

AmpliPhi Biosciences Corp
Form PREM14A
March 25, 2019

TABLE OF CONTENTS

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

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

AMPLIPHI BIOSCIENCES CORPORATION

(Exact name of Registrant as specified in its charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

Common Stock, par value \$0.01 per share, of AmpliPhi Biosciences Corporation (“AmpliPhi”).

(2)

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Aggregate number of securities to which transaction applies:

78,057,823 shares of the common stock of AmpliPhi to be issued pursuant to that Agreement and Plan of Merger and Reorganization, or Merger Agreement, dated as of January 3, 2019, as amended on March 25, 2019, by and among AmpliPhi, Ceres Merger Sub, Inc. and C3J Therapeutics, Inc. ("C3J"), assuming an exchange ratio determined based on information as to equity ownership as of March 21, 2019 and other assumptions discussed in this proxy statement and, prior to the closing of a contemplated financing, AmpliPhi's securityholders immediately prior to the Merger owning approximately 30% of the aggregate number of shares of AmpliPhi common stock and the former C3J securityholders owning approximately 70% of the aggregate number of shares of AmpliPhi common stock (in each case on a fully diluted basis but using the treasury stock method and excluding out-of-the-money options and out-of-the-money-warrants).

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Calculated solely for the purpose of determining the filing fee. The maximum aggregate value was determined based upon the product of (i) 78,057,823 shares of AmpliPhi's common stock (determined before applying any adjustments for the reverse split contemplated by the Merger Agreement and including shares to be issued in exchange for options to purchase C3J common stock and C3J restricted stock awards) and (ii) \$0.32 per share (value of one share of common stock of AmpliPhi, based on the average of high and low prices of AmpliPhi's common stock as reported on the NYSE American on March 21, 2019). In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined by multiplying the amount calculated in the preceding sentence by 0.0001212

(4)

Proposed maximum aggregate value of transaction:

\$24,978,503.36

(5)

Total fee paid:

\$3,027.39

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)
Filing Party:

(4)
Date Filed:

TABLE OF CONTENTS

To the Shareholders of AmpliPhi Biosciences Corporation:

You are cordially invited to attend a special meeting of the shareholders of AmpliPhi Biosciences Corporation, a Washington corporation, which we refer to as “we”, “AmpliPhi”, or the “Company”, which will be held at 8:30 a.m., local time, on May 8, 2019, at Cooley LLP, 4401 Eastgate Mall, San Diego, California 92121, unless postponed or adjourned to a later date. This is an important meeting that affects your investment in AmpliPhi.

On January 3, 2019, AmpliPhi and C3J Therapeutics, Inc. (“C3J”) entered into an Agreement and Plan of Merger and Reorganization (as amended, the “Merger Agreement”), pursuant to which Ceres Merger Sub, Inc., a wholly owned subsidiary of AmpliPhi, will merge with and into C3J, with C3J surviving as a wholly owned subsidiary of AmpliPhi, and AmpliPhi common stock will be issued to the former C3J shareholders at the effective time of such merger (the “Merger”). Immediately following the Merger, we anticipate that the securityholders of AmpliPhi as of immediately prior to the Merger will own approximately 30% of the aggregate number of shares of AmpliPhi common stock and the former C3J shareholders will own approximately 70% of the aggregate number of shares of AmpliPhi common stock (in each case on a fully diluted basis but using the treasury stock method and excluding out-of-the-money options and out-of-the-money-warrants, and determined before accounting for the financing transaction discussed below). The Merger has been unanimously approved by the boards of directors of both companies and is expected to close in May 2019, subject to approval of AmpliPhi’s shareholders as well as other customary conditions.

