AC IMMUNE SA

FORM 6-K

(Report of Foreign Issuer Pursuant to Rule 13a-16 or 15d-16)

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

FORM 6-K

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

For the month of March, 2019

Commission File Number: 001-37891

AC IMMUNE SA

(Exact name of registrant as specified in its charter)

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

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 X

SIGNATURE

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

AC IMMUNE SA

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

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

Date: March 21, 2019

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated March 21, 2019
99.2	2018 Statutory Annual Report
99.3	2018 Compensation Report

AC Immune Reports Full-Year 2018 Financial Results and Provides Business Update

CHF 300 million cash position as of Q1 2019 funds operations through Q3 2023

Eli Lilly deal validates Morphomer ™ platform

Initiation of second Phase 2 trial of Tau antibody by partner Genentech

Multiple other products progressing, key appointments made to executive team

Lausanne, Switzerland, March 21, 2019 – AC Immune SA (NASDAQ: ACIU), a Swiss-based, clinical-stage biopharmaceutical company with a broad pipeline focused on pioneering precision medicine in neuro-degenerative diseases, today announced financial results for the year ended December 31, 2018, and provided a business and clinical update detailing its corporate progress and anticipated milestones.

Prof. Andrea Pfeifer, Ph.D., CEO of AC Immune, commented: "Our two proprietary discovery platforms, SupraAntigen ™ and Morphomer ™ , have generated multiple product-candidates utilizing different approaches to treating neuro-degenerative diseases. We are advancing five of these through various stages of clinical testing and expect multiple developments in 2019, including data on ACI-24 in Down syndrome and the initiation of a Phase 1 trial of Tau Morphomer ™ as we advance our new partnership with Eli Lilly."

"Our partnerships with the global leaders in neuro-degeneration are a testament to our approach and already have generated CHF 292 million in funds, not including potential future milestones and royalties. We are particularly pleased with the recent validation of the small molecule Morphomer discovery platform by Lilly, which licensed rights to Tau Morphomer in December in one of the biggest deals ever for such an early-stage asset. Our cash position, approximately CHF 300 million as of Q1 2019, funds the company through Q3 2023, allowing us to continue and accelerate implementation of our strategy."

Anticipated 2019 Research & Development Outlook

AC Immune's external collaborations and broad, robust pipeline to treat neuro-degenerative diseases are driven by its proprietary technology platforms, which are fueling sustained growth. Successful delivery of external and internal research & development strategies are expected to produce multiple near-term catalysts in FY 2019-2020.

Data read-outs	▪ ACI-24 Phase 1b in Down syndrome interim data in 2019 (low dose cohort) and H1 2019 (high dose cohort); potential decision to start Phase 2 ahead of plan ▪ a-synuclein antibodies lead selection in 2019 ▪ TDP-43 antibodies lead selection in 2019 ▪ Anti-Tau antibody phase 2 read-out in 2020
Study initiations	▪ Tau-PET tracer longitudinal study, Phase 2 in 2018 ▪ Second generation a-synuclein-PET tracer start of first-in-human trial in Q1 2019 ▪ Morphomer Tau Phase 1 expected start in Q2 2019 by Lilly ▪ ACI-35 to start Phase 2 testing in H1 19

2019 Financial Guidance

For the full year 2019, the company expects total operating expenses to range between CHF 65−80 million, up from CHF 56.8 million in 2018.

Financial Highlights 2018

- Enhanced cash position projected to be approximately CHF 300 million as of Q1 2019, following receipt of CHF 80 million upfront payment and USD 50 million convertible note as a result of license agreement with Lilly in December 2018. The Company's cash position as of December 31, 2018 totaled CHF 186.5 million.
- Completed follow-on offering of 10 million common shares in Q3 2018 which raised gross proceeds of USD 117.5 million (CHF 116.3 million).
- Strategic R&D expenditures increased by CHF 11.6 million (+36%) supporting an ongoing ramp-up in R&D activities, primarily driven by investments in our AD and discovery programs as well as advancements in our proprietary and partnered key vaccine programs, most notably ACI-24.
- Addition of 19 FTE's in R&D (+29%).
- IFRS net operating loss of CHF 50.9 million and Non-IFRS loss of CHF 47.2 million.

Research & Development Highlights 2018 and Beyond

- License agreement signed with Lilly to research and develop Tau aggregation inhibitor small molecules for the potential treatment of Alzheimer's disease and other neuro-degenerative diseases. The terms include upfront payment of CHF 80 million, USD 50 million convertible equity note, CHF 60 million in potential near-term milestones, as well as other milestones up to approximately CHF 1.68 billion, and tiered royalty payments in the low double digits.
- Genentech, a member of Roche Group, commenced recruitment for a second Phase 2 trial of AC Immune's anti-Tau monoclonal antibody, RG6100 (MTAAU9937A, RO7105705), in moderate AD supplementing a separate Phase 2 trial to evaluate its efficacy and safety in participants with prodromal to mild AD.
- Roche discontinued CREAD 1 and CREAD 2 Phase 3 studies of crenezumab. Further update on the interim analysis CREAD studies will be presented by Roche at Alzheimer's and Parkinson's Diseases Congress (AD/PD) Lisbon, Portugal on March 27 at 4:20 – 4:35 PM WET.
- The landmark Alzheimer's Prevention Initiative trial of crenezumab, for which data are expected in 2021/22, is continuing in cognitively healthy individuals in Colombia with an autosomal dominant mutation who are at high risk of developing familial AD.
- Commenced a Phase 2 clinical trial with an adaptive design for evaluation of ACI-24 (anti-Abeta vaccine) i n patients with mild AD.
- Completed recruitment for the high-dose cohort of the ACI-24 Phase 1b study for the treatment of AD-like characteristics in adults with Down syndrome. Low-dose cohort was fully recruited in August 2017.
- Awarded third follow-up grant from The Michael J. Fox Foundation for first-in-human study of a potential alpha-synuclein Positron Emission Tomography (PET) tracer for Parkinson's disease anticipated to commence in H1 of 2019.
- Hosted a Key Opinion Leader (KOL) event addressing Abeta oligomers in AD and other neuro-degenerative diseases with top-level insights from KOLs Professor Michael W. Weiner, University of California San Francisco School of Medicine and Professor John Q. Trojanowski, Perelman School of Medicine, University of Pennsylvania.
- Established an exclusive strategic partnership with WuXi Biologics allowing ACIU to leverage WuXi Biologics' capacities and capabilities in the manufacturing and supply of biologics for CNS disorders.
- Announced appointments to ACIU executive management including Dr. Marie Kosco-Vilbois, as Chief Scientific Officer, Piergiorgio Donati as Head of Technical Operations and Program Management, and Dr. Sonia Poli as Head of Translational Science.

