H2

2020 Preclinical Milestones

- Alpha-synuclein antibody: started investigational new drug (IND)-enabling studies for lead candidate in Q1 **(achieved)**

- Anti-TDP-43 antibody: declare clinical lead and start IND-enabling studies in Q2

- Alpha-synuclein small molecule: identify first biologically active small molecule in Q2

- Alpha-synuclein imaging agent: advance third generation candidate to clinical stage in Q4

- Neuroinflammation: declare lead candidates for small molecule and antibody programs in Q4

Update on Covid-19

AC Immune has always maintained a robust business continuity plan. During the Covid-19 outbreak, every provision is being made to protect the health of patients, staff and investigators, as well as the productivity and integrity of our clinical development. Importantly, the Company currently remains on track to deliver the five clinical readouts expected in 2020, owing largely to the fact that many of the Company's key trials are already fully enrolled, and patient follow up is continuing virtually. AC Immune notes the following additional considerations related to Covid-19:

- The 12-month interim data analysis for ACI-24 in AD will proceed as planned on a reduced patient data-set
- Plans to initiate a Phase 2 study of ACI-24 in DS in the second half of 2020 are progressing and will be initiated in line with public health guidance at that time
- Dosing of participants in the Phase 2 Colombian Alzheimer's disease prevention initiative (API) study has been temporarily interrupted by the countrywide stay at home order. While the ultimate duration of the dosing interruption is not yet known, participants are receiving crenezumab or placebo for at least five years as part of the long-term prevention study, and we continue to expect data from the study in 2022

There are positive signs that countries, including Switzerland, are beginning to ease restrictions. AC Immune remains in continuous contact with its partners and other important stakeholders, including the Swiss government, trial investigators and contractors. At this stage the Company is not modifying guidance with respect to the multiple clinical and preclinical data readouts anticipated this year. AC Immune will keep the market apprised of any new developments or information that may impact clinical timelines.

Prof. Andrea Pfeifer, CEO of AC Immune SA, concluded: "With the support of our highly respected investors and partners as well as our strong balance sheet, AC Immune is in an excellent position to deliver on these exciting plans and make a significant difference for patients with neurodegenerative diseases."

Analysis of Financial Statements for the Three Months Ended March 31, 2020

- **Revenues:** Revenues for the three months ended March 31, 2020 totaled CHF 12.4 million. This represents a CHF 62.6 million decrease compared to the three months ended March 31, 2019. The decrease predominantly relates to CHF 73.9 million recognized in the prior period associated with our license agreement with Lilly offset by a recognition of the CHF 10 million milestone payment and CHF 2.1 million for research and development activities performed in the current period
- **R&D Expenditures:** R&D expenses increased by CHF 3.6 million to CHF 15.2 million for the three months ended March 31, 2020 compared to the prior period. Of this increase, CHF 2.4 million relates to increases in R&D expenses directly allocated to R&D programs such as a CHF 1.3 million increase related to scaling up activities for the Phase 2 clinical trial for ACI-24 in DS and a CHF 1.0 million increase for certain Phase 1 clinical activities completed for our lead Morphomer^{TM} Tau compound. Additionally, personnel costs increased by CHF 0.6 million through the addition of 15 FTEs with remaining increases of

CHF 0.6 million in regulatory and quality assurance and other unallocated research and development costs

- **G&A Expenses:** For the three months ended March 31, 2020, G&A increased CHF 1.2 million to CHF 4.5 million. Increases were driven by the addition of seven FTEs as well as an increase in administrative and depreciation expenses

- **IFRS (Loss)/Income for the period:** The Company recorded a net loss after taxes of CHF 7.7 million for the three months ended March 31, 2020, compared with net income after taxes of CHF 63.6 million for the prior period

- **Cash Position:** The Company had a total cash balance of CHF 277.9 million, comprised of CHF 182.9 million in cash and cash equivalents and CHF 95 million in short-term financial assets. This compares to a total cash balance of CHF 288.6 million as of December 31, 2019. This decrease of CHF 10.7 million is principally due to the factors noted above in the income statement which resulted in a CHF 7.7 million net loss for the period and changes in our working capital. Further details are available in our Statements of Cash Flows on the accompanying Form 6-K

About AC Immune SA

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

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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. These include: the impact of Covid-19 on our business, suppliers, patients and employees and any other impact of Covid-19. Forward-looking statements speak only as of the date they are made, and AC Immune does not undertake any obligation to update them in light of new information, future developments or otherwise, except as may be required under applicable law. All forward-looking statements are qualified in their entirety by this cautionary statement.

