

HALOZYME THERAPEUTICS INC

Form 424B3

September 10, 2004

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File No. 333-114776

HALOZYME THERAPEUTICS, INC.

PROSPECTUS SUPPLEMENT NO. 2  
(TO PROSPECTUS DATED AUGUST 12, 2004)

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This prospectus supplement supplements the Halozyme Therapeutics, Inc. prospectus dated August 12, 2004, as previously supplemented by the Prospectus Supplement dated August 18, 2004, relating to the sale of up to 29,508,664 shares of our common stock by certain selling security holders. This Prospectus Supplement No. 2 should be read in conjunction with the prospectus and the previous supplement dated August 18, 2004, and this Prospectus Supplement No. 2 is qualified by reference to the prospectus and the previous supplement dated August 18, 2004, except to the extent that the information provided by this Prospectus Supplement No. 2 supersedes the information contained in the prospectus.

**SEE RISK FACTORS BEGINNING ON PAGE 5 OF THE PROSPECTUS TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE MAKING A DECISION TO PURCHASE OUR COMMON STOCK.**

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The shares offered or sold under this prospectus have not been approved by the Securities and Exchange Commission or any state securities commission nor have any of these organizations determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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The date of this Prospectus Supplement No. 2 is September 10, 2004.

The sections of the prospectus, dated August 12, 2004, titled **Selling Security Holders** and **Plan of Distribution** are superseded in their entirety by the following:

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**SELLING SECURITY HOLDERS**

The shares are being offered by certain selling security holders. The selling security holders may from time to time offer and sell pursuant to this prospectus up to an aggregate of 29,508,664 shares of our common shares now owned by them or issuable to them upon the exercise of warrants. The selling security holders may, from time to time, offer and sell any or all of the shares that are registered under this prospectus. Because the selling security holders are not obligated to sell their shares, and because the selling security holders may also acquire publicly traded shares of our common stock, we cannot estimate how many shares the selling security holders will own after the offering.

Except for Mark Wilson, who currently serves as our Vice President of Business Development, none of the selling security holders has ever held an office, been a director or have had any other material relationship with Global, Halozyne or its predecessor.

Pursuant to the stock purchase agreements with certain selling security holders, all expenses incurred with respect to the registration of the common stock will be borne by us, but we will not be obligated to pay any underwriting fees, discounts, commissions or other expenses incurred by them in connection with the sale of such shares.

The following table sets forth, with respect to the selling security holders: (i) the number of shares of common stock beneficially owned as of August 12, 2004 and prior to the offering contemplated hereby, and (ii) the percentage of shares of common stock beneficially owned as of August 12, 2004.

| <b>Security Holders</b>        | <b>Shares of Common Stock Being Registered</b> | <b>Shares of Common Stock Issuable Upon Exercise of Warrants</b> | <b>Total Shares of Common Stock Equivalents Being Registered</b> | <b>Shares of Common Stock Beneficially Owned But NOT Being Registered</b> | <b>Total Shares of Common Stock Beneficially Owned</b> | <b>Total Beneficial Ownership%</b> |
|--------------------------------|--|--|--|---|--|------------------------------------|
| Adam K. Stern                  | 40,000   | 20,000   | 60,000   |   | 60,000   | 0.15%                              |
| Anthony Salandra               | 68,798   | 61,298   | 130,096  |   | 130,096  | 0.33%                              |
| Arianna Sheree Lynch           | 2,407  |  | 2,407  |   | 2,407  | 0.01%                              |
| Asia Pacific Imports           | 50,000   | 25,000   | 75,000   |   | 75,000   | 0.19%                              |
| Autry Qualified Interest Trust | 200,000  | 100,000  | 300,000  |   | 300,000  | 0.76%                              |
| Baybridge Capital Corp.        | 512,349  | 187,425  | 699,774  |   | 699,774  | 1.77%                              |
| BioGrowth, Inc.                | 512,349  | 187,425  | 699,774  |   | 699,774  | 1.77%                              |
| Bonanza Master Fund, LTD       | 600,000  | 300,000  | 900,000  |   | 900,000  | 2.27%                              |
| Brean Murray & Co. Inc.        | 50,000   | 364,284  | 414,284  |   | 414,284  | 1.04%                              |
| Cantonal Corporation           | 300,001  | 150,000  | 450,001  | 45,000  | 495,001  | 1.25%                              |
| Centrum Bank AG                | 200,000  | 100,000  | 300,000  |   | 300,000  | 0.76%                              |
| Cimarron Biomedical Investors  | 200,000  | 100,000  | 300,000  |   | 300,000  | 0.76%                              |
| Cindy Ullman                   | 5,000  | 2,500  | 7,500  |   | 7,500  | 0.02%                              |
| Colleen Paffie                 | 8,800  |  | 8,800  |   | 8,800  | 0.02%                              |
| Curtis Leahy                   | 405,000  |  | 405,000  |   | 405,000  | 1.03%                              |
| Darren Blanton                 | 562,788  | 442,788  | 1,005,576  |   | 1,005,576  | 2.52%                              |
| David Hochman                  | 10,000   | 5,000  | 15,000   |   | 15,000   | 0.04%                              |