Analysis of Financial Statements for the 12 months ended December 31, 2018

Key Financial Results [1]

	For the year ended December 31,		
	2018	**2017**	**Change**
	(in CHF million except per share data)		
Revenues	7.2	20.3	(13.1)
R&D expenses	(44.3)	(32.7)	(11.6)
G&A expenses	(12.5)	(10.1)	(2.4)
IFRS loss for the period	(50.9)	(26.4)	(24.5)
IFRS EPS – basic and diluted	(0.82)	(0.46)	(0.36)
Non-IFRS loss for the period [1]	(47.2)	(20.6)	(26.6)
Non-IFRS EPS – basic and diluted [1]	(0.76)	(0.36)	(0.40)
	As of December 31,		
	2018	**2017**	**Change**
	(in CHF million)		
Cash and cash equivalents	156.5	124.4	32.1
Short-term financial assets	30.0	-	30.0
Total Liquidity [2]	**186.5**	**124.4**	**62.1**
Total shareholder's equity	**177.6**	**116.8**	**60.8**

Revenues

- Revenues for the 12-month period decreased CHF 13.1 million (-64%) compared to 2017. Revenues fluctuate as a result of our collaborations with current and potentially new partners, the timing of milestone achievements and the size of each milestone payment.
- CHF 14 million milestone payment received in 2017 for the Company's anti-Tau antibody moving into a Phase 2 trial for AD as part of the Company's collaboration with Genentech. No such milestone was received in in 2018.
- Increase of CHF 0.9 million and CHF 0.1 million for Janssen and Biogen collaborations, respectively. For Janssen, this relates to an increase in cost sharing activities for the advancement of ACI-35 in the development plan.
- The Company also recorded an increase of CHF 0.6 million in its collaboration with Essex as this collaboration was in effect for the full year 2018.

Research & Development (R&D) Expenses

- Total R&D expenditures increased CHF 11.6 million (+36%) for the 12 months ended December 31, 2018 compared to 2017.
- The Company increased investments in each of its respective development category, led by a CHF 3.6 million (+34%) and CHF 3.9 million (+50%) increase in Alzheimer's disease and discovery programs, respectively.
- Alzheimer's disease expenses increased due to a CHF 3.0 million increase for investments related to the completion of the Phase 1b study for ACI-35 and advancement of the vaccine through the development

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[1] Non-IFRS (Loss) and Non-IFRS EPS are non-IFRS measures. See "Non-IFRS Financial Measures" below for further information

[2] Liquidity is defined as the cash and cash equivalents plus short-term financial assets. These short-term financial assets are comprised of cash held in fixed-term deposits ranging in maturity from 3−12 months

plan. ACI-24 AD spend increased by CHF 1.4 million in set-up fees such as site selection, administration and related manufacturing costs associated with the Phase 2 study.

- Increase in discovery programs was led by a CHF 1.5 million increase related to continued proof-of-concept and manufacturing activities for studies related to our lead compounds in the anti-Tau Morphomer ^{TM} program and investments in new therapeutic and preventive vaccine technology, CHF 0.5 million increase related to manufacturing activities in our vaccine technology program and a CHF 0.8 million for our anti-a-Synuclein antibody. The Company also increased its investment by CHF 0.7 million in the area of neuroinflammation driven by additional costs related to medicinal chemistry and preclinical evaluation of the compounds.

General & Administrative (G&A) Expenses

- For the year ended December 31, 2018 G&A increased CHF 2.4 million (+23%) to CHF 12.5 million. Increase driven by personnel expenses including share-based compensation and professional services.

IFRS Loss for the period

- AC Immune had a net loss after taxes of CHF 50.9 million in 2018 compared with net loss of CHF 26.4 million in 2017.

Balance Sheet

- The Company had a total cash balance of CHF 186.5 million comprised of CHF 156.5 million in cash and cash equivalents and CHF 30.0 million short-term financial assets. This compares to CHF 124.4 million as of December 31, 2017. The increase of CHF 62.1 million is principally due to the follow-on financing in 2018 offset by the Company's net loss. Further details are available in our Statements of Cash flows on the accompanying Form 20-F.
- The Company's strong cash balance provides enough capital resources to progress through at least Q3 2023, not considering any incoming milestones.
- The total shareholders' equity position increased year-over-year to CHF 177.6 million as of December 31, 2018 from CHF 116.8 million as of December 31, 2017. Further details are available in our corresponding Financial Statements filed on the accompanying Form 20-F.

Non-IFRS Financial Measures

The Company's operating results, as calculated in accordance with International Financial Reporting Standards, or IFRS, as adopted by the International Accounting Standards Board, we use non-IFRS Loss and non-IFRS Loss per share when monitoring and evaluating our operational performance. Non-IFRS Loss is defined as loss for the relevant period, as adjusted for certain items that we believe are not indicative of our ongoing operating performance. Non-IFRS Loss per share is defined as non-IFRS Loss for the relevant period divided by the weighted-average number of shares for such period.

The Company believes that these measures assist shareholders because they enhance comparability and provide more useful insight into operational results for the period. The Company's executive management uses these non-IFRS measures to evaluate operational performance. These non-IFRS financial measures are not meant to be considered alone or substitute for 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 loss and loss per share. The following table reconciles IFRS net loss and IFRS loss per share to non-IFRS net loss and non-IFRS net loss per share for the periods presented:

Reconciliation of Loss to Adjusted Loss and Loss per Share to Adjusted Loss per Share (unaudited)

	For the year ended December 31		Change
	2018	2017	CHF
	(in CHF millions except per share data)		
IFRS loss	(50.9)	(26.4)	(24.5)
Adjustments:	2.5	1.6	(0.9)
Non-Cash share-based compensation	1.2	4.2	3.0
Foreign currency remeasurement losses			
Non-IFRS loss	(47.2)	(20.6)	(26.6)
IFRS EPS – basic and diluted	(0.82)	(0.46)	(0.36)
Adjustment to EPS – basic and diluted	0.06	0.10	(0.04)
Non-IFRS EPS – basic and diluted	(0.76)	(0.36)	(0.40)
Weighted-average number of shares used to compute Adjusted Earnings (Loss) per share – basic and diluted	61,838,228	57,084,295	4,753,933

Non-IFRS Expenditures

Adjustments for the years ended December 31, 2018 and 2017 were CHF 3.7 million and CHF 5.8 million in net losses, respectively. These were largely due to foreign currency remeasurement losses of CHF 1.2 million and CHF 4.2 million for the years ended December 31, 2018 and 2017, respectively, predominantly related to the cash balance of the Company as a result of fluctuations of the US Dollar against the Swiss Franc. The Company also recorded CHF 2.5 million and CHF 1.6 million for the years ended December 31, 2018 and 2017, respectively, for share-based compensation expenses.

