Flexion Therapeutics Inc
Form 424B5
November 16, 2016
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-203706

PROSPECTUS SUPPLEMENT

(To Prospectus dated May 6, 2015)

3,600,000 Shares

Flexion Therapeutics, Inc.

Common Stock

We are offering 3,600,000 shares of our common stock.

Our common stock is listed on the Nasdaq Global Market under the symbol FLXN . On November 15, 2016, the last reported sale price of our common stock on the Nasdaq Global Market was $20.29 per share.

Investing in our common stock involves risks. See the section entitled Risk Factors on page S-5 of this prospectus supplement.

	Per share	Total
Public offering price	$ 18.000	$ 64,800,000
Underwriting discounts and commissions(1)	$ 1.035	$ 3,726,000
Proceeds, before expenses to Flexion Therapeutics, Inc.	$ 16.965	$ 61,074,000

(1) We refer you to the section entitled Underwriting for additional information regarding underwriter compensation. We have granted the underwriters a 30-day option to purchase up to an additional 540,000 shares of common stock from us at the public offering price less the underwriting discounts and commissions.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012, and, as such, we have elected to take advantage of certain reduced public company reporting requirements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or about November 21, 2016.

Wells Fargo Securities **RBC Capital Markets** **BMO Capital Markets**

Prospectus supplement dated November 16, 2016

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus dated May 6, 2015, included in our registration statement on Form S-3 (File No. 333-203706), provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the Securities and Exchange Commission, or SEC, before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement the statement in the document having the later date modifies or supersedes the earlier statement. You should assume that the information contained in this prospectus supplement is accurate as of the date on the cover page of this prospectus supplement only and that any information we have incorporated by reference or included in the accompanying prospectus is accurate only as of the date given in the document incorporated by reference or as of the date of the prospectus, as applicable, regardless of the time of delivery of this prospectus supplement or the accompanying prospectus or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

We have not, and the underwriters have not, authorized anyone to provide you with different information than that which is contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus that we have authorized for use in connection with this offering. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should read this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering, in their entirety before making an investment decision. You should also read and consider the information in the documents to which we have referred you in the sections of this prospectus supplement entitled Where You Can Find More Information and Incorporation of Certain Information by Reference.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to Flexion Therapeutics , Flexion , the Company , we , us , our or similar references mean Flexion Therapeutics, In

This prospectus supplement contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus supplement, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

The industry and market data and other statistical information contained in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference are based on management s own estimates, independent publications, government publications, reports by market research firms or other published independent sources, and, in each case, are believed by management to be reasonable estimates. Although we believe these sources are reliable, we have not independently verified the information.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all the information you should consider before investing in our common stock. You should read and consider carefully the more detailed information in this prospectus supplement and the accompanying prospectus, including the factors described under the heading Risk Factors in this prospectus supplement on page S-5 and the financial and other information incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as the information included in any free writing prospectus that we have authorized for use in connection with this offering, before making an investment decision.

Company Overview

We are a specialty pharmaceutical company focused on the development and commercialization of novel, local therapies for the treatment of patients with musculoskeletal conditions, beginning with osteoarthritis, or OA, a type of degenerative arthritis. Our lead product candidate, Zilretta, is a late-stage, injectable, extended-release, intra-articular, or IA, meaning in the joint, investigational steroid that we are developing as a treatment for patients with moderate to severe OA knee pain. We specifically designed Zilretta to combine a commonly administered steroid, triamcinolone acetonide, or TCA, with poly lactic-co-glycolic acid, referred to as PLGA, with the goal of providing sustained therapeutic concentrations in the joint and persistent analgesic effect. Zilretta is intended to address the limitations of current IA therapies by providing long-lasting, local analgesia while avoiding systemic side effects, which are effects that occur throughout the body as a result of drug that is released from the site of injection into circulating blood. To date, we have completed six clinical trials in which a total of over 600 patients with OA of the knee were treated with Zilretta. The overall frequency of treatment-related adverse events in these trials has been similar to those observed with placebo and no serious adverse events have been assessed as related to Zilretta in those trials. Both the magnitude and duration of pain relief provided by Zilretta in clinical trials have been shown to be clinically meaningful with the magnitude of pain relief amongst the largest reported to date in OA clinical trials.