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|                     |        |       |        |        |       |
|---------------------|--------|-------|--------|--------|-------|
| Dr. Donald Cramer   | 2,500  | 1,250 | 3,750  | 3,750  | 0.01% |
| Dr. Leonard Makowka | 10,000 | 5,000 | 15,000 | 15,000 | 0.04% |

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| <b>Security Holders</b>   | <b>Shares of<br/>Common<br/>Stock<br/>Being<br/>Registered</b> | <b>Shares of<br/>Common<br/>Stock<br/>Issuable<br/>Upon<br/>Exercise of<br/>Warrants</b> | <b>Total Shares<br/>of<br/>Common<br/>Stock<br/>Equivalents<br/>Being<br/>Registered</b> | <b>Shares of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned But<br/>NOT<br/>Being<br/>Registered</b> | <b>Total Shares<br/>of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned</b> | <b>Total<br/>Beneficial<br/>Ownership%</b> |
|---|--|--|--|---|--|--|
| Equine Consultants Ltd.   | 107,500  |  | 107,500  |   | 107,500  | 0.27%                                      |
| Erietta Papakosta   | 100,000  | 50,000   | 150,000  |   | 150,000  | 0.38%                                      |
| Forest Hill Select Fund, LP   | 320,000  | 160,000  | 480,000  |   | 480,000  | 1.21%                                      |
| Franklin H. Nyi   | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| Garfield Associates, LLC  | 20,000   | 10,000   | 30,000   |   | 30,000   | 0.08%                                      |
| Gene Salkind, MD  | 160,000  | 80,000   | 240,000  | 150,000   | 390,000  | 0.99%                                      |
| Gibralt Capital Corporation   | 400,000  | 200,000  | 600,000  |   | 600,000  | 1.51%                                      |
| Grant Bettingen, Inc.   | 41,298   |  | 41,298   |   | 41,298   | 0.10%                                      |
| Harvest International   | 107,596  | 107,596  | 215,192  |   | 215,192  | 0.54%                                      |
| Harvey Anderson   | 53,798   | 53,798   | 107,596  |   | 107,596  | 0.27%                                      |
| Harvey Grossman   | 8,800  |  | 8,800  |   | 8,800  | 0.02%                                      |
| Henri Talerman  | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| Hyde Family Trust   | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| Jacqueline Autry  | 40,000   | 20,000   | 60,000   |   | 60,000   | 0.15%                                      |
| Janelle Noelle Lynch  | 2,407  |  | 2,407  |   | 2,407  | 0.01%                                      |
| Jardine, McManus, Murphy &<br>Moore, LTD                              | 30,000   |  | 30,000   |   | 30,000   | 0.08%                                      |
| Jason Daggett   | 37,905   |  | 37,905   |   | 37,905   | 0.10%                                      |
| Jeffrey Geddes  | 8,800  |  | 8,800  |   | 8,800  | 0.02%                                      |
| Jerome Morgan   | 8,800  | 4,400  | 13,200   |   | 13,200   | 0.03%                                      |
| Jesse Grossman  | 1,243,225  | 633,885  | 1,877,110  |   | 1,877,110  | 4.69%                                      |
| Jesse Grossman Accountancy<br>Corp. Retirement Trust                  | 474,890  | 211,570  | 686,460  |   | 686,460  | 1.73%                                      |
| John Paul DeJoria   | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| John S. Lemak   | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| Jonathan Spanier  | 1,209,423  | 661,886  | 1,871,309  |   | 1,871,309  | 4.67%                                      |
| Jonathan Spanier Custodian for<br>Esme Spanier under CUTMA,<br>age 21 | 50,000   |  | 50,000   |   | 50,000   | 0.13%                                      |
| Keith Granirer  | 7,500  | 3,750  | 11,250   |   | 11,250   | 0.03%                                      |
| Ken Rickel  | 445,192  | 330,192  | 775,384  |   | 775,384  | 1.95%                                      |
| Ken Y. Leung  | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| Kerry McVey   | 53,798   | 53,798   | 107,596  |   | 107,596  | 0.27%                                      |
| Kimberly Craig Woodworth  | 20,000   | 10,000   | 30,000   |   | 30,000   | 0.08%                                      |
| Kingsbridge Capital   | 150,000  | 75,000   | 225,000  |   | 225,000  | 0.57%                                      |
| Laura Stone   | 8,800  | 4,400  | 13,200   | 1,315   | 14,515   | 0.04%                                      |

