TRIMERIS

2002 | ANNUAL REPORT

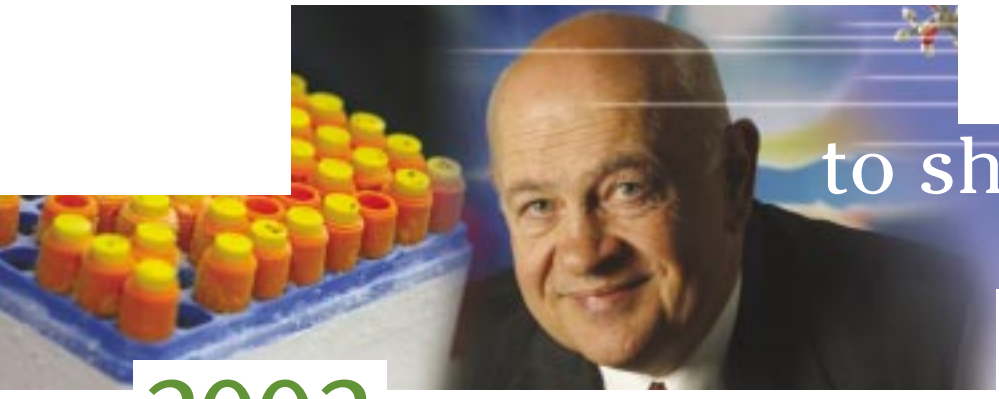
About the Company

Trimeris, Inc. (Nasdaq: TRMS) is a biopharmaceutical company based in Durham, North Carolina. Our mission is to rapidly discover, develop, and commercialize novel therapeutics that meet important medical needs, and we are currently engaged in the discovery and development of new drugs for the treatment of viral diseases. Our core technology platform focuses on compounds that inhibit viral replication by blocking viral fusion with healthy immune cells.

The Company's current business model is designed to maximize shareholder value by creating strategic alliances with corporate partners. This model enables Trimeris to focus on its core competencies while maintaining a significant economic interest in the commercialization of its products.

Highlights

- Presented clinical data from our international pivotal trial program for FUZEON™ (enfuvirtide) at several premier scientific meetings
- Demonstrated unprecedented commercial-scale production of FUZEON, one of the most complex peptides ever chemically manufactured in such large quantities
- Strengthened financial position with two successful fundraising efforts adding approximately $143 million to the Company's balance sheet and broadening the investor base
- Completed a dose escalation study for T-1249, the Company's second fusion inhibitor product candidate, and presented results at scientific meetings
- Extended our research capabilities by collaborating with NEOKIMIA Inc. to discover and develop small molecule HIV fusion inhibitors
- Obtained accelerated approval from the U.S. Food & Drug Administration (FDA), following a six-month priority review, for FUZEON on March 13, 2003
- Received recommendation from the European Committee for Proprietary Medicinal Products (CPMP) in March 2003 for marketing authorization in the European Union (EU)



letter to shareholders

2002 was a landmark year for Trimeris. By continuing our diligent work and unwavering focus on our mission to bring novel antiviral therapies to patients in need, we made great progress in bringing that goal to fruition. Indeed, in March of 2003, our efforts resulted in the achievement of the Company's most significant milestone to date: the U.S. Food & Drug Administration (FDA) accelerated approval of FUZEON™, our first product for the treatment of HIV.

Throughout the year we continued delivering on the promise of our world-class science by aggressively driving FUZEON along the clinical and regulatory paths to market. Developed in collaboration with our partner, F. Hoffmann-La Roche Ltd, FUZEON represents the first new class of HIV drugs since 1996.

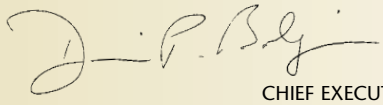
While great strides have been made in developing therapies to treat HIV, growing numbers of patients have developed viral resistance and intolerance to their current medications, creating an urgent need for new treatment options. FUZEON is designed to block HIV before it enters the human immune cell, making it active against HIV that is resistant to currently available classes of anti-HIV drugs. As a result, FUZEON offers hope to the growing number of patients who are exhausting their available treatment options.