Based on the strength of our pivotal and other clinical trials, we believe that Zilretta has the potential to address a significant unmet medical need for OA pain management by providing safe, more effective and sustained pain relief. We believe the following attributes uniquely distinguish Zilretta:

- An injectable, IA, non-opioid, extended-release investigational treatment for patients with moderate to severe OA pain that has demonstrated the following in clinical trials to date:
  - statistically significant, durable and clinically meaningful improvements in validated OA specific measures,
  - statistically significant, durable and clinically meaningful pain relief compared to placebo,
  - persistent therapeutic concentrations of drug in the joint and durable efficacy, and

limited systemic exposures and the potential for fewer serious side effects compared to oral treatment options for OA pain.

Amongst the largest analgesic effects reported in OA clinical trials.

Strong proprietary position through a combination of patents, trade secrets and proprietary know-how, as well as eligibility for marketing exclusivity.

Well-defined Section 505(b)(2) of the Federal Food Drug and Cosmetic Act, regulatory pathway seeking approval for a novel formulation of the same dose and administration route of the already approved immediate-release steroid used by orthopedists and rheumatologists.

Table of Contents

Familiarity of orthopedists and rheumatologists with IA injections utilizing the same steroid at the same dose.

Fast Track designation from the FDA.

In April 2016, we initiated a double-blind, randomized, parallel group, single dose Phase 2 clinical trial of Zilretta in patients with OA of the knee who also have Type 2 (adult) diabetes. Approximately 20% of patients with knee OA have diabetes and clinical trial data demonstrate that these patients, when treated with IA injections of immediate-release TCA (as well as other corticosteroids) can experience elevations in blood glucose levels in the days post injection. These increases in blood glucose coincide with peak plasma concentrations of the injected steroid and are thought to reflect the anti-insulin effects of such drugs. Approximately 33 patients were enrolled in this double-blind randomized, parallel group single dose study, and blood glucose levels were monitored for a total of three weeks (one week prior to injection and two weeks post injection) using a continuous glucose monitoring device. In November 2016, we announced top-line results from this trial that demonstrated a markedly lower post-injection rise in blood glucose levels in patients receiving Zilretta compared to patients receiving immediate-release TCA. The difference was statistically significant ($p<0.05$, 2-sided) and clinically relevant.

Based upon the results of our pivotal clinical trials and the written responses from the FDA to questions we submitted in advance of a pre-NDA meeting with the FDA regarding Zilretta, we anticipate submitting our Zilretta NDA for single-dose administration to the FDA in December 2016 which, assuming a standard ten-month review, would position Zilretta for potential approval in October 2017.

If approved, we believe Zilretta would represent a significant market opportunity. It has been projected that by 2030, there will be 67 million Americans with OA. OA affects 14% of adults aged 25 and older and 35% of those aged 65 and older, and accounts for over $185 billion in annual healthcare expenditures in the Unites States. One in four people with knee OA have daily pain while walking and have difficulty climbing stairs, kneeling or stooping. According to IMS Health, each year approximately 5.2 million knee OA patients in the United States receive IA injection treatments, with approximately 4.2 million being patients receiving IA steroid injections. In 2015, the number of patients that received knee injections of IA steroids increased approximately 12% compared to the prior year, while the number of patients that received knee injections of hyaluronic acid, or HA, which the FDA has approved for use only in the knee, decreased 1% compared to the prior year. Based upon the average annual injections per patient for IA steroids and HA, we estimate that there are approximately 7.6 million knee injections for these therapies in the United States each year. Based upon independent payor research and surveys we have conducted to date, we believe that, if approved, Zilretta would receive reimbursement generally consistent with HA products if priced at approximately $500 per injection, although we will continue to perform pricing analysis prior to determining what price to offer Zilretta, if approved. Our clinical trials to date have treated patients with knee OA, which represents the most common joint treated with IA therapies.

Corporate Information

We were incorporated in Delaware in November 2007. Our principal executive offices are located at 10 Mall Road, Suite 301, Burlington, Massachusetts 01803, and our telephone number is (781) 305-7777. Our corporate website address is www.flexiontherapeutics.com. Information contained on or accessible through our website is not a part of this prospectus supplement, and the inclusion of our website address in this prospectus supplement is an inactive textual reference only.

Table of Contents

The Offering

Common stock offered by us	3,600,000 shares
Common stock to be outstanding immediately after this offering	31,127,419 shares (or 31,667,419 shares if the underwriters exercise in full their option to purchase additional shares).
Option to purchase additional shares	The underwriters have an option to purchase up to 540,000 additional shares of our common stock. The underwriters may exercise this option at any time within 30 days from the date of this prospectus supplement.
Use of proceeds	We intend to use the net proceeds from this offering for manufacturing and commercialization of Zilretta, if approved, and product pipeline development. See Use of Proceeds for more information.
Nasdaq Global Market symbol	FLXN
Risk Factors	Investing in our common stock involves a high degree of risk. See Risk Factors on page S-5 of this prospectus supplement.