About AC Immune

AC Immune SA is a Nasdaq-listed clinical-stage biopharmaceutical company, which aims to become a global leader in precision medicine for neuro-degenerative diseases. The Company designs, discovers and develops therapeutic as well as diagnostic products intended to prevent and modify diseases caused by misfolding proteins. AC Immune's two proprietary technology platforms create antibodies, small molecules and vaccines designed to address a broad spectrum of neuro-degenerative indications, such as Alzheimer's disease (AD). The Company's pipeline features nine therapeutic and three diagnostic product candidates, with five currently in clinical trials. It has collaborations with major pharmaceutical companies including Roche/Genentech, Lilly, Biogen, Janssen Pharmaceuticals, Nestlé Institute of Health Sciences, Life Molecular Imaging (formerly Piramal Imaging) and Essex Bio-Technology.

For further information, please contact:

U.S. Investors
Lisa Sher
AC Immune Investor Relations
Phone: +1 970 987 26 54
E-mail: lisa.sher@acimmune.com

U.S. Media
Katie Gallagher
LaVoieHealthScience
Phone: +1 617 792 3937
E-mail: kgallagher@lavoiehealthscience.com

European Investors & Media
Chris Maggos
LifeSci Advisors
Phone: +41 79 367 6254
E-mail: chris@lifesciadvisors.com

Forward looking statements

This press release contains statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements other than historical fact and may include statements that address future operating, financial or business performance or AC Immune’s strategies or expectations. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “outlook” or “continue,” and other comparable terminology. Forward-looking statements are based on management’s current expectations and beliefs and involve significant risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these statements. These risks and uncertainties include those described under the captions “Item 3. Key Information—Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in AC Immune’s Annual Report on Form 20-F and other filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and AC Immune does not undertake any obligation to update them in light of new information, future developments or otherwise, except as may be required under applicable law. All forward-looking statements are qualified in their entirety by this cautionary statement.

AC Immune SA
EPFL Innovation Park
1015 Lausanne / Ecublens
Switzerland

Report of the statutory auditor
to the General Meeting of AC Immune SA
Ecublens

Report on the audit of the financial statements

Opinion
We have audited the financial statements of AC Immune SA, which comprise the balance sheet as at 31 December 2018, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements as at 31 December 2018 comply with Swiss law and the company's articles of incorporation.

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

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

Our audit approach
Overview

Overall materiality: CHF 547'800

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Research and development agreements - revenue recognition

Context of our audit 2018

This was our first year audit of the financial statements of the Company. Initial audit engagements involve a number of considerations not associated with recurring audits, including obtaining evidence about whether the Company's opening balances contain misstatements that can materially affect the current period's financial statements and that the accounting policies are appropriately reflected in the opening balances and have been consistently applied in the current period's financial statements.

Materiality

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

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

Overall materiality	CHF 547'800
How we determined it	1% of total operating expenses
Rationale for the materiality benchmark applied	Profit before tax is not considered an appropriate benchmark as the entity is a start-up still in a developmental phase, and has no recurring revenues. Based on the nature of the entity we deter-mined total expenses as the most appropriate benchmark for the materiality considerations applied during our audit.

We agreed with the Audit Committee that we would report to them misstatements above CHF 54'700 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

As this was a first year audit, our approach included a comprehensive transition plan that outlined the steps required to gain an initial understanding of the Company and its business, including its control environment, accounting policies and information systems. Our transition plan included, but was not limited to the following:

- We assessed and evaluated our compliance with independence requirements prior to our acceptance of the audit by performing an extensive review and confirmation process of any services provided to the Company and any other relationships between the Company and PwC offices in all the territories where the Company and its Related Parties are domiciled;
- We met key management to gain an understanding of the Company's activities, any complex and significant business arrangements and areas of significant judgement (e.g. collaboration agreements, and valuations) identified in the prior year financial reporting. These meetings also covered the sole item considered as 'Key audit matter' and described in the section below;
- We reviewed management's documentation regarding internal controls over financial reporting to assist in developing an understanding of the Company's financial reporting, business processes and relevant internal controls;

- We met with the predecessor auditors in Switzerland and reviewed their working papers in order to familiarise ourselves with the audit work performed, the Company's internal controls over financial reporting, the evidence relied upon by the predecessor auditor when issuing the prior year opinion and the audit documentation regarding key areas of management judgement; and

- Through our 2018 audit procedures, we obtained evidence regarding the Company's opening balances and the consistent application of appropriate accounting policies in the current period.

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

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

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

Research and development agreements - revenue recognition

Key audit matter	*How our audit addressed the key audit matter*
AC Immune SA has entered into a number of material revenue-generating research and development agreements with various collaboration partners. Each agreement contains contract specific arrangements which may relate to upfront fees related to the grant of right of use over licences payments based on achievement of various clinical milestones and the delivery of ongoing research and development services. Given the complex nature of the research and development agreements, judgements involved in identifying performance obligations, allocating the transaction price and in determining the pattern of revenue recognition, we consider this area to be a key audit matter for our audit. Refer to Note 2 and Note 12 in the Financial Statements for AC Immune's accounting policy and a discussion of the various agreements applicable during FY18.	We assessed the application of the accounting policy for research and development agreements in accordance with Swiss law. For each material transaction, we read the respective contracts, and reviewed Management's assessment of the performance obligation(s), the determination, and allocation of the transaction price to the respective performance obligation(s), and Management's conclusion as to whether revenues were recognized when the performance obligations were satisfied. On the basis of the work performed, we agree with Management's key judgements.

Other matter

The financial statements of AC Immune SA for the year ended 31 December 2017 were audited by another firm of auditors whose report, dated 20 March 2018, expressed an unmodified opinion on those statements.