| <b>Security Holders</b>   | <b>Shares of<br/>Common<br/>Stock<br/>Being<br/>Registered</b> | <b>Shares of<br/>Common<br/>Stock<br/>Issuable<br/>Upon<br/>Exercise of<br/>Warrants</b> | <b>Total Shares<br/>of<br/>Common<br/>Stock<br/>Equivalents<br/>Being<br/>Registered</b> | <b>Shares of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned But<br/>NOT<br/>Being<br/>Registered</b> | <b>Total Shares<br/>of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned</b> | <b>Total<br/>Beneficial<br/>Ownership%</b> |
|---|--|--|--|---|--|--|
| Lawrence Diamant  | 3,500  | 1,750  | 5,250  |   | 5,250  | 0.01%                                      |
| Lincoln Associates, LLC   | 20,000   | 10,000   | 30,000   |   | 30,000   | 0.08%                                      |
| Linda May Stone   | 40,000   | 20,000   | 60,000   | 100   | 60,100   | 0.15%                                      |
| Lore E. Stone   | 24,000   | 12,000   | 36,000   |   | 36,000   | 0.09%                                      |
| Louis F. Burke PC Retirement<br>Trust   | 20,000   | 10,000   | 30,000   |   | 30,000   | 0.08%                                      |
| Louis Spanier   | 25,000   |  | 25,000   |   | 25,000   | 0.06%                                      |
| Marc Rose   | 208,000  | 104,000  | 312,000  |   | 312,000  | 0.79%                                      |
| Mark Emalfarb Custodian for<br>Ashley Emalfarb  | 8,000  | 4,000  | 12,000   |   | 12,000   | 0.03%                                      |
| Mark Emalfarb Custodian for<br>Hailey Emalfarb  | 8,000  | 4,000  | 12,000   |   | 12,000   | 0.03%                                      |
| Mark Wilson   | 50,000   |  | 50,000   |   | 50,000   | 0.13%                                      |
| Matthew Markin  | 80,000   | 40,000   | 120,000  | 18,500  | 138,500  | 0.35%                                      |
| Michael Clofine   | 53,798   | 53,798   | 107,596  |   | 107,596  | 0.27%                                      |
| Michael P. Marcus   | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| Michael Stone   | 577,394  | 369,394  | 946,788  |   | 946,788  | 2.38%                                      |
| Nadine Smith  | 319,193  | 209,596  | 528,789  |   | 528,789  | 1.33%                                      |
| Odyssey Holdings Ltd.<br>Oppenheimer & Co. Inc.<br>Custodian for Jonathan Spanier<br>IRA Rollover | 512,349  | 187,425  | 699,774  |   | 699,774  | 1.77%                                      |
| Patricia Fox  | 474,890  | 211,570  | 686,460  |   | 686,460  | 1.73%                                      |
| Paul Geddes   | 8,800  |  | 8,800  |   | 8,800  | 0.02%                                      |
| Paul Rosenberg  | 8,800  |  | 8,800  |   | 8,800  | 0.02%                                      |
| Paula Rubino  | 53,798   | 53,798   | 107,596  |   | 107,596  | 0.27%                                      |
| Peter Geddes  | 8,800  |  | 8,800  |   | 8,800  | 0.02%                                      |
| Peter Geddes Custodian for<br>Avery Geddes under CUTMA,<br>age 21                                 | 1,579,118  | 737,758  | 2,316,876  | 85,500  | 2,402,376  | 6.08%                                      |
| Peter Geddes Custodian for<br>Campbell Geddes under<br>CUTMA, age 21                              | 20,000   |  | 20,000   |   | 20,000   | 0.05%                                      |
| Peter Geddes Custodian for Lily<br>Geddes under CUTMA, age 21                                     | 50,000   | 25,000   | 75,000   |   | 75,000   | 0.19%                                      |
| Peter Geddes Custodian for<br>Zachary Geddes under CUTMA,<br>age 21                               | 50,000   | 25,000   | 75,000   |   | 75,000   | 0.19%                                      |
|   | 20,000   |  | 20,000   |   | 20,000   | 0.05%                                      |

