

HORIZON PHARMA, INC.

Form 424B3

May 10, 2012

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Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-180650

## Prospectus Supplement No. 1

(to prospectus dated May 2, 2012)

This Prospectus Supplement No. 1 supplements and amends the prospectus dated May 2, 2012, or the Original Prospectus, relating to the sale of an aggregate of 20,819,468 shares of our common stock, \$0.0001 par value per share, by the selling stockholders identified in the Original Prospectus, including their transferees, pledgees, donees or successors.

On May 10, 2012, we filed with the Securities and Exchange Commission a Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012. The information set forth below supplements and amends the information contained in the Original Prospectus. This Prospectus Supplement No. 1 should be read in conjunction with, and delivered with, the Original Prospectus and is qualified by reference to the Original Prospectus except to the extent that the information in this Prospectus Supplement No. 1 supersedes the information contained in the Original Prospectus.

The selling stockholders may sell their shares of common stock from time to time at market prices prevailing at the time of sale, at prices related to the prevailing market price, or at negotiated prices. We will not receive any proceeds from the sale of common stock by the selling stockholders, other than as a result of the exercise of warrants held by the selling stockholders for cash.

No underwriter or other person has been engaged to facilitate the sale of shares of our common stock in this offering. We have paid the cost of registering the shares of common stock covered by the Original Prospectus as well as various related expenses. The selling stockholders are responsible for all selling commissions, transfer taxes and other costs related to the offer and sale of their shares of common stock.

Our common stock is traded on The NASDAQ Global Market under the symbol HZNP. On May 9, 2012, the closing sale price of our common stock on The NASDAQ Global Market was \$3.50 per share.

**This investment involves risks. See Risk Factors on page 10 of the Original Prospectus, as updated by this Prospectus Supplement No. 1.**

*Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the Original Prospectus or this Prospectus Supplement No. 1 is truthful or complete. Any representation to the contrary is a criminal offense.*

**The date of this Prospectus Supplement No. 1 is May 10, 2012.**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(MARK ONE)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-35238

**HORIZON PHARMA, INC.**

(Exact name of registrant as specified in its charter)

|  |  |
|--|--|
| <b>Delaware</b><br>(State or other jurisdiction of<br>incorporation or organization)                           | <b>27-2179987</b><br>(I.R.S. Employer<br>Identification No.) |
| <b>520 Lake Cook Road, Suite 520</b><br><b>Deerfield, Illinois</b><br>(Address of principal executive offices) | <b>60015</b><br>(Zip Code)                                   |
| <b>(224) 383-3000</b>  |  |

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of registrant's common stock, par value \$0.0001, outstanding as of May 7, 2012: **33,703,370**.

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****HORIZON PHARMA, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(UNAUDITED)****(In thousands, except share data)**

|  | March 31,<br>2012 | December 31,<br>2011 |
|--|-------------------|----------------------|
| <b>ASSETS</b>  |                   |                      |
| <b>CURRENT ASSETS:</b>   |                   |                      |
| Cash and cash equivalents  | \$ 80,351         | \$ 17,966            |
| Restricted cash  | 750               | 750                  |
| Accounts receivable, net   | 787               | 2,372                |
| Inventories, net   | 2,465             | 1,195                |
| Prepaid expenses and other current assets  | 4,367             | 2,763                |
| Total current assets   | 88,720            | 25,046               |
| Property and equipment, net  | 3,150             | 3,245                |
| Developed technology, net  | 35,777            | 35,602               |
| In-process research and development  | 37,739            | 36,638               |
| Other assets   | 4,262             | 547                  |
| <b>TOTAL ASSETS</b>  | <b>\$ 169,648</b> | <b>\$ 101,078</b>    |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |                   |                      |
| <b>CURRENT LIABILITIES:</b>  |                   |                      |
| Accounts payable   | \$ 8,752          | \$ 8,170             |
| Accrued expenses   | 9,011             | 8,926                |
| Deferred revenues - current portion  | 2,937             | 3,281                |
| Notes payable - current portion  | 3,604             | 3,604                |
| Total current liabilities  | 20,700            | 23,981               |
| Notes payable, net of debt discount  | 50,351            | 15,834               |
| Deferred revenues, net of current  | 6,995             | 5,666                |
| Deferred tax liabilities, net  | 9,668             | 9,561                |
| Other long term liabilities  | 128               | 124                  |
| <b>TOTAL LIABILITIES</b>   | <b>87,842</b>     | <b>55,166</b>        |
| <b>COMMITMENTS AND CONTINGENCIES</b>   |                   |                      |
| <b>STOCKHOLDERS EQUITY:</b>  |                   |                      |
| Common stock, \$0.0001 par value; 200,000,000 shares authorized; 33,703,370 and 19,627,744 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively | 3                 | 2                    |
| Additional paid-in capital   | 328,541           | 270,015              |