Responsibilities of the Board of Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers SA

/s/ Michael Foley
Michael Foley
Audit expert
Auditor in charge

/s/ Filippos Mintiloglitis
Filippos Mintiloglitis
Audit expert

Lausanne, 21 March 2019

Balance Sheet

in CHF thousands	Notes	As at 31 December, 2018	2017
Assets			
Current assets			
Cash and cash equivalents	5	156,774	124,631
Short-term financial assets	5	30,000	-
Other current receivables			
- Third parties	6	236	918
- Short-term financial receivables	6	219	20
Prepaid expenses	7	2,381	1,457
Accrued income	8	3,667	2,799
Total current assets		**193,277**	**129,825**
Non-current assets			
Long-term financial assets	4	304	126
Property, plant and equipment	3	3,324	2,353
Prepaid expenses	7	-	17
Total non-current assets		**3,628**	**2,496**
Total assets		**196,905**	**132,321**
Liabilities and shareholders' equity			
Current liabilities			
Trade payables			
- To third parties	9	1,979	1,092
Accrued expenses and deferred income	9	10,771	8,662
Short-term debt obligation	10	332	-
Total current liabilities		**13,082**	**9,754**
Non-current liabilities			
Long-term debt obligation	10	186	494
Total non-current liabilities		**186**	**494**
Shareholders' equity			
Share capital	11	1,350	1,147
Reserves from capital contributions		289,607	179,352
Accumulated losses brought forward		(58,426)	(32,558)
Loss for the year		(48,894)	(25,868)
Total shareholders' equity		**183,637**	**122,073**
Total liabilities and shareholders' equity		**196,905**	**132,321**

Income Statement

in CHF thousands	Notes	For the Years Ended 31 December, 2018	2017
Contract revenue	12	**7,234**	**20,255**
Operating expenses			
Salaries and related costs	13	(16,029)	(13,206)
Operating expenses	13	(37,796)	(27,098)
Depreciation of fixed assets	13	(960)	(580)
Total operating expenses		**(54,785)**	**(40,884)**
Operating loss		**(47,551)**	**(20,629)**
Financial income	14	127	450
Financial expenses	14	(1,470)	(5,689)
Total net financial expenses		**(1,343)**	**(5,239)**
Loss for the period		**(48,894)**	**(25,868)**

Notes to the financial statements

1. General information

AC Immune SA (the "Company," or "AC Immune," "ACI," "we," "our," "ours," "us") is a clinical stage biopharmaceutical company leveraging our two proprietary technology platforms to discover, design and develop novel, proprietary medicines for prevention, diagnosis 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 neuro-orphan 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 medicines and diagnostics to target misfolded proteins.

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

The statutory financial statements of AC Immune SA for the period ended 31 December 2018 were authorized for issue in accordance with a resolution of the Board of Directors on 19 March 2019 and will be submitted to the next Ordinary General Assembly.

During 2018 and 2017, AC Immune had an annual average of more than 50 but less than 250 full time equivalent positions.

2. Summary of significant accounting principles

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

Current vs. non-current classification

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

Foreign currency transactions

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

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

Revenue recognition

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

License of intellectual property

Revenue from non-refundable, upfront license payments and performance milestones where the Company has continuing involvement

is recognized over the estimated performance or agreement period, depending on the terms of the agreement. The recognition of revenue is prospectively changed for subsequent changes in the development or agreement period.

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

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

Milestone payments

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

Research and Development Services

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

Research and development expenditures

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

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

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

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

Total research and development related costs, inclusive of operating expenses, payroll related expenses, and depreciation were CHF 43.3M in 2018 and CHF 32.1M in 2017. R&D expenses in Alzheimer's disease increased by CHF 3.6 million in 2018 and were driven by a CHF 3.0 million increase for investments related to the completion of the Phase 1b study for ACI-35 and advancement of the vaccine through the development plan. Additionally, for ACI-24 AD, the Company spent an incremental CHF 1.4 million in set-up fees such as site selection, administration and related manufacturing costs associated with the Phase 2 study. The Company also

incurred costs for the next stages of clinical development for each of these respective candidates. In Non-Alzheimer's diseases, the Company invested an incremental CHF 0.6 million for its ACI-24 for Down syndrome's Phase 1b clinical study. Diagnostic investments entail predominantly increases in spending related to our alpha-synuclein and TDP-43 PET tracer programs.

New discovery programs increase CHF 3.9 million was driven by CHF 1.5 million related to continued proof-of-concept and manufacturing activities for studies related to our lead compounds in the Anti-Tau Morphomers and investments in new therapeutic and preventive vaccine technology. We also spent an additional CHF 0.5 million increase related to manufacturing activities in our vaccine technology program and a CHF 0.8 million for our anti-a-Synuclein antibody. Finally, the Company increased its investment by CHF 0.7 million for mor-inflammation for costs related to medicinal chemistry and preclinical evaluation of the compounds.

Property, plant and equipment

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

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

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

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

Financial assets & liabilities

The Company's financial assets and liabilities are comprised of receivables, cash and cash equivalents, trade payables and debt obligations.

Receivables

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

Short-term financial assets

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

Cash and cash equivalents

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

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

Trade payables

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

Debt obligations

The Company's debt obligations relate to its agreement with a third party and are measured as of the period end date based on the repayment terms when originated.

Significant Shareholders

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

	Shares Owned 2018		Shares Owned 2017	
Principal Shareholders	**Number**	**Percent**	**Number**	**Percent**
5% Shareholders				
dievini Hopp BioTech holding GmbH & Co KG [1]	18,041,000	26.7%	18,041,000	31.5%
Varuma AG [2]	11,999,999	17.8%	11,410,700	19.9%
FMR LLC [3]	5,612,758	8.3%	5,466,882	9.5%

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

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

(3) Based on information set forth in a Schedule 13G/A filed with the SEC by FMR LLC "(FMR") on February 13, 2018, these shares consist of 5,612,758 shares held of record by FMR. The address of FMR LLC is 245 Summer Street, Boston, MA 02210, USA.

Operating lease liabilities

We have been a tenant at our current location in the EPFL Innovation Park in Ecublens/Lausanne since shortly after our inception in 2003. We lease our corporate, laboratory and other facilities under multiple operating leases that are month to month with no termination clause longer than a 12-month contractual notice period. Our lease agreements are structured such that we can exit these lease agreements without penalty provided we give the owner of our premises sufficient notice. As of 31 December 2018, total minimum liability for the remaining term was CHF 776 thousand.