While we are extremely encouraged about the potential benefit FUZEON offers, our work does not stop here. ***The successful development of FUZEON has validated our scientific approach***, and we are committed to continuing to be a leader in the field of fusion inhibition and to bring additional drugs to patients in need. T-1249, our second fusion inhibitor product candidate, continues to show promise in clinical trials. In 2002 we completed a Phase I/II dose escalation study which showed that T-1249 was well-tolerated and exhibited antiviral activity in HIV patients. We plan to initiate Phase II clinical trials for T-1249 this year. Additionally, we will seek to build upon our scientific expertise and experience to discover and develop improved fusion inhibitors.

Just as Trimeris has been successful in partnering with Roche to develop and commercialize FUZEON and future generations of HIV peptide fusion inhibitors, we are committed to collaborating with industry partners to complement our own expertise. In May, we announced a collaboration with NEOKIMIA to discover and develop small molecule HIV fusion inhibitors which complements our small molecule program with Array BioPharma. Both programs seek to identify new therapeutic products that will enhance our pipeline.

We strengthened our financial position in 2002 with two successful fundraising efforts adding approximately $143 million to our balance sheet. These resources will allow us to aggressively drive forward our research and development efforts.

I am extremely proud of our achievements in 2002. Together with the support of our partners, employees and shareholders, we have succeeded in delivering on the promise of biotechnology—we have beaten the odds to bring a novel treatment to patients in need. Indeed, thanks to your support, we have revolutionized the HIV treatment landscape. As we move through 2003, we will build upon our wealth of experience gained since our inception in 1993 to drive our business forward and create value for all stakeholders in the years to come.



DANI P. BOLOGNESI, PH.D.
CHIEF EXECUTIVE OFFICER AND CHIEF SCIENTIFIC OFFICER

FUZEON™ enfuvirtide breaks new ground

A Timeline of Development Success

Throughout 2002, Trimeris and Roche aggressively drove FUZEON along the clinical and regulatory paths to market. FUZEON offers an important new treatment option for patients who have developed resistance and/or intolerance to other anti-HIV therapies.

February 2002: 48-Week Phase II Data Presented at Retrovirus Conference

Roche and Trimeris present 48-week results from two Phase II clinical trials at the 9th Annual Conference on Retroviruses and Opportunistic Infections in Seattle.

- The T20-208 study was designed to assess the pharmacokinetics, safety, tolerability and antiviral activity of high-strength formulations of FUZEON in combination with oral anti-HIV drugs among patients with advanced HIV disease and prior exposure to all three classes of available anti-HIV drugs.
- The T20-206 study was designed to compare the tolerability and antiviral activity of combination therapy with FUZEON to a fixed background regimen in a more moderately treatment-experienced patient population (patients not previously exposed to non-nucleoside reverse transcriptase inhibitors, or nNRTIs).

April 2002: Top-line 24-Week Results Reported from TORO 1

Roche and Trimeris announce that FUZEON has successfully met the primary efficacy endpoint in TORO 1, the first Phase III study, conducted in North America and Brazil. After 24 weeks, FUZEON administered in combination with an individualized regimen of standard anti-HIV drugs was shown to provide a significant additional decrease in the amount of virus in the blood as compared to an individualized regimen without FUZEON.

May 2002: Top-line 24-Week Results Reported from TORO 2

Top-line results from TORO 2, the second Phase III study, conducted in Europe and Australia, confirm the results of TORO 1.

"I have been on many different combinations of drugs through the years, but in the mid-1990s my HIV started to develop resistance, and I had serious disabling side effects to some therapies I was on. I started to use FUZEON in 2001. At this stage I feel that the hopes and dreams that I thought had been taken away from me have been returned. I can dream again…"

JAMES LOCKE
FUZEON PATIENT

July 2002: Complete 24-Week Results Reported from Phase III Trials

More detailed analyses of 24-week Phase III results are presented at the XIV International AIDS Conference in Barcelona, Spain, the world's largest HIV conference. Together, the two studies show that HIV treatment-experienced patients receiving FUZEON plus an individualized regimen of anti-HIV drugs were more likely to achieve undetectable levels of HIV and to experience significant immune system improvements than patients who received an individualized regimen of anti-HIV drugs without FUZEON.

August 2002: Roche and Trimeris Initiate Early Access Program

Responding to patient need, Roche and Trimeris initiate enrollment for the FUZEON Early Access Program. This program, running parallel with other controlled FUZEON clinical trials, makes FUZEON available before regulatory approval for 1,200 additional patients worldwide.