Balance Sheets

(in CHF thousands)

	As of March 31, 2020	As of December 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	3,761	3,917
Right-of-use assets	2,147	2,255
Long-term financial assets	304	304
Total non-current assets	6,212	6,476
Current assets		
Prepaid expenses	3,419	2,788
Accrued income	190	1,095
Other current receivables	551	304
Short-term financial assets	95,000	95,000
Cash and cash equivalents	182,860	193,587
Total current assets	282,020	292,774
Total assets	288,232	299,250
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	1,437	1,437
Share premium	346,568	346,526
Accumulated losses	(82,404)	(75,521)
Total shareholders' equity	265,601	272,442
Non-current liabilities		
Long-term lease liabilities	1,713	1,813
Net employee defined benefit liabilities	7,666	7,485
Total non-current liabilities	9,379	9,298
Current liabilities		
Trade and other payables	760	142
Accrued expenses	9,155	11,797
Short-term deferred income	2,452	4,477
Short-term financing obligation	324	652
Short-term lease liabilities	435	442
Other short-term liabilities	126	—
Total current liabilities	13,252	17,510
Total liabilities	22,631	26,808
Total shareholders' equity and liabilities	288,232	299,250

Statements of Income/(Loss)

(in CHF thousands except for share and per share data)

	For the Three Months Ended March 31,	
	2020	**2019**
Revenue		
Contract revenue	12,411	75,042
Total revenue	12,411	75,042
Operating expenses		
Research & development expenses	(15,209)	(11,592)
General & administrative expenses	(4,504)	(3,294)
Total operating expenses	(19,713)	(14,886)
Operating income/(loss)	(7,302)	60,156
Finance expense, net	(393)	(80)
Change in fair value of conversion feature	—	4,505
Interest income	60	89
Interest expense	(54)	(1,096)
Finance result, net	(387)	3,418
Income/(loss) before tax	(7,689)	63,574
Income tax expense	—	—
Income/(loss) for the period	(7,689)	63,574
Earnings/(loss) per share (EPS):		
Basic income/(loss) for the period attributable to equity holders	(0.11)	0.94
Diluted income/(loss) for the period attributable to equity holders	(0.11)	0.91

Statements of Comprehensive Income/(Loss)	For the Three Months Ended March 31,	
(in CHF thousands)	**2020**	**2019**
Income/(loss) for the period	(7,689)	63,574
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	—	—
Total comprehensive income/(loss), net of tax	(7,689)	63,574

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

(in CHF thousands except for share and per share data)	For the Three Months Ended March 31, 2020	2019
Income/(Loss)	(7,689)	63,574
Adjustments:		
Non-cash share-based payments (a)	852	584
Foreign currency losses (b)	454	45
Effective interest expense (c)	54	991
Change in fair value of conversion feature (d)	—	(4,505)
Adjusted Income/(Loss)	(6,329)	60,689
Earnings/(Loss) per share – basic	(0.11)	0.94
Earnings/(Loss) per share – diluted	(0.11)	0.91
Adjustment to earnings/(loss) per share – basic	0.02	(0.05)
Adjustment to earnings/(loss) per share – diluted	0.02	(0.06)
Adjusted earnings/(loss) per share – basic	(0.09)	0.89
Adjusted earnings/(loss) per share – diluted	(0.09)	0.85
Weighted-average number of shares outstanding Adjusted earnings/(loss)–basic	71,864,213	67,922,939
Weighted-average number of shares outstanding Adjusted earnings/(loss)–diluted	71,882,607	71,276,000

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

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

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

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

Adjustments for the three months ended March 31, 2020 and March 31, 2019 were CHF 1.3 million in net losses and CHF 2.9 million in net gains, respectively. The Company recorded CHF 0.9 million for the three months, respectively, for share-based compensation expenses. There were foreign currency remeasurement losses of CHF 0.5 million and less than CHF 0.1 million, respectively, predominantly related to the increased foreign currency cash balance of the Company and movement in our forward contract. In Q1 2019, the Company recorded CHF 1.0 million for amortization of effective interest and recognized a CHF 4.5 million gain for the change in fair value of the liability related to the conversion feature. These were not repeated in the current period.