On February 5, 2019, AmpliPhi and C3J entered into share purchase agreements with certain shareholders of C3J (the “Investors”), pursuant to which AmpliPhi will sell, and the Investors have agreed to buy, in a private placement, shares of AmpliPhi common stock immediately following the effective time of the Merger, having an aggregate purchase price of \$10.0 million (the “Financing”). The AmpliPhi shares of common stock to be issued in the Financing will be sold at a price per share equal to \$40.0 million divided by the total number of shares of AmpliPhi’s common stock outstanding on a fully diluted, as-converted basis, excluding out-of-the-money options, out-of-the-money warrants, shares reserved for issuance under equity incentive plans that are not subject to outstanding awards, and shares issuable in the Financing. Immediately following the closing of the Merger and the Financing, the former C3J securityholders (including the Investors) are expected to own approximately 76% of the aggregate number of shares of AmpliPhi common stock (of which approximately 20% will be represented by the shares issued in the Financing to the Investors) and the securityholders of AmpliPhi as of immediately prior to the Merger are expected to own approximately 24% of the aggregate number of shares of AmpliPhi common stock (on a fully diluted basis but using the treasury stock method and in each case excluding out-of-the-money options and out-of-the-money-warrants). Additionally, given that the calculation of the price of the shares of AmpliPhi common stock to be sold in the Financing is tied to the number of shares outstanding immediately following the effective time of the Merger, the price per share of common stock sold in the Financing could be a discount to the closing price of our common stock as reported on the NYSE American on the execution date of the share purchase agreements for the Financing, February 5, 2019.

At the effective time of the Merger, the officers of AmpliPhi will include Todd R. Patrick, the current chief executive officer of C3J, who will become the chief executive officer of AmpliPhi, replacing Paul C. Grint, M.D., in such capacity, Brian Varnum, Ph.D., the chief development officer of C3J, who will become the president and chief development officer of AmpliPhi, Steve R. Martin, the current chief financial officer of AmpliPhi, who will retain his position as chief financial officer, and Duane Morris, the vice president, operations of C3J, who will become the vice president, operations of AmpliPhi. In addition, each of Louis Drapeau, Paul C. Grint, M.D., Wendy S. Johnson and Vijay Samant will resign from AmpliPhi’s board of directors effective upon the effective time of the Merger, and the designees of C3J pursuant to the

TABLE OF CONTENTS

Merger Agreement, Richard Bastiani, Ph.D., Richard Bear, H. Stewart Parker, Todd R. Patrick and Joseph M. Patti, Ph.D. will be appointed to fill the vacancies created by the resignations of the current AmpliPhi directors listed above. Following the Merger, the headquarters of AmpliPhi will be located in Marina del Rey, at C3J's current headquarters. Shares of AmpliPhi common stock are currently listed on the NYSE American under the symbol "APHB." Prior to consummation of the Merger, AmpliPhi intends to file an initial listing application with the NYSE American pursuant to NYSE American "change of control" rules. After completion of the Merger, AmpliPhi will be renamed "Armata Pharmaceuticals, Inc." and expects to trade on the NYSE American under the symbol "ARMP."

AmpliPhi is holding a special meeting of shareholders (the "Special Meeting") for the following purposes, as more fully described in the accompanying proxy statement:

1.
To approve the consummation of a Business Combination (as defined in AmpliPhi's amended and restated articles of incorporation) pursuant to the Merger and the issuance of AmpliPhi common stock at the effective time of the Merger, as contemplated by the Merger Agreement;
2.
To approve the issuance of shares of AmpliPhi common stock having an aggregate purchase price of \$10,000,000 immediately following the effective time of the Merger in a private placement financing transaction, as described in this proxy statement (the "Financing");
3.
To approve an amendment to AmpliPhi's amended and restated articles of incorporation to effect a Reverse Split of AmpliPhi's common stock (the "Reverse Split") at a ratio in the range of between 1-for-3 to 1-for-20, inclusive, with such ratio to be determined in the discretion of AmpliPhi's board of directors and with such Reverse Split to be effected prior to the effective time of the Merger;
4.
To approve an amendment to AmpliPhi's 2016 Equity Incentive Plan to increase the shares authorized for issuance thereunder by 13,822,963 shares (without giving effect to the Reverse Split) (the "EIP Amendment");
5.
To authorize the adjournment of the Special Meeting in order to permit the solicitation of additional proxies if there are not sufficient votes to approve Proposal Nos. 1 through 4 described above at the time of the Special Meeting; and
6.
To transact any other business that may be properly brought before the meeting or any continuation, adjournment or postponement thereof.

