

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Townsend Raymond</u>  (Last) (First) (Middle) C/O KINDRED BIOSCIENCES, INC. 1555 BAYSHORE HIGHWAY, SUITE 200  (Street) BURLINGAME CA 94010  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Kindred Biosciences, Inc. [ KIN ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 08/27/2021	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person  Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/27/2021		D		24,928 <sup>(1)</sup>	D	\$9.25	0	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (right to buy)	\$7	08/27/2021		D			20,000	(2)	12/11/2023	Common Stock	20,000	\$2.25 <sup>(2)</sup>	0	D	
Stock Option (right to buy)	\$15.41	08/27/2021		D			34,000	(3)	02/03/2024	Common Stock	34,000	\$0 <sup>(3)</sup>	0	D	
Stock Option (right to buy)	\$6.96	08/27/2021		D			44,000	(4)	01/26/2025	Common Stock	44,000	\$2.29 <sup>(4)</sup>	0	D	
Stock Option (right to buy)	\$3.45	08/27/2021		D			18,892	(5)	01/08/2026	Common Stock	18,892	\$5.8 <sup>(5)</sup>	0	D	
Stock Option (right to buy)	\$6.4	08/27/2021		D			49,900	(6)	01/23/2027	Common Stock	49,900	\$2.85 <sup>(6)</sup>	0	D	
Stock Option (right to buy)	\$8.75	08/27/2021		D			75,000	(7)	01/22/2028	Common Stock	75,000	\$0.5 <sup>(7)</sup>	0	D	
Stock Option (right to buy)	\$9.91	08/27/2021		D			50,000	(8)	01/31/2029	Common Stock	50,000	\$0 <sup>(8)</sup>	0	D	
Stock Option (right to buy)	\$9.84	08/27/2021		D			50,000	(9)	01/16/2030	Common Stock	50,000	\$0 <sup>(9)</sup>	0	D	
Stock Option (right to buy)	\$4.44	08/27/2021		D			50,000	(10)	01/19/2031	Common Stock	50,000	\$4.81 <sup>(10)</sup>	0	D	

Explanation of Responses:

- Represents 24,928 shares of common stock that were disposed of at the effective time of the merger (the "Merger") contemplated by the agreement and plan of merger, dated as of June 15, 2021, by and among the Elanco Animal Health Incorporated, Knight Merger Sub, Inc., and Kindred Biosciences, Inc. (the "Merger Agreement") in exchange for a cash payment of \$9.25 per share.
- This option, which vested 25% of the total number of shares underlying the option ("Option Shares") on the annual anniversary of December 11, 2013, with the remaining Option Shares vested in equal monthly installments over the following three years, subject to continued service as director on each such vesting date, was cancelled pursuant to the Merger Agreement in exchange for a cash payment of \$45,000.00, representing the difference between the per share exercise price of the option and the merger consideration of \$9.25 per share.
- This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for no consideration.
- This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for a cash payment of \$100,760.00.

representing the difference between the per share exercise price of the option and the merger consideration of \$9.25 per share.

5. This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for a cash payment of \$109,573.60, representing the difference between the per share exercise price of the option and the merger consideration of \$9.25 per share.

6. This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for a cash payment of \$142,215.00, representing the difference between the per share exercise price of the option and the merger consideration of \$9.25 per share.

7. This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for a cash payment of \$37,500.00, representing the difference between the per share exercise price of the option and the merger consideration of \$9.25 per share.

8. This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for no consideration.

9. This option provided for vesting in four equal quarterly installments from the option grant date. This option was cancelled pursuant to the Merger Agreement in exchange for no consideration.

10. This option provided for vesting in four equal quarterly installments from the option grant date. Pursuant to the Merger Agreement, the unvested portion of this option was subject to acceleration of vesting. This option was cancelled pursuant to the Merger Agreement in exchange for a cash payment of \$240,500.00, representing the difference between the per share exercise price of the option and the merger consideration of \$9.25 per share.

/s/ Raymond Townsend

08/27/2021

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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