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|                   |           |         |           |           |       |
|-------------------|-----------|---------|-----------|-----------|-------|
| Peter Graffman    | 75,000    | 12,500  | 87,500    | 87,500    | 0.22% |
| Peter Kosa        | 100,000   | 50,000  | 150,000   | 150,000   | 0.38% |
| Ram Trading, Ltd. | 1,000,000 | 500,000 | 1,500,000 | 1,500,000 | 3.76% |

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| <b>Security Holders</b>             | <b>Shares of<br/>Common<br/>Stock<br/>Being<br/>Registered</b> | <b>Shares of<br/>Common<br/>Stock<br/>Issuable<br/>Upon<br/>Exercise of<br/>Warrants</b> | <b>Total Shares<br/>of<br/>Common<br/>Stock<br/>Equivalents<br/>Being<br/>Registered</b> | <b>Shares of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned But<br/>NOT<br/>Being<br/>Registered</b> | <b>Total Shares<br/>of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned</b> | <b>Total<br/>Beneficial<br/>Ownership%</b> |
|-------------------------------------|--|--|--|---|--|--|
| Richard Genovese                    | 1,242,404  | 836,394  | 2,078,798  | 400,027   | 2,478,825  | 6.16%                                      |
| Roth Capital Partners, LLC          |  | 300,000  | 300,000  |   | 300,000  | 0.76%                                      |
| Saiph T Corporation                 | 12,500   |  | 12,500   |   | 12,500   | 0.03%                                      |
| Sandor Capital Master Fund,<br>L.P. | 250,000  | 125,000  | 375,000  |   | 375,000  | 0.95%                                      |
| Sandy Geddes                        | 8,800  |  | 8,800  |   | 8,800  | 0.02%                                      |
| Sean Fitzpatrick                    | 25,000   | 12,500   | 37,500   |   | 37,500   | 0.10%                                      |
| Sean Dignan                         | 2,000  |  | 2,000  |   | 2,000  | 0.01%                                      |
| Shai Z. Stern                       | 120,000  | 60,000   | 180,000  | 50,000  | 230,000  | 0.58%                                      |
| Spectrum Advisors, Ltd.             | 332,596  | 157,596  | 490,192  | 3,000   | 493,192  | 1.25%                                      |
| Stephanie Spanier                   | 50,000   |  | 50,000   |   | 50,000   | 0.13%                                      |
| Steven S. Vender                    | 45,000   | 22,500   | 67,500   | 5,000   | 72,500   | 0.18%                                      |
| TBG America Inc.                    | 80,000   | 40,000   | 120,000  |   | 120,000  | 0.30%                                      |
| The Ward Family Foundation          | 120,000  | 60,000   | 180,000  |   | 180,000  | 0.46%                                      |
| University Finance, Inc.            | 889,033  | 725,406  | 1,614,439  |   | 1,614,439  | 4.02%                                      |
| Vertical Ventures, LLC              | 200,000  | 100,000  | 300,000  |   | 300,000  | 0.76%                                      |
| Vitel Ventures Corp.                | 657,426  | 328,713  | 986,139  | 32,248  | 1,018,387  | 2.56%                                      |
| Whitney & Clarkia Wilson<br>Trust   | 50,000   |  | 50,000   | 50,000  | 100,000  | 0.25%                                      |
| William F. Miller III               | 113,798  | 30,000   | 143,798  |   | 143,798  | 0.36%                                      |
| Winnie Huang                        | 40,000   | 20,000   | 60,000   |   | 60,000   | 0.15%                                      |
| <b>Total</b>                        | <b>19,046,721</b>  | <b>10,461,943</b>  | <b>29,508,664</b>  | <b>840,690</b>  | <b>30,349,354</b>  | <b>76.21%</b>                              |