Provisions

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

Critical judgments and accounting estimates

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

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

Information relating to items on Balance Sheet and Income Statement

3. Property, plant and equipment

	As at 31 December,	
in CHF thousands	**2018**	**2017**
Furniture	126	85
IT equipment	1,025	569
Lab equipment	5,367	4,163
Leasehold improvements	350	271
Total property, plant and equipment	6,868	5,088
Accumulated depreciation	(3,544)	(2,735)
Total	3,324	2,353

4. Long-term financial assets

	As at 31 December,	
in CHF thousands	**2018**	**2017**
Rental deposit (restricted cash)	301	123
Security deposit	3	3
Total	304	126

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

	As at 31 December,	
in CHF thousands	**2018**	**2017**
Cash and cash equivalents	156,774	124,631
Short-term financial assets due in one year or less	30,000	-
Total	186,774	124,631
Cash and cash equivalents by currency		
CHF	126,218	103,272
EUR	11,584	3,694
USD	18,972	17,665
Total	156,774	124,631

6. Other current receivables

in CHF thousands	As at 31 December, 2018	2017
Other current receivables		
- from third parties	236	918
- short-term financial receivables	219	20
Total	455	938

7. Prepaid expenses

in CHF thousands	As at 31 December, 2018	2017
Prepaid expenses (current)	2,381	1,457
Prepaid expenses (non-current)	-	17
Total	2,381	1,474

8. Accrued income

in CHF thousands	As at 31 December, 2018	2017
Accrued income	3,667	2,799
Total	3,667	2,799

9. Trade payables and accrued liabilities

in CHF thousands	As at 31 December, 2018	2017
Trade payables	1,979	1,092
Accrued payroll expenses	2,482	2,420
Accrued R&D costs	6,803	5,429
Other accrued expenses	1,135	458
Current portion of deferred income	351	355
Total accrued expenses and deferred income	10,771	8,662
Total payables and accrued liabilities	12,750	9,754

10. Debt obligations

in CHF thousands	As at 31 December, 2018	2017
Short-term debt obligation	332	-
Long-term debt obligation	186	494
Total	518	494

11. Share capital

As at 31 December 2018 and 2017, the issued share capital amounted to CHF 1,350,138 and CHF 1,146,984 comprising of 67,506,879 common shares and 57,349,190 common shares, respectively, at a par value of CHF 0.02 per common share. The Company completed three follow-on offerings in 2018 raising gross proceeds of USD 117.5 (CHF 116.3) million and issuing 10,000,000 common shares.

12. Revenues

in CHF thousands	For the Years Ended 31 December, 2018	2017
Contract revenue	7,234	20,255
Total	7,234	20,255

13. Operating expenses

in CHF thousands	For the Years Ended 31 December, 2018	2017
Salaries and related costs		
- related to research and development	10,342	8,294
- related to general administrative	5,687	4,912
Total salaries and related cost	16,029	13,206
Research and development expenses		
- related to research and development expense	32,008	23,242
Total research and development expenses	32,008	23,242
General and administrative expenses		
- related to regular general and administrative	4,896	3,856
- related to offering costs	892	-
Total general and administrative expenses	5,788	3,856
Depreciation of fixed assets	960	580
Total operating expenses	54,785	40,884

14. Financial income and expenses

in CHF thousands	For the Years Ended 31 December, 2018	2017
Financial income		
- interest income	29	330
- foreign exchange gains	-	120
- gain on debt extinguishment	98	-
Total financial income	127	450
Financial expenses		
- foreign exchange (losses)	(1,136)	(5,536)
- bank fees	(36)	(7)
- interest expense	(298)	(146)
Total financial expenses	(1,470)	(5,689)

15. Shareholders rights and equity awards

The following table presents information on the allocation of shares and equity awards to executive officers, directors and employees in accordance with Article 959c, paragraph 2, number 11 Swiss Code of Obligations (CO) as at 31 December 2018:

	Shares		Equity Awards	
in CHF thousands	Number	KCHF	Number	KCHF
Issued to executive officers and directors	3,943,305	37,067	813,775	4,718
Issued to employees	374,599	3,521	580,653	2,347
Total	4,317,904	40,588	1,394,428	7,065

Share values are based on the Company's share price of $9.45 (CHF 9.40). Equity awards are comprised of options and non-vested stock (restricted shares and restricted share units) awards. The fair value of our options is determined using the Black-Scholes Morten Model and our non-vested stock awards are valued using a reasonable estimate of market value of the common stock on the date of the award. Total shares are derived from our transfer agent's records as at 31 December 2018.

The table below presents beneficial ownership of executive officers and directors, including affiliated entities, if applicable, in accordance with Article 663c CO as at 31 December 2018:

Beneficial ownership of executive officers and directors	Number of Shares 2018	Number of Equity Awards 2018
Andrea Pfeifer, Ph.D., Chief Executive Officer and Director	2,382,809	471,427
Jörg Hornstein, Chief Financial Officer	-	228,706
Jean-Fabien Monin, Chief Administrative Officer	327,500	25,403
Martin Velasco, Chairman and Director	444,250	22,078
Detlev Riesner, Ph.D., Director	778,848	11,828
Friedrich von Bohlen und Halbach, Ph.D., Director	-	11,828
Peter Bollmann, Ph.D., Director	5,875	5,953
Thomas Graney, Director	4,023	11,828
Werner Lanthaler, Ph.D., Director	-	11,906
Douglass, Williams, Ph.D., Director	-	12,818

16. Post balance sheet events

On January 23, 2019, the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, expired with regard to our license agreement with Eli Lilly and Company ("Lilly"), which we signed in December 2018. Under the terms of the license agreement, the Company will conduct initial Phase 1 development of Tau Morphomer small molecules. Lilly will fund and lead further clinical development and will receive global commercialization rights for all indications, including Alzheimer's disease and other neurodegenerative diseases. The Company will retain certain development rights in orphan indications and co-development and co-promotion options in certain indications outside Alzheimer's disease.

The agreement also allows for potential development of indications in Progressive Supranuclear Palsy and an exclusive license to Lilly of certain intellectual property related to this program.

The Company received CHF 80 million as an upfront payment in February 2019. The agreement also includes various conditional clinical, regulatory and commercialization milestone payments. In addition, the Company will receive royalties on sales of licensed products.

The agreement will terminate on the date on which all obligations between the parties with respect to the last payment of royalties for licensed products have passed or expired. Subject to the terms in the agreement, Lilly may terminate the agreement with three months' written notice to the Company

We and Lilly also entered into a convertible note agreement in December 2018, which also became effective on January 23, 2019. As the convertible note was not effective as of December 31, 2018, there is no corresponding recognition in our financial statements. The Company received total consideration of USD 50.0 (CHF 50.3) million in January 2019. The convertible note is a senior unsecured obligation of the Company that bears interest at a rate of 0.75% per annum, which may be paid in cash or result in the accretion of the principal amount thereof, at our election.