September 2002: Roche and Trimeris File Marketing Applications with U.S. and European Union Authorities

Roche and Trimeris submit a New Drug Application (NDA) to the U.S. Food & Drug Administration for approval to market FUZEON. Just days later, the companies submit a Marketing Authorization Application to the European Union.

In parallel with the regulatory filings, Roche and Trimeris confirm the successful validation of the first three commercial batches of active ingredient for FUZEON produced by Roche Colorado in Boulder.

October 2002: U.S. FDA Grants Priority Review Status to FUZEON

This regulatory action establishes a target six-month review period for the FUZEON NDA. Priority designation is granted to drug products, that if approved, would be a significant improvement in the treatment of a disease.

December 2002: Roche and Trimeris Provide Update on Manufacturing

With the first commercial scale production of FUZEON completed, Roche and Trimeris demonstrate that large-scale production of FUZEON is possible.

March 2003: The U.S. FDA grants accelerated approval for FUZEON, the first fusion inhibitor. This approval marks the introduction of the first new class of anti-HIV drugs in seven years.

FUZEON
enfuvirtide

FUZEON, a medicine called an HIV fusion inhibitor, blocks the virus' ability to infect healthy immune (CD4) cells. When used with other anti-HIV medicines, FUZEON can reduce the amount of HIV in the blood and increase the number of CD4 cells.

expanding HIV treatment

> "At the time FUZEON began clinical trials, Trimeris' scientists created T-1249. T-1249 may offer improvements on FUZEON's spectrum of activity. As both a scientist and a physician, I am very excited about FUZEON coming to the HIV market, but I realize we also need to look to the future. T-1249 reflects our understanding of the complexities of antiretroviral therapy and the medical needs of treatment-experienced patients."
>
> **G. DIEGO MIRALLES, M.D.**
> DIRECTOR OF CLINICAL TRIALS, TRIMERIS INC.

T-1249: A Second-Generation HIV Fusion Inhibitor

T-1249 is a second-generation fusion inhibitor in development for the treatment of HIV. The history of HIV treatment has demonstrated that the existence of many different drugs within the anti-HIV drug classes has allowed for a variety of drug combinations resulting in improved patient treatments. Trimeris believes that multiple HIV fusion inhibitors may enhance HIV therapy by providing an even broader range of treatment options. To date, T-1249 has demonstrated potent HIV suppression and is highly active against a wide range of HIV strains, including strains resistant to FUZEON. The unique characteristics of T-1249 may allow for less frequent dosing as compared to FUZEON. We expect to initiate a Phase II clinical trial for T-1249 in 2003.

Our goal is to continue to strengthen and expand our fusion inhibitor franchise. We are working with Roche to enhance the convenience of FUZEON administration by improving the drug delivery method. The Roche and Trimeris technical teams are working to increase the efficiency and capacity of the FUZEON manufacturing process. We believe that product enhancements and manufacturing improvements made to FUZEON could potentially be applied to other HIV fusion inhibitors, including T-1249.

Other Research Programs

We continue to focus our research efforts on FUZEON and T-1249 product improvements, as well as the discovery and development of novel peptides with enhanced resistance and pharmaceutical properties. We have also established discovery programs outside the scope of our Roche collaboration, which are focused on the development of small molecule HIV fusion inhibitors that could be orally administered.

FUZEON Product Optimization

We are working with Roche to improve FUZEON's method of delivery. FUZEON is currently administered by a twice-daily subcutaneous injection. We are exploring more convenient delivery devices, including auto-injection devices, multi-dose vials, improved formulations and other enhancements for patients.

