July 27, 2018

To Our Shareholders:

I'm happy to report that Altimmune has made significant strides over the past year. We successfully completed the integration of PharmAthene, including employees, systems and programs. We have made important progress with our key clinical programs, completing a Phase 2A NasoVAX study, obtaining key animal data in our Phase 2 SparVax-L program and initiating a Phase 1 NasoShield study. In addition, we have strengthened the management team and have added an excellent Board candidate to the slate.

Key Results:

- In our NasoVAX Phase 2a study we evaluated multiple dose levels of our intranasally administered, state-of-the-art, recombinant influenza vaccine candidate. We showed 100% seroprotection (part of the FDA approvable endpoints) in two of the three dose cohorts. This is unprecedented for an intranasally administered vaccine and may allow us to seek accelerated regulatory approval as a result. In addition, we saw a robust T-cell response in the highest dose cohort, which is potentially important in reducing disease symptoms and virus transmission, as well as playing a role against mismatched strains. Importantly we saw no safety concerns.

  Later in third quarter of 2018 we expect to have additional results from this study including measurements of mucosal immune responses and their duration. These results are potentially significant as the mucosal immune response provides protection at the site of disease; in the nose and upper respiratory tract. We also hope to show a longer duration of immunity than traditional, injected flu vaccines, which only provide protection for a short period of time, often less than the full flu season. NasoVAX is also manufactured in cell culture instead of chicken eggs. The CDC reported that in the most recent flu season, vaccines made in cell culture had higher levels of efficacy than those made in eggs.
  We believe that the intracellular presentation of the target antigen, the intranasal route of administration and the egg-free manufacturing process provide unique advantages for this product candidate.
  We are scheduled to present the complete data package in October at the IDWeek conference in San Francisco.
- In our NasoShield program, we have completed enrollment of Part A of our Phase 1 study, where we evaluated four dose levels of our candidate, single-dose, intranasally-administered anthrax vaccine. We expect to report data on safety and immunogenicity later this quarter. We have previously demonstrated non-inferiority of this vaccine for survival, when compared against the currently-licensed vaccine in the gold-standard animal model. In that study, our product yielded a protective immune response in half the time of the licensed vaccine after only one dose (as compared to two doses for the licensed vaccine), and the protective immune response was also more stable than that of the licensed vaccine. We have also shown that animals remain protected more than a year later, unlike the currently licensed vaccine.

This program is currently funded by BARDA through a two-year, base contract of $21.7 million and $105 million in options over four additional years. The base period was recently extended by a year to allow us to complete the remaining work on the Phase 1 clinical study. Additional activities, Part B, are expected to be completed in the fourth quarter. After review of the Part A data, we intend to work with BARDA to execute the appropriate options to continue timely development of this program through the end of Phase 2.
We believe that we have the only single-dose anthrax vaccine available, or in development, that will allow the government to adequately protect the public quickly and effectively, without excess utilization of limited health

care resources. The absence of needles or the need for trained medical personnel to administer an injected vaccine, along with a single nasal administration, make this possible.

Additional Results:

- With our SparVax-L program, a carefully controlled animal study demonstrated that we can provide 100% protection following a two-dose regimen of our stable-at-room-temperature-, recombinant vaccine product. It is unclear whether the government is willing to continue to fund this program moving forward and are pursuing alternative funding opportunities.
- We completed a Phase 1 study with HepTcell, our first-in-class immunotherapeutic for the treatment of chronic hepatitis B infection. While the study met the primary endpoint of safety and tolerability, the immunogenicity data were mixed, with unexpected and variable responses in placebo patients. We are continuing to monitor later endpoints per protocol and will report these data and surface antigen levels in early fourth quarter. In addition, we are re-evaluating prior clinical samples with a more direct and sensitive assay to better understand the levels of immune responses observed in the study. Our conclusions from evaluation of these data will determine, in part, whether or not we continue to develop this program ourselves. We may choose to partner the program or combine it with other approaches to address this devastating disease.

On the leadership front, Mitchel Sayare has taken on the role of Executive Chairman, which will allow him to bring more of his deep experience running publicly-traded companies to aid in advancing our objectives. We have also added José Ochoa to the Leadership Team as Chief Business Officer. José brings a great deal of legal, transactional, strategic and partnering experience, which will be invaluable as we look beyond near-term data for HepTcell and NasoVAX. Wayne Pisano has been added to the slate of Directors seeking election to our Board. Mr. Pisano, the former President and CEO of Sanofi Pasteur and VaxInnate, will bring abundant vaccine-specific industry knowledge and expertise to the Board. He replaces Dr. Derace Schaffer, who is stepping down. We greatly appreciate Dr. Schaffer's invaluable contributions over the years. He was a strong influence in PharmAthene's development and helped drive a successful merger with Altimmune.
Finally, in recent weeks, we have taken action to improve the capital structure of the Company by restructuring our Series B financing, including cancellation of substantially all of the related warrants. We believe this positions us for success moving forward.

We look forward to continuing the clinical progress we have made as we work to create significant value for shareholders, develop innovative treatment solutions for physicians and patients, and reward the investment of all of our stakeholders.

Sincerely,

Bill Enright
President and CEO

Forward-Looking Statement

Any statements made in this press release relating to future financial or business performance, conditions, plans, prospects, trends, or strategies and other financial and business matters, including without limitation, the prospects for commercializing or selling any product or drug candidates, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, when or if used in this press release, the words "may," "could," "should," "anticipate," "believe," "estimate," "expect," "intend," "plan," "predict" and similar expressions and their variants, as they relate to Altimmune, Inc. (the "Company") may identify forward-looking statements. The Company cautions that these forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Important factors that may cause actual results to differ materially from the results discussed in the forward looking statements or historical experience include risks and uncertainties, including risks relating to: the terms of the Company's Series B preferred stock offering and related warrants; our lack of financial resources and access to capital; realizing the benefits of the merger between Altimmune, Inc. and PharmAthene, Inc.; our ability to utilize the benefits of our tax assets and the results of a tax examination initiated by the IRS; clinical trials and the commercialization of proposed product candidates (such as marketing, regulatory, product liability, supply, competition, dependence on third parties and other risks); the regulatory approval process; dependence on intellectual property; the Company's BARDA contract and other government programs, reimbursement and regulation. Further information on the factors and risks that could affect the Company's business, financial conditions and results of operations are contained in the Company's filings with the U.S. Securities and Exchange Commission, including under the heading "Risk Factors" in the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q filed with the SEC, which are available at www.sec.gov.