Subject to applicable exceptions set forth by the Securities and Exchange Commission, transferees, pledgees, donees or successors to the selling security holders named in the prospectus may not offer and sell securities pursuant to the prospectus unless we supplement or amend the prospectus to reflect the required information concerning such transferees, pledgees, donees or successors.

### PLAN OF DISTRIBUTION

The selling security holders and any of their pledgees, assignees and successors-in-interest may, from time to time, sell all or any part of their shares of common stock offered hereby on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling security holders may use any one or more of the following methods when selling shares:

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;



purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

short sales;

broker-dealers may agree with the selling security holders to sell a specified number of such shares at a stipulated price per share;

a combination of any such methods of sale; and

any other method permitted pursuant to applicable law.

The selling security holders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this Prospectus. The selling security holders may also engage in short sales against the box, puts and calls and other transactions in our securities or derivatives of our securities, and may sell or deliver shares in connection with these trades. The selling security holders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling security holder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares.

Broker-dealers engaged by the selling security holders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling security holders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling security holders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

The selling security holders and any broker-dealers or agents that are involved in selling the shares may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. Any selling security holders that are broker-dealers or broker-dealer affiliates will be deemed to be underwriters within the meaning of the Securities Act in connection with any sales of the shares by them. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Of the selling security holders, Brean Murray & Co., Grant Bettingen, Inc. and Roth Capital Partners, LLC are each broker-dealers. Additionally, Curtis Leahy and Sean Dignan, who are both registered representatives of Grant Bettingen, Inc., are affiliates of a broker-dealer.

Because selling security holders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, the selling security holders will be subject to the prospectus delivery requirements of the Securities Act and the rules promulgated thereunder. We have informed the selling security holders that the anti-manipulative provisions of Regulation M promulgated under the Exchange Act may apply to their sales in the market.

We are required to pay all fees and expenses (excluding selling expenses) incident to the registration of the shares being registered herein, including fees and disbursements of counsel to the selling security holders. We have agreed to indemnify certain of the selling security holders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

After being notified by a selling security holder that any material arrangement has been entered into with a broker-dealer or underwriter for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker, dealer or underwriter, we will file a supplement to this prospectus, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling security holder and of the participating broker-dealer(s) or underwriter(s), (ii) the number of shares involved, (iii) the price at which such shares were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s) or

underwriter(s), where applicable, (v) that such broker-dealer(s) or underwriter(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus and (vi) other facts material to the transaction. Individuals and entities who receive shares from the selling security holders as a gift or in connection with a pledge may sell up to 500 of such shares pursuant to this prospectus.