The number of shares of our common stock to be outstanding after this offering is based on 27,527,419 shares of common stock outstanding as of September 30, 2016, and excludes as of that date:

- 2,477,783 shares of common stock issuable upon the exercise of outstanding stock options, at a weighted average exercise price of $15.11 per share;
- 194,400 shares of common stock issuable upon the settlement of outstanding restricted stock units;
- 1,105,124 shares of common stock reserved for future issuance under our 2013 equity incentive plan; and
- 584,660 shares of common stock reserved for future issuance under our 2013 employee stock purchase plan.

Unless otherwise indicated, all information contained in this prospectus supplement assumes:

no exercise of the outstanding options or settlement of the outstanding restricted stock units described above; and

no exercise by the underwriters of their option to purchase additional shares of our common stock in this offering.

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. Our business, prospects, financial condition or operating results could be materially adversely affected by the risks identified below, as well as other risks not currently known to us or that we currently consider immaterial. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. You should also refer to the information contained in our Annual Report on Form 10-K for the year ended December 31, 2015 and the other documents which are incorporated by reference in this prospectus supplement and the accompanying prospectus in their entirety, which includes additional descriptions about the risks associated with an investment in our common stock.

Risks Related to This Offering

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

Investors purchasing common stock in this offering will pay a price per share that substantially exceeds the as adjusted net tangible book value per share. As a result, investors purchasing common stock in this offering will incur immediate dilution of $11.61 per share, based on the public offering price of $18.00 per share and our as adjusted net tangible book value as of September 30, 2016. For more information on the dilution you may suffer as a result of investing in this offering, see the section of this prospectus supplement entitled Dilution.

In addition, as of September 30, 2016, options to purchase 2,477,783 shares of our common stock at a weighted average exercise price of $15.11 per share, and restricted stock units covering an aggregate of 194,400 shares of our common stock, were outstanding. The exercise of any of these options or settlement of any of these restricted stock units would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation.

We will have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in Use of Proceeds, and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the success, cost and timing of our product development activities, including clinical trials, regulatory activities, including our planned submission of an NDA for Zilretta, and commercialization activities for Zilretta, if approved;
- potential regulatory approval of our product candidates, and potential benefits of our product candidates, if approved;
- our commercialization plans with respect to Zilretta, if approved;
- our plans and strategy with respect to the manufacture of our product candidates, including Zilretta;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- our plans and strategy to further develop sales and marketing capabilities;
- the rate and degree of market acceptance of our product candidates, including potential pricing and reimbursement for any approved products;
- our plans and strategy with respect to third party collaborations;
- regulatory developments in the United States and foreign countries;
- the success of our product candidates against competing therapies that are or become available;
- our use of the net proceeds from this offering;

our estimates regarding expenses, future revenue, capital requirements and need for additional financing; and

our expectations regarding our ability to obtain and adequately maintain sufficient intellectual property protection for our product candidates.

In some cases, you can identify these statements by terms such as anticipate, believe, could, estimate, expect, i may, plan, potential, predict, project, should, will, would or the negative of those terms, and similar exp Forward-looking statements reflect our management s beliefs and views with respect to future events and are based on estimates and assumptions as of the date such statements are made and are subject to risks and uncertainties. We discuss many of these risks in greater detail under the heading Risk Factors in this prospectus supplement and in the documents incorporated herein by reference. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

We qualify all of the forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting the estimated underwriting discount and estimated offering expenses payable by us, will be approximately $60.8 million (or approximately $69.9 million if the underwriters exercise their option to purchase additional shares of common stock in full).

The principal purpose of this offering is to obtain additional capital to support our operations. We anticipate that we will use the net proceeds of this offering for manufacturing and commercialization of Zilretta, if approved, product pipeline development, as well as working capital and general corporate purposes.

We may also use a portion of the net proceeds from this offering to in-license, acquire or invest in complementary businesses, technologies, products or assets. However we have no current plans, commitments or obligations to do so.

Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus supplement, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering, or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual use of the net proceeds will vary depending on numerous factors, including whether we are able to obtain regulatory approval for Zilretta and the timing of any such approval, the cost of commercializing Zilretta, if approved, the success of any commercialization efforts for Zilretta, our ability to obtain additional financing, the progress, cost and results of our development programs, and whether we are able to enter into future collaboration arrangements. Our management will have broad discretion in the application of the net proceeds from this offering.