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|   |                   |                   |
|---|-------------------|-------------------|
| Accumulated other comprehensive loss              | (2,695)           | (3,788)           |
| Accumulated deficit                               | (244,043)         | (220,317)         |
| Total stockholders' equity                        | 81,806            | 45,912            |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>\$ 169,648</b> | <b>\$ 101,078</b> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Table of Contents****HORIZON PHARMA, INC.****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****(UNAUDITED)****(In thousands, except share and per share data)**

|   | <b>Three Months Ended March 31,</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2012</b>                         | <b>2011</b> |
| <b>REVENUES:</b>  |                                     |             |
| Sale of goods   | \$ 2,669                            | \$ 1,763    |
| Contract revenue  | 53                                  | 30          |
| Gross sales   | 2,722                               | 1,793       |
| Sales discounts and allowances  | (199)                               |             |
| Net sales   | 2,523                               | 1,793       |
| Cost of goods sold  | 2,067                               | 1,839       |
| Gross profit (loss)   | 456                                 | (46)        |
| <b>OPERATING EXPENSES:</b>  |                                     |             |
| Research and development  | 4,069                               | 2,729       |
| Sales and marketing   | 10,972                              | 1,117       |
| General and administrative  | 5,203                               | 3,098       |
| Total operating expenses  | 20,244                              | 6,944       |
| Operating loss  | (19,788)                            | (6,990)     |
| <b>OTHER (EXPENSE) INCOME, NET:</b>                                   |                                     |             |
| Interest expense, net   | (4,551)                             | (1,285)     |
| Foreign exchange gain   | 501                                 | 422         |
| Other expense   | (52)                                |             |
| Total other expense, net  | (4,102)                             | (863)       |
| Loss before benefit for income taxes                                  | (23,890)                            | (7,853)     |
| <b>BENEFIT FOR INCOME TAXES</b>                                       | (164)                               | (182)       |
| <b>NET LOSS</b>   | \$ (23,726)                         | \$ (7,671)  |
| <b>NET LOSS PER COMMON SHARE - Basic and diluted</b>                  | \$ (0.98)                           | \$ (5.13)   |
| <b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - Basic and diluted</b> | 24,116,490                          | 1,493,962   |
| <b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>                         |                                     |             |
| Foreign currency translation adjustments                              | 1,093                               | 6,823       |
| Other comprehensive income  | 1,093                               | 6,823       |
| <b>COMPREHENSIVE LOSS</b>   | \$ (22,633)                         | \$ (848)    |



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The accompanying notes are an integral part of these condensed consolidated financial statements.

**Table of Contents****HORIZON PHARMA, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)****(In thousands)**

|  | <b>Three Months Ended<br/>March 31,</b> |                 |
|--|---|-----------------|
|  | <b>2012</b>                             | <b>2011</b>     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                       |   |                 |
| Net loss   | \$ (23,726)                             | \$ (7,671)      |
| <b>Adjustments to reconcile net loss to net cash used in operating activities:</b> |   |                 |
| Depreciation and amortization expense  | 1,076                                   | 1,016           |
| Stock-based compensation   | 1,759                                   | 597             |
| Non-cash interest expense  | 593                                     | 231             |
| Foreign exchange gain  | (501)                                   | (422)           |
| Loss on disposal of assets   | 65                                      |                 |
| <b>Changes in operating assets and liabilities:</b>                                |   |                 |
| Accounts receivable  | 1,595                                   | (1,922)         |
| Inventories  | (1,243)                                 | 165             |
| Prepaid expenses and other current assets  | (1,582)                                 | 18              |
| Accounts payable   | 560                                     | 1,294           |
| Accrued expenses   | 45                                      | (1,026)         |
| Deferred revenues  | 746                                     | 1,407           |
| Deferred tax liabilities   | (177)                                   | (185)           |
| Net cash used in operating activities  | (20,790)                                | (6,498)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                       |   |                 |
| Purchases of property and equipment  | (133)                                   | (41)            |
| Net cash used in investing activities  | (133)                                   | (41)            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                       |   |                 |
| Proceeds from issuance of notes payable, net of issuance costs                     | 55,578                                  |                 |
| Proceeds from private equity offering, net of issuance costs                       | 47,581                                  |                 |
| Repayment of notes payable   | (19,814)                                | (1,258)         |
| Proceeds from issuance of bridge notes payable to related parties                  |   | 5,030           |
| Deferred financing expenses  |   | (135)           |
| Proceeds from stock option exercises   |   | 42              |
| Net cash provided by financing activities  | 83,345                                  | 3,679           |
| Effect of foreign exchange rate changes on cash and cash equivalents               | (37)                                    | 32              |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                        | <b>62,385</b>                           | <b>(2,828)</b>  |
| <b>CASH AND CASH EQUIVALENTS, beginning of the period</b>                          | <b>17,966</b>                           | <b>5,384</b>    |
| <b>CASH AND CASH EQUIVALENTS, end of the period</b>                                | <b>\$ 80,351</b>                        | <b>\$ 2,556</b> |
| <b>Supplemental cash flow information:</b>   |   |                 |
| Cash paid for interest   | \$ 3,132                                | \$ 697          |

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|                                      |     |     |
|--------------------------------------|-----|-----|
| Cash paid for income taxes           | 11  | 6   |
| Commitment fee paid on notes payable | 600 | 135 |

The accompanying notes are an integral part of these condensed consolidated financial statements.