After careful consideration, AmpliPhi's board of directors has determined that the Merger is fair to, and in the best interests of, AmpliPhi and its shareholders, has approved the Merger Agreement, the Merger, the issuance of shares of AmpliPhi common stock to C3J's shareholders pursuant to the terms of the Merger Agreement and to certain C3J shareholders pursuant to the Financing, the amendment to AmpliPhi's articles of incorporation to implement the Reverse Split, the EIP Amendment, and the other actions contemplated by the Merger Agreement, and has determined to recommend that the AmpliPhi shareholders vote to approve each of the proposals set forth in this proxy statement. Accordingly, AmpliPhi's board of directors unanimously recommends that the AmpliPhi shareholders vote FOR each of the Proposal Nos. 1 through 4 described above; and FOR the authorization to adjourn the Special Meeting in order to permit the solicitation of additional proxies if there are not sufficient votes to approve Proposal Nos. 1 through 4 described above at the time of the Special Meeting.

Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the Special Meeting in person, please complete, date, sign and promptly return the accompanying proxy card in the enclosed postage paid envelope to ensure that your shares will be represented and voted at the Special Meeting.

More information about AmpliPhi, C3J and the proposed transactions is contained in this proxy statement. AmpliPhi urges you to read the accompanying proxy statement carefully and in its entirety. **IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DISCUSSED UNDER “RISK FACTORS” BEGINNING ON PAGE 24.**

TABLE OF CONTENTS

AmpliPhi is excited about the opportunities the Merger brings to its shareholders, and thanks you for your consideration and continued support.

Sincerely,

Jeremy Curnock Cook

Chairman of the Board of Directors

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Merger or the Financing described in this proxy statement or the AmpliPhi common stock to be issued in connection with the Merger or the Financing or passed upon the adequacy or accuracy of this proxy statement. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated [•], 2019, and is first being mailed to AmpliPhi shareholders on or about [•], 2019.

TABLE OF CONTENTS

PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION

AMPLIPHI BIOSCIENCES CORPORATION

3579 Valley Centre Drive, Suite 100
San Diego, California 92130
(858) 829-0829

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 8, 2019

Dear Shareholders of AmpliPhi Biosciences Corporation:

You are cordially invited to attend the Special Meeting (the “Special Meeting”) of the shareholders of AmpliPhi Biosciences Corporation (“AmpliPhi”) to be held at 8:30 a.m., local time, on May 8, 2019, at Cooley LLP, 4401 Eastgate Mall, San Diego, California 92121, for the following purposes:

1.
To approve the consummation of a Business Combination (as defined in AmpliPhi’s amended and restated articles of incorporation) pursuant to the merger of Ceres Merger Sub, Inc., a wholly owned subsidiary of AmpliPhi, with and into C3J Therapeutics, Inc. (“C3J”), with C3J surviving as a wholly owned subsidiary of AmpliPhi (the “Merger”), and the issuance of AmpliPhi common stock at the effective time of the Merger, as contemplated by that certain Agreement and Plan of Merger and Reorganization, dated January 3, 2019, by and among AmpliPhi, Ceres Merger Sub, Inc. and C3J, as amended on March 25, 2019 (the “Merger Agreement”);
2.
To approve the issuance of shares of AmpliPhi common stock having an aggregate purchase price of \$10.0 million immediately following the closing of the Merger in a private placement financing transaction, as described in this proxy statement (the “Financing”);
3.
To approve an amendment to AmpliPhi’s amended and restated articles of incorporation to effect a Reverse Split of AmpliPhi’s common stock (the “Reverse Split”) at a ratio in the range of between 1-for-3 to 1-for-20, inclusive, with such ratio to be determined in the discretion of AmpliPhi’s board of directors and with such Reverse Split to be effected prior to the effective time of the Merger;
4.
To approve an amendment to AmpliPhi’s 2016 Equity Incentive Plan to increase the shares authorized for issuance thereunder by 13,822,963 shares (without giving effect to the Reverse Split) (the “EIP Amendment”);
5.
To authorize the adjournment of the Special Meeting in order to permit the solicitation of additional proxies if there are not sufficient votes to approve Proposal Nos. 1 through 4 described above at the time of the Special Meeting; and
6.
To transact any other business that may be properly brought before the Special Meeting or any continuation, adjournment or postponement thereof.

The board of directors of AmpliPhi has fixed March 21, 2019 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Special Meeting and any adjournment or postponement thereof. Only holders of record of shares of AmpliPhi common stock at the close of business on the record date are entitled to notice of, and to vote at, the Special Meeting. At the close of business on the record date, AmpliPhi had 32,774,690 shares of common stock outstanding and entitled to vote.