Subject to the terms and conditions set forth in the convertible note agreement, the convertible note will automatically convert into the Company's common shares on the 90th day after the effective date of the license agreement, at a conversion price equal to USD 13.83 per share, which would convert into approximately 3.6 million of our common shares.

On January 30, 2019, we announced that Roche, the parent of our collaboration partner Genentech, is discontinuing the CREAD 1 and CREAD 2 (BN29552 and BN29553) Phase III studies of crenezumab in people with prodromal to mild sporadic AD. The decision came after an interim analysis conducted by the 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 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 a preventive trial of cognitively healthy individuals in Colombia with an autosomal dominant mutation who are at risk of developing familial AD (fAD), under the Alzheimer's Prevention Initiative (API), which began in 2013. 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. This study is in collaboration with the Banner Institute and is funded by the National Institute on Aging.

In March 2019, the Company and Biogen decided not to extend their collaboration agreement into a fourth year per the contract and conclude in April 2019 within the original three-year term of the agreement.

Proposal of the Board of Directors to the annual Shareholders' Meeting:

Proposal of the Board for the accumulated losses to be carried forward, subject to the approval of the Annual Shareholders' Meeting

	As at 31 December,	
in CHF thousands	**2018**	**2017**
Accumulated losses carried forward	(58,426)	(32,558)
Loss for the year	(48,894)	(25,868)
Total accumulated losses	(107,320)	(58,426)

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

Contents

Annex

Report of the statutory auditor on the remuneration report to the General Meeting of AC Immune SA

Ecublens

We have audited the accompanying remuneration report of AC Immune SA for the year ended 31 December 2018. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables 1.c., 2.c. and 3., and the information in sections 1.b. and 3. of the remuneration report.

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the remuneration report of AC Immune SA for the year ended 31 December 2018 complies with Swiss law and articles 14–16 of the Ordinance.

Other matter

The remuneration report of AC Immune SA for the year ended 31 December 2017 was audited by another firm of auditors whose report, dated 20 March 2018, expressed an unmodified opinion on that report.

PricewaterhouseCoopers SA

/s/ Michael Foley
Michael Foley
Audit expert
Auditor in charge

/s/ Filippos Mintiloglitis
Filippos Mintiloglitis
Audit expert

Lausanne, 21 March 2019

PricewaterhouseCoopers SA, avenue C.-F. Ramuz 45, case postale, CH-1001 Lausanne, Switzerland
Téléphone: +41 58 792 81 00, Téléfax: +41 58 792 81 10, www.pwc.ch 2

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

1. Compensation of the Board of Directors

a. Board Composition in 2018 and 2017

Name	Appointment	Board	Audit Committee	Compensation and Nomination Committee
Martin Velasco	2003	Chairman	Member	Member
Peter Bollmann, PhD	2015	Director	Chairman	
Thomas Graney	2016	Director	Member	Member
Detlev Riesner, PhD	2004	Director		Chairman (2)
Friedrich von Bohlen und Halbach, PhD	2015	Director		
Andrea Pfeifer, PhD	2016	Director – CEO		
Douglas Williams, PhD	2018	Director (1)		Chairman (3)
Werner Lanthaler, PhD	2018	Director (4)	Member	

(1) – Elected April 27, 2018
(2) – Chairman for 2017 and through July 6, 2018
(3) – Appointed July 6, 2018
(4) – Elected July 6, 2018

Our Board of Directors is composed of seven directors, not including our Chief Executive Officer (CEO). Each director is elected for a one-year term. The current members of our board of directors were appointed at a shareholders' meeting held on July 6, 2018 to serve until the 2019 shareholders' meeting planned for June 2019.

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

b. Compensation Structure

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

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

- KCHF 87 (net of social charges) for the Chairman of the Board
- KCHF 54 (net of social charges) for other members of the Board
- KCHF 12 (net of social charges) for the Audit Chairman
- KCHF 6 (net of social charges) for members of the Audit Committee

- KCHF 15 (net of social charges) for the Compensation and Nomination Committee chairman
- KCHF 10 (net of social charges) for members of the Compensation and Nomination Committee

For 2017, annual fixed fees were paid semi-annually in Swiss Francs as follows:

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

c. 2018 and 2017 Board Compensation

In 2018 and 2017, the total compensation of the members of the Board of Directors consists of Board fees, social charges and compensation paid in the form of equity instruments and is outlined below:

All amounts are in thousands of CHF

Year	Name	Gross Cash Compensation	Social Contribution	FMV of Equity instruments granted (2) (3)	Total Annual Compensation
2018	Martin Velasco	104	7	56	167
2017	*Martin Velasco*	*98*	*6*	*56*	*160*
2018	Peter Bollmann, PhD	70	7	56	133
2017	*Peter Bollmann, PhD (4)*	*84*	*5*	*56*	*145*
2018	Thomas Graney	66	-	56	122
2017	*Thomas Graney*	*62*	*-*	*106*	*168*
2018	Detlev Riesner, PhD	58	2	56	116
2017	*Detlev Riesner, PhD*	*60*	*4*	*56*	*120*
2018	Friedrich von Bohlen und Halbach, PhD	52	-	56	108
2017	*Friedrich von Bohlen und Halbach, PhD*	*49*	*-*	*56*	*105*
2018	Andrea Pfeifer, PhD (1)	-	-	-	-
2017	*Andrea Pfeifer, PhD (1)*	*-*	*-*	*-*	*-*
2018	Douglas Williams, PhD	47	3	122	172
2017	*Douglas Williams, PhD*	*-*	*-*	*-*	*-*
2018	Werner Lanthaler, PhD	32	2	112	146
2017	*Werner Lanthaler, PhD*	*-*	*-*	*-*	*-*
	Total 2018	429	21	514	964
	Total 2017	*353*	*15*	*330*	*698*

(1) – Compensation for Andrea Pfeifer is included in section 2 c below
(2) – Restricted Share Units were granted in 2018 and 2017 and are further described in Section 3 below. We estimate the fair value of Restricted Share Units using a reasonable estimate of market value of the common stock on the date of the award. Stock options granted are valued using the Black-Scholes model
(3) –Fair market value (FMV) excludes Swiss social security contributions
(4) – Includes CHF 16K gross cash compensation for fees in 2016

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

For the years ended December 31, 2018 and 2017, the Company granted no loans to members or former members of the Board of Directors. Additionally, as of December 31, 2018 and 2017, no such loans or credit payments existed to present or former members of the Board of Directors, or to related parties of present or former members of the Board of Directors.