Pending their use, we plan to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

Table of Contents

DILUTION

Our net tangible book value as of September 30, 2016 was approximately $138.0 million, or $5.01 per share. Net tangible book value per share is determined by dividing our total tangible assets, less total liabilities, by the number of shares of our common stock outstanding as of September 30, 2016. Dilution with respect to net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of our common stock immediately after this offering.

After giving effect to the sale of 3,600,000 shares of our common stock in this offering at a public offering price of $18.00 per share, and after deducting the estimated underwriting discount and estimated offering expenses payable by us, our as adjusted net tangible book value as of September 30, 2016 would have been approximately $198.8 million, or $6.39 per share. This represents an immediate increase in net tangible book value of $1.38 per share to existing stockholders and immediate dilution in net tangible book value of $11.61 per share to investors purchasing our common stock in this offering at the public offering price.

The following table illustrates this dilution on a per share basis:

Public offering price per share		$ 18.00
Net tangible book value per share as of September 30, 2016	$ 5.01	
Increase in net tangible book value per share attributable to investors purchasing our common stock in this offering	$ 1.38	
As adjusted net tangible book value per share on September 30, 2016, after giving effect to this offering		$ 6.39
Dilution per share to investors purchasing our common stock in this offering		$ 11.61

If the underwriters exercise in full their option to purchase up to 540,000 additional shares of common stock at the public offering price, the as adjusted net tangible book value after this offering would be $6.57 per share, representing an increase in net tangible book value of $1.56 per share to existing stockholders and immediate dilution in net tangible book value of $11.43 per share to investors purchasing our common stock in this offering at the public offering price.

The above discussion and table are based on 27,527,419 shares of common stock outstanding as of September 30, 2016 and excludes as of that date:

- 2,477,783 shares of common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of $15.11 per share;
- 194,400 shares of common stock issuable upon the settlement of outstanding restricted stock units;
- 1,105,124 shares of common stock reserved for future issuance under our 2013 equity incentive plan; and
- 584,660 shares of common stock reserved for future issuance under our 2013 employee stock purchase plan.

In addition, the share reserves under our 2013 equity incentive plan and 2013 employee stock purchase plan are subject to automatic annual increases in accordance with the terms of the plans. Furthermore, we may choose to raise additional capital in the future through the sale of equity or convertible debt securities due to market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. To the extent that any of our outstanding options are exercised or restricted stock units are settled, new options or restricted stock units are issued under our equity incentive plans or we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering.

Table of Contents

UNDERWRITING

We and the underwriters named below, for whom Wells Fargo Securities, LLC, RBC Capital Markets, LLC and BMO Capital Markets Corp. are acting as book running managers and representatives, have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table.

Name	Number of Shares
Wells Fargo Securities, LLC	1,512,000
RBC Capital Markets, LLC	1,296,000
BMO Capital Markets Corp.	792,000
Total	3,600,000

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the shares (other than those covered by the option to purchase additional shares described below) if they purchase any of the shares.

The underwriters propose to offer the shares of our common stock directly to the public at the public offering price set forth on the cover of this prospectus and to certain dealers at that price less a concession not in excess of $0.621 per share. After the initial offering of the shares, the offering price and the selling concession may be changed by the underwriters.

Certain of our directors and affiliated funds have indicated an interest in purchasing shares of our common stock in this offering at the public offering price. However, because indications of interest are not binding agreements or commitments to purchase, these investors may determine to purchase fewer shares than they indicate an interest in purchasing or not to purchase any shares in this offering.

Option to Purchase Additional Shares

The underwriters have an option to buy up to an additional 540,000 shares of our common stock to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise this option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above, and the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

Discounts and Commissions

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional shares.

	Paid by Flexion Therapeutics, Inc.	
	No Exercise	**Full Exercise**
Per share	$ 1.035	$ 1.035
Total	3,726,000	4,284,900

We estimate that the total expenses of this offering payable by us will be approximately $300,000. We have also agreed to reimburse the underwriters for certain of their expenses, in an amount of up to $10,000, as set forth in the underwriting agreement.

