AC Immune is a Swiss Company with Focus on Alzheimer’s Disease

- Founded in 2003 next to the Swiss Federal Institute of Technology Lausanne.
- Two therapeutic platforms to address “conformational diseases”
- 3 Axes of Alzheimer’s (AD) therapies:
  - Vaccine
  - Antibody
  - Small molecules
- Strong IP situation
- Two financing rounds totaling CHF 24 M
- In 2006 licensing Agreement of >$300 M with Genentech
The Company has raised CHF 24M since Foundation in 2003

**Evolution**
- 2003 / Q1: Foundation of AC Immune
- 2003 / Q3: CHF 3M Series A Round
- 2005 / Q2: CHF 21M Series B Round
- 2006 / Q4: USD 300M licensing agreement for the AD mAb with Genentech

**Plan**
- 2008: First and second AD product in Clinic
- 2009: Third AD product in Clinic

AD is the most important neuro-degenerative Disease

- 10% of 65-70 year old affected
- 50% of > 85 year old affected
- 4 million people in US
- 15 million people worldwide
- Expected drug sales: $5bn in 2010 to $10bn in 2020
- 3rd most expensive disease: US Nursing Costs of $100bn in 2003

Source: http://www.alz.org/brain

A healthy brain
A brain with advanced Alzheimer’s
How the two brains compare
AD is marked by Deposits of misfolded Proteins (Plaques, Tangles) spread through the Brain

Native Protein
Missfolded Protein
Alzheimer's Plaques and Tangles

Native Protein
Missfolded Protein
Alzheimer's Plaques and Tangles

Soluble Oligomers
Insoluble Fibrils


Beta-Amyloid as primary Target for future Disease-modifying Treatments

<table>
<thead>
<tr>
<th>Target</th>
<th>Main Players</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symptoms</td>
<td></td>
<td>Main group of drugs on the market</td>
</tr>
<tr>
<td>Neurotransmitter</td>
<td>Large Pharma</td>
<td></td>
</tr>
<tr>
<td>Anti-inflammatory Molecules</td>
<td>Diverse group</td>
<td>Phase III</td>
</tr>
</tbody>
</table>

Potential Cure

| α-Secretase Activators | Phase I candidate |
| β and γ-Secretase Inhibitors | Large Pharma | Phase II (β,γ) |
| Tau                    | Biotech          | Phase I |
| Anti-Amyloid Immunotherapy | Elan/Wyeth, Eli-Lilly, Novartis/Cytos, Roche/Morphosys, Pfizer/Rinat, Merck/Accumen | Potential for first real treatment; phase II |
| Anti-Amyloid Aggregation | Biotech and large Pharma | Phase I and III molecules |
Two proprietary Technology Platforms support ACI’s Product Pipeline

Using 2 platform technologies...

**SupraAntigen™ Technology**
To generate conformation sensitive antibodies and break the organism’s immune tolerance

**Morphomers™ Platform**
Small Molecule Chemistry to produce conformation sensitive molecules, called Morphomers™

...to create unique drug solutions...

...for conformational diseases such as Alzheimer’s

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**AC Immune’s Product Pipeline**

<table>
<thead>
<tr>
<th>Target</th>
<th>Supra-Antigen™</th>
<th>Morphomer™ Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alzheimer’s Disease</td>
<td></td>
<td></td>
</tr>
<tr>
<td>β-Amyloid</td>
<td>• Vaccine</td>
<td>• Morphomers</td>
</tr>
<tr>
<td></td>
<td>• mAb</td>
<td>• ACI-091</td>
</tr>
<tr>
<td>Cancer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MDR1</td>
<td>• Vaccine</td>
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</tbody>
</table>
AD Vaccine restores Recognition and decreases Plaques in AD Mice

A) Object Recognition Task

B) Thioflavin S Staining of Plaques


AC Immune’s AD Antibody increases Memory Capacity in AD Mice

Object Recognition Task

2 i.p. injections of 300 µg Ab; single transgenic mice (hAPP). Data represent Mean ± SEM, p<0.05.
## Upcoming Value Building Milestones