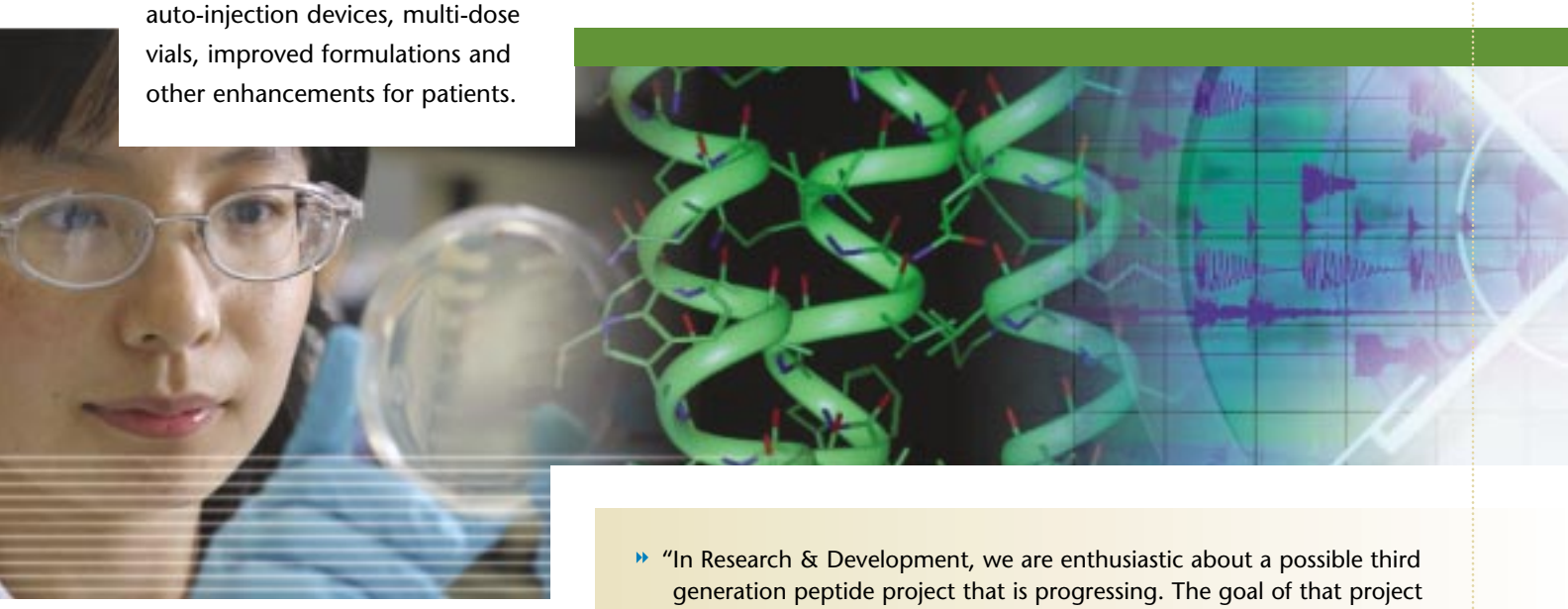
Novel Peptide HIV Fusion Inhibitors

Along with Roche, we are eager to identify technologies that improve our anti-HIV peptides. This could be achieved through improving the potency and the time that a peptide remains active in the bloodstream, commonly referred to as the molecule's half-life. This improved half-life may be achieved through pegylation or attachment to carrier molecules such as albumin. The resulting dosing regimen could be significantly less frequent than the current twice-daily injections that FUZEON requires.

Another goal of our research efforts is to develop a peptide with an enhanced resistance profile. This profile could be effective against HIV strains that have become resistant to FUZEON and T-1249. An improved resistance profile could enhance the durability of the peptide in therapy.

Small Molecule HIV Fusion Inhibitors

We are also working to discover and identify small molecule inhibitors of HIV fusion. Ideally, these small molecule drugs could provide greater potency and new resistance profiles. Unlike peptide fusion inhibitors, small molecule drugs could be orally administered which would also improve patient convenience.



» "In Research & Development, we are enthusiastic about a possible third generation peptide project that is progressing. The goal of that project is to set a new paradigm for the treatment of HIV which may demonstrate enhanced durability—the likes of which have not been seen in the treatment of HIV today."

GEORGE W. KOSZALKA, PH.D.
SENIOR VICE PRESIDENT OF CORPORATE STRATEGY, TRIMERIS INC.

part

The Trimeris and Roche HIV Alliance: Working Together to Expand Treatment Options

The process of taking a new drug from the laboratory to the market on a global scale is a challenge for every company in the pharmaceutical industry. In order to expedite the global development, approval, and commercialization of FUZEON and T-1249, Trimeris formed a strategic alliance with F. Hoffmann-La Roche, Ltd. A global leader in HIV therapeutics and diagnostics, Roche brings worldwide development expertise, marketing resources, manufacturing capabilities, and financial strength to the collaboration. The Roche and Trimeris alliance was ultimately formed in recognition of the need for a step forward in the development of antiviral drugs for the care of people living with HIV.

The Roche and Trimeris alliance focuses on a core technology platform of viral inhibition, based on blocking HIV entry into host cells with peptides derived from an HIV protein. Through an innovative collaboration, Roche and Trimeris have achieved a leadership position in the research and development of HIV entry inhibitors with the recent launch of FUZEON.