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Your vote is important. The affirmative vote of at least 51% of the outstanding shares of AmpliPhi common stock on the record date for the Special Meeting is required for approval of Proposal No. 1. The affirmative vote of a majority of the outstanding shares of AmpliPhi common stock on the record date for the Special Meeting is required for approval of Proposal No. 3. The affirmative vote of the majority of votes properly cast on Proposal Nos. 2, 4 and 5 is required for approval of Proposal Nos. 2, 4 and 5. We encourage you to read this proxy statement carefully. If you have any questions or need assistance voting your shares, please call our proxy solicitor, Alliance Advisors, LLC, at 1-844-670-2134.

i

TABLE OF CONTENTS

Even if you plan to attend the Special Meeting in person, AmpliPhi requests that you sign and return the enclosed proxy card or grant your proxy by telephone or through the Internet to ensure that your shares will be represented at the Special Meeting if you are unable to attend.

By Order of the Board of Directors of
AmpliPhi Biosciences Corporation,

Jeremy Curnock Cook
Chairman of the Board of Directors
San Diego, California
[•], 2019

THE AMPLIPHI BOARD OF DIRECTORS HAS DETERMINED AND BELIEVES THAT EACH OF THE PROPOSALS OUTLINED ABOVE IS ADVISABLE TO, AND IN THE BEST INTERESTS OF, AMPLIPHI AND ITS SHAREHOLDERS AND HAS APPROVED EACH SUCH PROPOSAL. THE AMPLIPHI BOARD OF DIRECTORS RECOMMENDS THAT AMPLIPHI SHAREHOLDERS VOTE “FOR” EACH SUCH PROPOSAL.

ii

TABLE OF CONTENTS

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement incorporates important business and financial information about AmpliPhi that is not included in or delivered with this document. You may obtain this information without charge through the Securities and Exchange Commission (the “SEC”) website (www.sec.gov) or upon your written or oral request by contacting the Chief Financial Officer of AmpliPhi Biosciences Corporation, 3579 Valley Centre Drive, Suite 100, San Diego, California 92130, or by calling (858) 829-0829.

You may also request information from Alliance Advisors, LLC, AmpliPhi’s proxy solicitor, at the following address and telephone number:

Alliance Advisors, LLC
200 Broadacres Drive, 3rd Floor
Bloomfield, NJ 07003
Toll Free: 1-844-670-2134

To facilitate timely delivery of these documents, any request should be made no later than April 29, 2019 to receive them before the Special Meeting.

For additional details about where you can find information about AmpliPhi, please see the section entitled “Where You Can Find More Information” in this proxy statement.

ABOUT THIS DOCUMENT

AmpliPhi Biosciences Corporation, which we refer to herein as the “Company,” “AmpliPhi,” “we,” “our,” or “us,” is providing these proxy materials in connection with the solicitation by our board of directors of proxies to be voted at our Special Meeting of our shareholders to be held on May 8, 2019, commencing at 8:30 a.m., local time, at Cooley LLP, 4401 Eastgate Mall, San Diego, California 92121, or at any adjournment or postponement thereof. This proxy statement and the enclosed proxy card will be mailed to each shareholder entitled to notice of, and to vote at, the Special Meeting of shareholders commencing on or about [•], 2019.

You are cautioned not to rely on any information other than the information contained in or incorporated by reference into this proxy statement. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this proxy statement. This proxy statement is dated [•], 2019. You should not assume that the information contained in this proxy statement is accurate as of any other date, nor should you assume that the information incorporated by reference into this proxy statement is accurate as of any date other than the date of such incorporated document. The mailing of this proxy statement to our shareholders will not create any implication to the contrary.

Except where specifically noted, the following information and all other information contained in this proxy statement does not give effect to a Reverse Split described in Proposal No. 3, beginning on page 107 of this proxy statement.