### Supra-Antigen™

<table>
<thead>
<tr>
<th>Product</th>
<th>Milestones</th>
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</thead>
<tbody>
<tr>
<td>AD Vaccine, ACI-24</td>
<td>- IND application&lt;br&gt;- Clinical trial phase I/II</td>
</tr>
<tr>
<td>AD Antibody (GNE)</td>
<td>- IND application&lt;br&gt;- Clinical trial phase I</td>
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### Morphomer™ Platform

<table>
<thead>
<tr>
<th>Product</th>
<th>Milestones</th>
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</thead>
<tbody>
<tr>
<td>ACI-91</td>
<td>- Memory enhancement study&lt;br&gt;- Clinical phase II</td>
</tr>
<tr>
<td>Morphomers</td>
<td>- Early toxicity (in vitro, in vivo)&lt;br&gt;- PK/PD studies&lt;br&gt;- Efficacy in vivo</td>
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</tbody>
</table>

## ACI’s commercial Strategy: Preparation of the Company’s Future

Establish a focused portfolio in Alzheimer’s Diseases

1. Proprietary technology for 3 axis of therapy: vaccine, antibodies and small molecules
2. In-licensing of complementary and advanced components
3. Out licensing:
   - Focus on Alzheimer’s antibody due to market demand
   - Clearly defined application (field)
   - No equity investment (flexibility for ACI)
   - Cash for partial substitution of C-round
   - Experience of partner, validation for ACI’s research
4. Further strengthening of core competencies
**Alternative Pre-IPO Financing to improve IPO Return**

IPO market cap $MM

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre $ raised</th>
<th>Pre $ IPO valuation</th>
<th>Valuation Step-up</th>
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</thead>
<tbody>
<tr>
<td>1995-1996</td>
<td>2.34x</td>
<td></td>
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<tr>
<td>1999-2000</td>
<td>3.97x</td>
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<tr>
<td>2003-2004</td>
<td>1.94x</td>
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<tr>
<td>2005</td>
<td>1.85</td>
<td></td>
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<tr>
<td>2006</td>
<td>2.9</td>
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Valuation step-up is multiple of total private investment to average pre-money IPO market cap.

Quelle: Windhover, TVM

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**Phase I Deals became much more expensive in recent Years**

1997: Phase III Lipitor Deal
- USD 25M Upfront
- USD 172.5M Milestones
- Worldwide Co-promotion

2006: IND/Phase I Deals
- Novartis/SGX (Preclinical, USD 515M)
- Roche/Intermune (IND, USD 520M)
- Roche/Phlexikon (IND, 706M)
- Biogen-Idec/UCB (P I, USD 260M)
- Pharmion/Methylgene (P I, USD 270M)
- MedImmune/Infiinity (P I, USD 500M)
- Roche/Acetion (P I, USD 630M)
AC Immune – Genentech: More than USD 300M License Deal

License
- A number of Anti beta-Amyloid antibody for all indications
- Worldwide license
- GNE responsible for development, manufacturing and marketing

Research Collaboration
- 3 years duration, fully funded by GNE

Up-front / Milestones
- Up-fronts for lead antibody as well as diagnostics
- Milestone payments, also for additional indications

Royalties

The Value of the Licensing Deal for AC Immune

Cash Flow
- Upfront
- Milestones
- Royalties

Additional Aspects
- Validation of the quality of ACI's technology
- Gain in reputation for ACI: GNE is THE leading antibody company
- Access to GNE's antibody technology and experience
- Access to GNE's antibody manufacturing know-how (!)
- Stronger position in potential patent litigation

Year-end Cash Projection 2007-2010
The Future of AC Immune: Leader in AD and an IPO/M&A Candidate in 2010/2011

1. **Proprietary technologies**: 3 axis of Alzheimer’s therapeutics
2. Active in an **untapped market** in the field of Alzheimer’s disease
3. **Solid financial basis** and market reputation due to the early stage licensing agreement with Genentech
4. **Balanced product portfolio** with 3 clinical AD products
5. Proactive cash management: **optional Series C Round** in 2007/8 to strengthen AD pipeline

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Key Success Factors for AC Immune

– Excellent IP-protected product concept
– Visionary and persistent management
– Sound business and commercialization plan supported by the top management / Board and
– Entrepreneurship
– Courage and discipline
– Very hard work!!!!!!