For the years ended December 31, 2018 and 2017, no compensation was paid to related parties or former members of the Board of Directors.

2. Compensation for Members of Executive Management

a. Executive Management Composition

The Executive Management during 2018 and 2017 was comprised of:

Name	Function	Appointment
Andrea Pfeifer, PhD	Chief Executive Officer	2003
Andreas Muhs, PhD (2)	Chief Scientific Officer	2005
Jörg Hornstein (1)	Chief Financial Officer	2017
Jean-Fabien Monin	Chief Administrative Officer	2009

(1) – Mr. Jörg Hornstein was appointed Chief Financial Officer in November 2016 effective April 1, 2017
(2) – Dr. Andreas Muhs passed away on December 6, 2018, and is defined as a member of the current Executive Management for the purpose of this Report.

b. Executive Compensation Principles

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

c. 2018 and 2017 Executive Compensation

The total compensation of the Executive Management and the highest individual compensation of the members of the Executive Management for the years ended December 31, 2018 and 2017, respectively, are outlined below:

All amounts are in thousands of CHF

Year	Name	Cash Compensation	Other Compensation	Pension (employer)	Employer's Social Contribution (1)	Cash Bonus	Total	Equity FMV excluding Social Contributions (2)(3)
2018	Andrea Pfeifer, PhD	455	28	67	51	445	1,046	700
2017	*Andrea Pfeifer, PhD*	*404*	*28*	*60*	*43*	*408*	*943*	*1,393*
2018	Total Executive Management Compensation (4)	1,306	75	160	117	733	2,391	1,758
2017	*Total Executive Management Compensation*	*1,206*	*70*	*166*	*106*	*680*	*2,228*	*2,271*

(1) – Amounts exclude social charges related to the exercise of options in the amount of CHF 24K and CHF 25K in the aggregate for Executive Management in 2018 and 2017 respectively.
(2) – Restricted Share Units were granted in 2018 and 2017 and are further described in Section 3 below. We estimate the fair value of Restricted Share Units using a reasonable estimate of market value of the common stock on the date of the award. Stock options granted are valued using the Black-Scholes model.
(3) – Fair market value (FMV) excludes Swiss social security contributions.

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

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

For the years end December 31, 2018 and 2017 the Company granted no loans to members or former members of the Executive Management. Additionally, as of December 31, 2018 and 2017, no such loans or credit payments existed to present or former members of the Executive Management, or to related parties of present or former members of the Executive Management.

For the years ended December 31, 2018 and 2017 no compensation was paid to related parties of present or former members of the Executive Management.

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

Board of Directors and Executive Management Equity Incentive Plan Summary

The Members of the Board of Directors and Executive Management held the following equity instruments as of December 31, 2018 and 2017:

Investments held by members of the Board of Directors (1)

Year	Name	Function	Number of Shares	Number of Options	Number of Restricted Share Units (4)
2018	Martin Velasco	Chairman	444,250	10,250	11,828
2017	*Martin Velasco (2)(3)*	*Chairman*	*469,250*	*10,250*	*5,875*
2018	Peter Bollmann, PhD	Director	5,875	-	5,953
2017	*Peter Bollmann, PhD*	*Director*	*-*	*-*	*5,875*
2018	Thomas Graney	Director	4,023	-	11,828
2017	*Thomas Graney*	*Director*	*4,023*	*-*	*5,875*
2018	Detlev Riesner, PhD (2)(3)	Director	778,848	-	11,828
2017	*Detlev Riesner, PhD (2)(3)*	*Director*	*759,000*	*0*	*5,875*
2018	Friedrich von Bohlen und Halbach, PhD	Director	-	-	11,828
2017	*Friedrich von Bohlen und Halbach, PhD*	*Director*	*78,750*	*-*	*5,875*
2018	Douglas Williams, PhD	Director	-	-	12,818
2017	*Douglas Williams, PhD*	*Director*	*-*	*-*	*-*
2018	Werner Lanthaler, PhD	Director	-	-	11,906
2017	*Werner Lanthaler, PhD*	*Director*	*-*	*-*	*-*
	Total 2018		1,232,996	10,250	77,989
	Total 2017		*1,311,023*	*10,250*	*29,375*

(1) – Excluding Andrea Pfeifer, CEO, whose holdings are listed under Executive Management
(2) – Includes shares held directly and indirectly through vehicles controlled by the Director
(3) – A portion of the shares correspond to preferred shares acquired directly by the member through the Company's successive financial rounds (Series A, B, C and D) and cannot be assimilated to compensation in equity
(4) – These unvested Restricted Share Units were awarded in 2018 and 2017 and fully vest in 2019 and 2018, respectively

Investments held by members of the Executive Management

Year	Name	Function	Number of Shares	Options – Vested	Options - Unvested	Restricted Stock Units – Vested	Restricted Stock Units – Unvested
2018	Andrea Pfeifer, PhD (1)	Chief Executive Officer	2,382,809	200,128	202,758	21,419	47,122
2017	*Andrea Pfeifer, PhD (1)*	*Chief Executive Officer*	*2,596,809*	*174,426*	*96,385*	*4,284*	*64,257*
2018	Jörg Hornstein	Chief Financial Officer	-	57,084	171,622	-	-
2017	*Jörg Hornstein*	*Chief Financial Officer*	*-*	*14,248*	*99,733*	*-*	*-*
2018	Andreas Muhs, PhD	Chief Scientific Officer	439,550	309,479	-	7,804	-
2017	*Andreas Muhs, PhD*	*Chief Scientific Officer*	*475,050*	*318,892*	*32,128*	*1,428*	*21,419*
2018	Jean-Fabien Monin	Chief Administrative Officer	327,500	2,750	13,832	1,694	7,127
2017	*Jean-Fabien Monin*	*Chief Administrative Officer*	*275,000*	*52,928*	*6,426*	*286*	*4,283*
	Total 2018		3,149,859	569,441	388,212	30,917	54,249
	Total 2017		*3,346,859*	*560,494*	*234,672*	*5,998*	*89,959*

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

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

In connection with RSUs settled and options exercised in 2018 and 2017 by current and former members of the Board and Executive Management, AC Immune paid social contributions, in accordance with applicable laws, on the gain resulting from the difference in exercise price and fair value of the shares at the time of the exercise. With regard to the former Board and Executive Management members, AC Immune paid a total of nil and CHF 63K in 2018 and 2017, respectively. With regard to the current Board and Executive Management members, AC Immune paid a total of CHF 37K and CHF 11K in 2018 and 2017, respectively.