The Roche Advantage

- Global clinical development capabilities needed to obtain marketing approvals in all major pharmaceutical markets
- Highly trained and experienced team of HIV sales representatives and clinical support specialists
- Outside of the collaboration, Roche markets an existing portfolio of anti-HIV products—Fortovase®, Invirase®, Hivid®, Viracept® (Europe)
- Large-scale commercial manufacturing expertise and capacity

> "Contemplating the challenges faced in developing FUZEON, it was important for Trimeris to identify a partner that offered worldwide development and commercialization expertise in the HIV therapeutic field. We are very pleased that Roche joined us in this partnership, as they brought tremendous credibility, commercial capabilities and passion for developing a new class of therapeutics."
>
> **MICHAEL A. RECNY, PH.D.**
> VICE PRESIDENT OF CORPORATE DEVELOPMENT, TRIMERIS INC.

nerships in development

Array BioPharma

In July 2001, Trimeris and Array BioPharma Inc. entered into an agreement to discover small molecule fusion inhibitors of HIV and respiratory syncytial virus, or RSV. We will collaborate with Array to identify pre-clinical drug candidates that may supplement our own small molecule research program.

The Array BioPharma Advantage

- An extensive library of small molecule compounds
- World-class scientific team integrating chemistry and structural biology with an information-based technology platform to create higher quality drug candidates

NEOKIMIA

In May 2002, Trimeris and NEOKIMIA Inc. signed an agreement to discover and develop small molecule HIV fusion inhibitors. Trimeris will screen a library of small molecule compounds provided by NEOKIMIA in hopes of identifying pre-clinical drug candidates.

The NEOKIMIA Advantage

- Chemistry-based discovery company with libraries of novel, potentially bioactive molecules
- Patented technology platform

strengths for the future

The FDA approval of FUZEON proves that Trimeris has the ability to take a drug from concept to market. Only one in ten compounds that enter human clinical trials will ever make it to the market. FDA approval also signals a transition for Trimeris from a research and development stage company to a revenue-generating commercial company. The revenues we generate from FUZEON sales will be used to expand our pipeline of breakthrough drug candidates.

Trimeris has the necessary resources—scientific expertise, financial strength and business experience—to continue broadening the use of our novel fusion inhibition technology in order to discover and develop new drugs.

In 2003, we look forward to:

- Obtaining regulatory approval for FUZEON in the European Union, Australia and Canada
- Continuing our FUZEON product optimization program and research efforts with Roche to improve our anti-HIV peptides
- Initiating Phase II clinical trials for T-1249 and additional studies for FUZEON
- Advancing our research for additional peptide and small molecule fusion inhibitor product candidates

Trimeris Core Competencies

- Anti-viral Compound Synthesis and Screening
- Peptide-based Pharmaceutical Development
- Clinical Research Design and Analysis
- Peptide Manufacturing Process Development

Annual Meeting of Shareholders

The Trimeris Annual Meeting of Shareholders will be held on June 18, 2003 at 2 p.m. at the North Carolina Biotechnology Center, 15 Alexander Drive, Research Triangle Park, North Carolina. All shareholders are cordially invited to attend.

Independent Auditors

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Wilmer Cutler & Pickering
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Financial and Other Information

A copy of the Company's Annual Report filed with the Securities and Exchange Commission on Form 10-K is available to shareholders without charge. To obtain a copy contact:

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Electronic copies of the Annual Report and Form 10-K are also available at:
www.trimeris.com

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Chief Executive Officer and Chief Scientific Officer, Trimeris Inc.

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M. Lynn Smiley, M.D.
Senior Vice President, Clinical Research

This document and any attachments may contain forward-looking information about the Company's financial results and business prospects that involve substantial risks and uncertainties. These statements can be identified by the fact that they use words such as "expect," "project," "intend," "plan," "believe" and other words and terms of similar meaning. Among the factors that could cause actual results to differ materially are the following: there is uncertainty regarding the success of research and development activities, regulatory authorizations and product commercializations; the results of our previous clinical trials are not necessarily indicative of future clinical trials; and, our drug candidates are based upon novel technology, are difficult and expensive to manufacture and may cause unexpected side effects. For a detailed description of these factors, see Trimeris' Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 27, 2003 and its periodic reports filed with the SEC.

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