This proxy statement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER</u>	1
<u>SUMMARY</u>	11
<u>SELECTED HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL DATA</u>	19
<u>MARKET INFORMATION</u>	23
<u>RISK FACTORS</u>	24
<u>FORWARD-LOOKING STATEMENTS</u>	58
<u>THE SPECIAL MEETING OF AMPLIPHI SHAREHOLDERS</u>	60
<u>THE MERGER</u>	64
<u>THE MERGER AGREEMENT</u>	87
<u>AGREEMENTS RELATED TO THE MERGER</u>	103
<u>MATTERS BEING SUBMITTED TO A VOTE OF AMPLIPHI SHAREHOLDERS</u>	105
<u>AMPLIPHI BUSINESS</u>	125
<u>C3J BUSINESS</u>	127
<u>AMPLIPHI MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	144
<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT THE MARKET RISK OF AMPLIPHI</u>	144
<u>C3J MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	145
<u>DIRECTORS AND OFFICERS OF AMPLIPHI FOLLOWING THE MERGER</u>	152
<u>RELATED PARTY TRANSACTIONS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMBINED COMPANY</u>	160
<u>UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS</u>	162
<u>PRINCIPAL SHAREHOLDERS OF AMPLIPHI</u>	170
<u>PRINCIPAL SHAREHOLDERS OF C3J THERAPEUTICS</u>	171
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	173
<u>FUTURE SHAREHOLDER PROPOSALS</u>	173
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	174
<u>INFORMATION INCORPORATED BY REFERENCE</u>	174
<u>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS OF C3J THERAPEUTICS, INC.</u>	F-1
<u>APPENDIX A — AGREEMENT AND PLAN OF MERGER AND REORGANIZATION</u>	A-1
<u>APPENDIX B — FORM OF SHARE PURCHASE AGREEMENT</u>	B-1
<u>APPENDIX C — OPINION OF LADENBURG THALMANN & CO., INC.</u>	C-1
<u>APPENDIX D — AMENDMENT TO AMPLIPHI BIOSCIENCES CORPORATION ARTICLES OF INCORPORATION</u>	D-1
<u>APPENDIX E — AMENDMENT TO AMPLIPHI BIOSCIENCES CORPORATION 2016 EQUITY INCENTIVE PLAN</u>	E-1

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following section provides answers to frequently asked questions about the Merger and other matters relating to the Special Meeting. This section, however, provides only summary information. For a more complete response to these questions and for additional information, please refer to the cross-referenced sections. AmpliPhi urges its shareholders to read this document in its entirety prior to making any decision.

What is the Merger?

AmpliPhi Biosciences Corporation (“AmpliPhi”) and C3J Therapeutics, Inc. (“C3J”) have entered into an Agreement and Plan of Merger and Reorganization, dated as of January 3, 2019, as amended on March 25, 2019 (the “Merger Agreement”). The Merger Agreement contains the terms and conditions of the proposed business combination of AmpliPhi and C3J. Under the Merger Agreement, Ceres Merger Sub, Inc., a wholly owned subsidiary of AmpliPhi (the “Merger Sub”), will merge with and into C3J, with C3J surviving as a wholly owned subsidiary of AmpliPhi (the “Merger”).

At the effective time of the Merger, we anticipate that each share of C3J common stock outstanding immediately prior to the effective time of the Merger (excluding certain shares to be canceled pursuant to the Merger Agreement, and shares held by shareholders who have exercised and perfected dissenters’ rights as more fully described under “The Merger — Dissenters’ Rights” below) will be converted into the right to receive approximately 0.6892 shares of AmpliPhi common stock, subject to adjustment to account for a Reverse Split of AmpliPhi common stock, at a Reverse Split ratio of between 1-for-3 and 1-for-20, inclusive, to be determined by AmpliPhi’s board of directors and to be implemented prior to the consummation of the Merger. Unless the context requires otherwise, when we refer to the “Merger” or the “Business Combination” in this proxy statement, we are referring to the merger of Ceres Merger Sub, Inc. with and into C3J with C3J surviving as a wholly owned subsidiary of AmpliPhi, together with the issuance of AmpliPhi common stock to the former C3J shareholders at the effective time of such merger. As a result of the Merger, immediately following the Merger, the former C3J securityholders will own approximately 70% of the aggregate number of shares of AmpliPhi common stock and the securityholders of AmpliPhi as of immediately prior to the Merger will own approximately 30% of the aggregate number of shares of AmpliPhi common stock (in each case, on a fully diluted basis but using the treasury stock method and excluding out-of-the-money options and out-of-the-money-warrants, and determined before accounting for the Financing discussed below). After the completion of the Merger, AmpliPhi will change its corporate name to “Armata Pharmaceuticals, Inc.”