Table of Contents

Lock-Up Agreements

We, our officers and directors, and certain of their affiliated entities have agreed that, subject to specified limited exceptions, for a period of 90 days from the date of this prospectus, we and they will not, without the prior written consent of Wells Fargo Securities, LLC, RBC Capital Markets, LLC and BMO Capital Markets Corp., dispose of or hedge any shares or any securities convertible into or exchangeable for our common stock. Wells Fargo Securities, LLC, RBC Capital Markets, LLC and BMO Capital Markets Corp. in their sole discretion may release any of the securities subject to these lock-up agreements at any time.

Nasdaq Global Market Listing

Our common stock is listed on the Nasdaq Global Market under the symbol FLXN .

Stabilization, Short Positions

In connection with the offering, the underwriters may purchase and sell shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the option to purchase additional shares, and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of shares than they are required to purchase in the offering.

Covered short sales are sales of shares in an amount up to the number of shares represented by the underwriters option to purchase additional shares.

Naked short sales are sales of shares in an amount in excess of the number of shares represented by the underwriters option to purchase additional shares.

Covering transactions involve purchases of shares either pursuant to the underwriters option to purchase additional shares or in the open market in order to cover short positions.

To close a naked short position, the underwriters must purchase shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

To close a covered short position, the underwriters must purchase shares in the open market or must exercise the option to purchase additional shares. In determining the source of shares to close the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted by us.

Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the shares. They may also cause the price of the shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time. Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of the effect that the transactions described above, if commenced, may have on the market price of our common stock.

Relationships

The underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal

Table of Contents

investment, hedging, financing and brokerage activities. The underwriters and their respective affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Indemnification of Underwriters

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Sales Outside the United States

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the common stock, or the possession, circulation or distribution of this prospectus supplement or any other material relating to us or the common stock in any jurisdiction where action for that purpose is required. Accordingly, the common stock may not be offered or sold, directly or indirectly, and neither of this prospectus supplement nor any other offering material or advertisements in connection with the common stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the underwriters may arrange to sell common stock offered by this prospectus supplement in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so. In that regard, Wells Fargo Securities, LLC may arrange to sell shares in certain jurisdictions through an affiliate, Wells Fargo Securities International Limited, or WFSIL. WFSIL is a wholly-owned indirect subsidiary of Wells Fargo & Company and an affiliate of Wells Fargo Securities, LLC. WFSIL is a U.K. incorporated investment firm regulated by the Financial Conduct Authority. Wells Fargo Securities is the trade name for certain corporate and investment banking services of Wells Fargo & Company and its affiliates, including Wells Fargo Securities, LLC and WFSIL.

European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus may not be made to the public in that relevant member state other than:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive,

Table of Contents

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of the sellers or the underwriters.

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Table of Contents

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia, or Corporations Act) in relation to the common stock has been or will be lodged with the Australian Securities & Investments Commission, or ASIC. This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

you confirm and warrant that you are either:

a sophisticated investor under section 708(8)(a) or (b) of the Corporations Act;

a sophisticated investor under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant s certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

a person associated with the company under section 708(12) of the Corporations Act; or

a professional investor within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance; and

you warrant and agree that you will not offer any of the common stock for resale in Australia within 12 months of that common stock being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

France

Neither this prospectus nor any other offering material relating to the shares described in this prospectus has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers.* The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;

to investment services providers authorized to engage in portfolio management on behalf of third parties; or

in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Table of Contents

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this prospectus supplement and the accompanying prospectus are being distributed only to, and are directed only at, and any offer of the securities offered hereby is directed only at investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, 1968, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the TASE, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and qualified individuals, each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan

The shares offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

Table of Contents

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Table of Contents

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus supplement will be passed upon for us by Cooley LLP, San Diego, California. The underwriters are being represented by Goodwin Procter LLP, Boston, Massachusetts.

EXPERTS

The financial statements incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act, with respect to the shares of common stock being offered by this prospectus supplement. This prospectus supplement is part of the registration statement but the registration statement includes and incorporates by reference additional information and exhibits. We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings, including the registration statement, over the Internet at the SEC s website at www.sec.gov. You may also read and copy any document we file with the SEC at its Public Reference Room at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. You may also request a copy of these filings, at no cost, by writing us at 10 Mall Road, Suite 301, Burlington, MA 01803 or telephoning us at (781) 305-7777.

We maintain a website at www.flexiontherapeutics.com. You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments to those reports filed or furnished with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus supplement.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference information from other documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement. Information in this prospectus supplement supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus supplement.

We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement until the termination of the offering of the shares covered by this prospectus supplement (other than portions of our Current Reports furnished under Item 2.02 or Item 7.01 of Form 8-K and exhibits filed on such form that are related to such items):