Annex to the Report

Compensation Philosophy, Principles and Governance

AC Immune's values as "A leader in AD Drug Development" are driven by passion to win, innovation, entrepreneurship, team spirit, modesty, communication and leadership. The Company aims to attract "world class" professionals and strives for growth, achievement and success. The Company's values are an essential component of its strategy and key drivers of the Company's performance.

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

In each of the years from 2016 - 2018, the Company engaged a reputable compensation and performance expert firm to benchmark the compensation level and structure for the members of the Board and Executive Management. The analysis included compensation data of the comparable Pharma/Biopharma companies, including several U.S.-based companies. The Board came to the conclusion that adjustments to the compensation were required in order for AC Immune to remain a competitive employer.

Method of Determining Compensation

The Role and Powers of the Compensation, Nomination and Corporate Governance Committee "CNC"

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

Compensation Guidelines:

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

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

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

Approval of Compensation by the Annual Shareholders' Meeting

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

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

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

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

Compensation of the Board of Directors

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

The compensation for members of the Board typically consists of:

- Annual cash compensation
- Annual grant of equity

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

Compensation of the Executive Management

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

Subject to and within the bounds of the maximum compensation approved by the Ordinary Annual Shareholders' Meeting, the CNC reviews and recommends for approval by the Board of Directors the annual base salary, incentive compensation (bonus) and equity compensation of the CEO, and in consultation with the CEO, of the Executive Management, and the overall compensation of the CEO and the Executive Management. The CNC also requests approval by the Board of Directors regarding the determination of the compensation-related targets for the Executive Management and requests approval by the Board of Directors of the individual compensation packages to be paid to members of the Executive Management.

Elements of Compensation for 2018 and 2017

Base Salary

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

Incentive Plan (Bonus)

The CNC proposes to the Board of Directors an incentive compensation plan providing for variable compensation of the members of the Executive Management based on the achievement of the Company’s corporate goals and in relation to the Executive Management based on the individuals’ performance, and

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

The annual cash bonus for 2018 and 2017 was based on the achievement of Company and individual goals. The target bonus, i.e. cash bonus to be paid if 100% of corporate and individual objectives are met, is determined individually for each member of the executive management as a fixed amount, ranging from approximately 25% (20% in 2017) to 65% (90% in 2017) of the base salary. According to the external benchmarking, the target bonuses continued to be in the lower range of the peer group. The 2018 corporate goals included (i) completion of a follow-on financing of at least USD 75M, (ii) formation of a strategic partnership clinical program, and (iii) fulfillment of various R&D project milestones. The 2017 corporate goals included (i) fulfillment of various R&D project milestones, and (ii) meeting the standards of a NASDAQ listed company with particular emphasis on the financial organization. The weightings of the corporate and individual goals are defined for each executive management member and vary depending on the position. In general, the higher the position of an employee, the more weight is put on the achievement of corporate goals rather than on individual goals. The Board determined that the actual target achievement of the 2018 and 2017 corporate goals was 120% and 102%, respectively.

Pension Plan and Social Charges

Pension Plan

The Company participates in a collective foundation covering all of its employees including its executive officers. In addition to retirement benefits, the plan provides death or long-term disability benefits. Contributions paid to the plan are computed as a percentage of salary, adjusted for the age of the employee and shared approximately 47% (47% in 2017) and 53% (53% in 2017) by employee and employer, respectively. This plan is governed by the Swiss Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG), which requires contributions to be made to a separately administered fund. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of an equal number of employer’s and employee’s representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Social Charges

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

Equity Incentive Plans

Current Plan

The 2016 Option and Incentive Plan as amended and restated as of May 19, 2017 (the “2016 Plan”) was established for the officers, employees, non-employee directors and consultants of AC Immune SA. The 2016 Plan provides for a variety of award types, including stock options, restricted share awards, restricted share units, unrestricted share awards, and performance based awards. Vesting and performance based conditions vary by grant and are determined by the plan administrator, which is the Compensation Committee of the Board of Directors, (or in its absence the Board of Directors) or the Chief Executive Officer under specified delegation limitations granted by the Board of Directors. However, option awards with an “Exercise Price” shall be determined at the time of grant by the plan administrator, but shall not be less than 100 percent of fair market value on the date of grant. Further, awards with an “Option Term” may not exceed 10 years. In 2018 and 2017, awards were granted to members of the Executive Management and Board of Directors and

are disclosed in Section 3 of this report. According to the external benchmarking, the equity awards continued to be in the lower range of the peer group.

Prior Plans

Since our inception in 2003, we have had four separate Prior Plans: Plan A, which was established in 2004 and amended in June 2015 and June 2017; Plan B, which was established in 2005; Plan C1, which was established in 2006; and Plan C2, which was also established in 2006 and was intended specifically for members of our board of directors to purchase our common shares. Options granted under the C1 Plan prior to 2013 were taxed at grant and options granted from 2013 and thereafter were taxed upon exercise instead of at grant due to a change in taxation rules. The options granted under Plan A vested immediately but were subject to a four-year lockup period. The options granted under Plan B and Plan C1 vested over a four year period with 25% of these options vesting each year. Under Plan C2, options were immediately exercisable.

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

2016 Option and Incentive Plans

“Directors and Executive Consideration”

For the fiscal years ended December 31, 2018 and 2017, we have granted our directors and executive management, in the aggregate, options for the right to acquire 280,848 and 257,916 shares, respectively at an exercise price ranging from US$ 8.51 to US$ 9.50 per share in 2018 and CHF 9.53 per share in 2017, that vest over a four year period with vesting to occur quarterly. In addition to the stock options granted, for the fiscal years ended December 31, 2018 and 2017, the Company also granted 69,371 and 125,332 restricted share units, respectively to its directors and executive officers. The restricted share units granted to directors total 54,489 and 29,375 in 2018 and 2017, respectively and vest at the end of a one-year period. The remaining 14,882 and 95,957 restricted share units were granted to executives and have a four year vesting life to be vested quarterly. Upon the death of our CSO, non-vested options and non-vested-restricted share units were cancelled; such amounts aggregated 22,800 options of the 2018 grant (23,561 in 2017) and 9,966 restricted share units of the 2018 grant (15,707 in 2017).

Other

Employment Contracts

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