For a more complete description of the Merger, please see the section entitled “The Merger Agreement” in this proxy statement.

What will happen to AmpliPhi if, for any reason, the Merger does not close?

If, for any reason, the Merger does not close, the AmpliPhi board of directors may, following the termination of the Merger Agreement, elect to, among other things, attempt to complete another strategic transaction like the Merger, attempt to sell or otherwise dispose of the various assets of AmpliPhi or continue to operate the business of AmpliPhi. If AmpliPhi decides to dissolve and liquidate its assets, AmpliPhi would be required to pay all of its contractual obligations, and to set aside certain reserves for potential future claims, and there can be no assurances as to the amount or timing of available cash left to distribute to shareholders after paying the obligations of AmpliPhi and setting aside funds for reserves.

Why are the two companies proposing to merge?

AmpliPhi and C3J believe that the Merger will result in a combined company that will lead the development of innovative natural and synthetic bacteriophage therapies for patients with antibiotic-resistant infections. AmpliPhi’s board of directors considered a number of factors that supported its decision to approve the Merger Agreement. In the course of its deliberations, AmpliPhi’s board of directors also considered a variety of risks and other countervailing factors related to entering into the Merger Agreement.

TABLE OF CONTENTS

For a discussion of AmpliPhi's reasons for the Merger, please see the section entitled "The Merger — Reasons for the Merger."

Why am I receiving these materials?

You are receiving these proxy materials because you have been identified as a shareholder of AmpliPhi as of the record date, and you are entitled to vote at the Special Meeting to approve the matters described in this proxy statement. This proxy statement contains important information about the proposed Merger, Financing, Reverse Split, EIP Amendment and the Special Meeting and you should read it carefully and in its entirety. The enclosed voting materials allow you to authorize a proxy to vote your shares of AmpliPhi common stock without attending the Special Meeting. As promptly as practicable, please complete, sign, date and mail your proxy card in the pre-addressed postage-paid envelope provided or call the toll-free telephone number listed on your proxy card or access the Internet Web site described in the instructions on the enclosed proxy card.

What am I voting on?

There are five matters scheduled for a vote at the Special Meeting:

1.

The approval of the consummation of the Business Combination pursuant to the Merger and the issuance of AmpliPhi common stock at the effective time of the Merger, as contemplated by the Merger Agreement;

2.

The approval of the issuance of shares of AmpliPhi common stock having an aggregate purchase price of \$10.0 million immediately following the effective time of the Merger in the Financing;

3.

The approval of an amendment to AmpliPhi's amended and restated articles of incorporation to effect a reverse split of AmpliPhi's outstanding common stock (the "Reverse Split") at a ratio in the range of between 1-for-3 to 1-for-20, inclusive, with such ratio to be determined in the discretion of AmpliPhi's board of directors and with such Reverse Split to be effected prior to the effective time of the Merger;

4.

The approval of an amendment to AmpliPhi's 2016 Equity Incentive Plan to increase the shares authorized for issuance thereunder by 13,822,963 shares (without giving effect to the Reverse Split) (the "EIP Amendment"); and

5.

The authorization of the adjournment of the Special Meeting in order to permit the solicitation of additional proxies if there are not sufficient votes to approve Proposal Nos. 1 through 4 described above at the time of the Special Meeting.

What is required to consummate the Merger?

To consummate the Merger, Proposal Nos. 1, 2 and 3 must be approved at the Special Meeting, or at any permitted adjournment thereof, by the requisite holders of AmpliPhi common stock on the record date for the Special Meeting.

The Financing will not occur if Proposal No. 1 is not approved by AmpliPhi's shareholders.

In addition to the requirement of obtaining such shareholder approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

For a more complete description of the closing conditions under the Merger Agreement, we urge you to read the section entitled "The Merger Agreement — Conditions to the Completion of the Merger" in this proxy statement.

Are there any federal or state regulatory requirements that must be complied with or federal or state regulatory approvals or clearances that must be obtained in connection with the Merger and the Financing?

Neither AmpliPhi nor C3J is required to make any filings or obtain any approvals or clearances from any antitrust regulatory authorities in the United States or other countries to consummate the Merger or the Financing. In the United States, AmpliPhi must comply with applicable federal and state securities laws

TABLE OF CONTENTS

and NYSE American rules and regulations in connection with the issuance of the shares in connection with the Merger and the Financing, including the filing with the SEC of this proxy statement. Prior to consummation of the Merger, AmpliPhi intends to file an initial listing application with the NYSE American pursuant to the NYSE American's "change of control" rules and to effect the initial listing of AmpliPhi's common stock issuable in connection with the Merger and the Financing or upon exercise of C3J's outstanding stock options or warrants that will be assumed by AmpliPhi in connection with the Merger.

What will C3J shareholders, warrant holders and option holders receive in the Merger?

As a result of the Merger, C3J shareholders will become entitled to receive shares of AmpliPhi common stock in exchange for shares of C3J common stock in an amount to be calculated by the application of an exchange ratio formula (the "Exchange Ratio") in the Merger Agreement.

Under the Exchange Ratio described in the Merger Agreement, immediately following the Merger (but without giving effect to the Financing), the former C3J securityholders are expected to own approximately 70% of the aggregate number of shares of AmpliPhi common stock and the securityholders of AmpliPhi as of immediately prior to the Merger are expected to own approximately 30% of the aggregate number of shares of AmpliPhi common stock (in each case on a fully diluted basis but using the treasury stock method and excluding out-of-the-money options and out-of-the-money-warrants). The Exchange Ratio is based on a \$28.0 million valuation of C3J and a \$12.0 million valuation for AmpliPhi, a 70% premium to the 30-day volume-weighted average share price of AmpliPhi on the date of the Merger Agreement. The approximate post-closing ownership percentages in this paragraph were calculated without giving effect to the Financing.

For a more complete description of what C3J shareholders, warrant holders and option holders will receive in the Merger, please see the sections entitled "Market Price and Dividend Information" and "The Merger Agreement — Merger Consideration" in this proxy statement.

Will holders of the AmpliPhi common shares issued in the Merger and the Financing be able to sell those shares without restriction?

The shares of AmpliPhi common stock issued as consideration in the Merger or in connection with the Financing will be issued in transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on Section 4(a)(2) of the Securities Act, and Regulation D promulgated thereunder and may not be offered or sold by the holders of those shares absent registration or an applicable exemption from registration requirements. As a general matter, holders of such shares will not be able to transfer any of their shares until at least six (6) months after receiving shares of AmpliPhi common stock, which is when the shares would first be eligible to be sold under Rule 144 promulgated under the Securities Act, assuming the conditions thereof are otherwise satisfied. In connection with the Financing, AmpliPhi has agreed to register for resale on Form S-3 (or on Form S-1 if AmpliPhi is not eligible to use Form S-3 at the time of the proposed filing of the registration statement) the AmpliPhi shares of common stock issued to the C3J investors in the Financing. However, even when the shares issued in the Financing are registered for resale, such shares may be subject to lock-up agreements that restrict the sale of those shares, as described in the following paragraph.

Certain shareholders of C3J, including all of the shareholders of C3J that will be purchasing shares in the Financing, and each director and executive officer of C3J, have agreed to certain transfer restrictions on the shares of common stock to be issued to them in the Merger and, if applicable, the Financing, for a period of 180 days following the effective time of the Merger. See the section entitled "Agreements Related to the Merger — Lock-Up Agreements" in this proxy statement for more detail.

Who will be the directors of AmpliPhi following the Merger?

At and immediately after the effective time of the Merger, the board of directors of AmpliPhi and its committees is expected to be composed of the individuals set forth in the table below. The directors shall serve until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal.

TABLE OF CONTENTS

Designee	Director	Age	Position(s)
C3J Designees	Richard Bastiani, Ph.D.	77	Director
	Richard Bear	56	Director
	H. Stewart Parker	63	Director
	Todd R. Patrick	56	Chief Executive Officer and Director
	Joseph M. Patti, Ph.D.	54	Director
AmpliPhi Designees	Jeremy Curnock Cook	69	Director
	Michael S. Perry, D.V.M., Ph.D.	59	Director

Who will be the executive officers of AmpliPhi immediately following the Merger?

Immediately following the Merger, the executive management team of AmpliPhi is expected to be composed as set forth below:

Name	Position with the Combined Company	Current Position
Todd R. Patrick	Chief Executive Officer and Director	President and Chief Executive Officer of C3J
Brian Varnum, Ph.D.	President and Chief Development Officer	Chief Development Officer of C3J
Steve Martin	Chief Financial Officer	Chief Financial Officer of AmpliPhi
Duane Morris	Vice President of Operations	Vice President, Operations of C3J

What are the material U.S. federal income tax consequences of the Merger to me?

Each of AmpliPhi and C3J intends that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. However, regardless of whether the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, the Merger will not result in any taxable gain or loss for U.S. federal income tax purposes to C3J, AmpliPhi or any AmpliPhi shareholder in his or her capacity as an AmpliPhi shareholder.

As an AmpliPhi shareholder, how does the AmpliPhi board of directors recommend that I vote?

After careful consideration, the AmpliPhi board of directors recommends that AmpliPhi shareholders vote:

-
- “FOR” Proposal No. 1 to approve the consummation of a Business Combination pursuant to the Merger and the issuance of shares of AmpliPhi common stock at the effective time of the Merger, as contemplated by the Merger Agreement;
-
- “FOR” Proposal No. 2 to approve the issuance of shares of AmpliPhi common stock in the Financing;
-
- “FOR” Proposal No. 3 to approve the amendment of the amended and restated articles of incorporation of AmpliPhi to effect a Reverse Split;
-
- “FOR” Proposal No. 4 to approve the EIP Amendment; and
-
- “FOR” Proposal No. 5 to adjourn the Special Meeting in order to solicit additional proxies if there are not sufficient votes in favor of Proposal Nos. 1, 2, 3 and 4 at the time of the Special Meeting.

What risks should I consider in deciding whether to vote in favor of the share issuance, Reverse Split and name change?

You should carefully review the section of this proxy statement entitled “Risk Factors,” which sets forth certain risks and uncertainties related to the Merger, risks and uncertainties to which the combined

TABLE OF CONTENTS

organization's business will be subject, risks and uncertainties to which AmpliPhi, as an independent company, is subject and risks and uncertainties to which C3J, as an independent company, is subject.

When do you expect the Merger to be consummated?

We anticipate that the Merger will occur as promptly as practicable after the Special Meeting to be held May 8, 2019 and following satisfaction or waiver of all closing conditions, but we cannot predict the exact timing. For a more complete description of the closing conditions under the Merger Agreement, please see the section entitled "The Merger Agreement — Conditions to the Completion of the Merger" in this proxy statement.

How will the Merger affect stock options and restricted stock awards to acquire C3J common stock?

Upon the effectiveness of the Merger, (a) each C3J stock option to purchase shares of C3J common stock (a "C3J Stock Option") would be assumed in the Merger and would become options and rights for AmpliPhi's common stock based on the Exchange Ratio and (b) each restricted stock award with respect to C3J common stock (a "C3J RSA") that is outstanding immediately prior to the effective time of the Merger will be assumed by AmpliPhi and converted into restricted stock awards with respect to AmpliPhi common stock based on the Exchange Ratio, and AmpliPhi will assume the applicable restricted stock agreements and each such C3J RSA in accordance with its terms. There are no outstanding warrants to purchase C3J common stock.

If effected, how will the Reverse Split and the Merger affect stock options and warrants to acquire AmpliPhi's common stock and AmpliPhi's stock option plans?

As of the effective time of the Reverse Split, AmpliPhi will adjust and proportionately decrease the number of shares of AmpliPhi's common stock reserved for issuance upon exercise of, and adjust and proportionately increase the exercise price of, all options and warrants to acquire AmpliPhi's common stock at the Reverse Split ratio approved by our board of directors. All stock options and warrants to acquire shares of AmpliPhi's common stock that are outstanding immediately prior to the effective time of the Merger will remain outstanding following the effective time of the Merger, with the exception of certain warrants outstanding as of January 18, 2019 exercisable for an aggregate of 274,879 shares of AmpliPhi common stock, which warrants by their terms are required to be purchased by AmpliPhi concurrently with the closing of the Merger for approximately \$38,000. In addition, as of the effective time of the Reverse Split, AmpliPhi will adjust and proportionately decrease the total number of shares of AmpliPhi's common stock that may be the subject of future grants under AmpliPhi's stock plans at the selected Reverse Split ratio.

What do I need to do now?

AmpliPhi urges you to read this proxy statement carefully, including its annexes, and to consider how the Merger affects you.