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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 8, 2020

KINDRED BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-36225
(Commission
File Number)

46-1160142
(I.R.S. Employer
Identification No.)

1555 Bayshore Highway, Suite 200, Burlingame, California 94010
(Address of principal executive offices) (Zip Code)

(650) 701-7901
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.0001 par value	KIN	The NASDAQ Stock Market LLC
Preferred Stock Purchase Rights	KIN	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On June 8, 2020, Kindred Biosciences, Inc., a Delaware corporation (“KindredBio”), issued a press release announcing a plan to strengthen its strategic position by, among other things, prioritizing its most attractive late stage programs and substantially reducing its expenses to best position the company for success with the previously announced business model. A copy of the press release is attached to this Current Report on Form 8-K and is incorporated into this Item 2.05 and Item 5.02 below by reference.

This restructuring by KindredBio will reduce the company’s workforce by approximately 25 employees and will involve a restructuring charge of approximately \$2.3 million related to severance payments and health care benefits, exclusive of stock compensation. KindredBio expects the restructuring to be completed in the third quarter of 2020.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

KindredBio also announced in its press release issued on June 8, 2020 that its restructuring includes the departure of Denise M. Bevers as KindredBio’s President and Chief Operating Officer. Ms. Bevers is currently anticipated to terminate her employment on July 31, 2020, although she will remain on KindredBio’s Board of Directors and will be entitled to receive compensation on the same basis as KindredBio’s other non-employee directors. Ms. Bevers is entitled to receive the severance compensation and benefits that are described in Section 4(c) of her Amended and Restated Executive Employment Agreement, which KindredBio filed as Exhibits 10.27 and 10.36 to its Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2020.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release of Kindred Biosciences, Inc. issued on June 8, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KINDRED BIOSCIENCES, INC.

Date: June 8, 2020

By: /s/ Wendy Wee

Wendy Wee

Chief Financial Officer

Kindred Biosciences Announces Plan to Strengthen Its Strategic Position

San Francisco, California (June 8, 2020) - Kindred Biosciences, Inc. (NASDAQ: KIN), a biopharmaceutical company focused on saving and improving the lives of pets, today announced a plan to enhance its strategic position. The company will prioritize its most attractive late stage programs and substantially reduce expenses to best position it for success with the previously announced business model.

KindredBio intends to reduce operating expenditures by prioritizing investment in its highest value, late stage programs, especially the interleukin-31 (IL-31) antibody, interleukin-4 receptor (IL-4R) antibody, and parvovirus antibody programs. These actions, alongside a streamlining of the company's operations, are expected to reduce quarterly operating expenses to approximately \$10 million by the fourth quarter of 2020 and maintain expenditures at a similar level through 2021. The restructuring will reduce the company's workforce by approximately 25 employees, including the departure of Denise Bevers, KindredBio's President and Chief Operating Officer. Ms. Bevers will remain on the Board of Directors.

"With this streamlining, we put KindredBio in a very strong position to maximize the value of our assets. I would like to thank our talented employees for their contributions to the company's achievements. We continue to execute well on advancing our promising pipeline, and are excited about upcoming milestones," said KindredBio's Chief Executive Officer, Richard Chin, M.D.

"I would especially like to thank our co-founder, Denise, who has been instrumental in growing KindredBio from a startup, through our IPO, and into one of the world's leading veterinary biopharmaceutical companies. I know I speak on behalf of all our employees when I say that it has been an honor and pleasure to work together. I am very pleased that Denise will remain a key part of KindredBio's future success as a member of our Board of Directors."

Ms. Bevers commented: "I co-founded KindredBio with a mission to transform veterinary medicine and am extremely proud of what we have accomplished. It has been a privilege to build and work with this remarkably talented and driven team. In my capacity as a board member, I remain dedicated to our vision of saving and improving the lives of pets with our innovative biologics pipeline."

KindredBio will continue to advance its publicly disclosed biologics programs including IL-31 and IL-4R antibodies for canine atopic dermatitis, KIND-030 for parvovirus in dogs and KIND-510a for the control of non-regenerative anemia in cats, together with long-acting versions of certain molecules. The company's anti-TNF antibody program for inflammatory bowel disease in dogs, alongside other undisclosed mid-stage biologics candidates, will be put on hold after the completion of the pilot efficacy study, pending additional funding or partnering capital.

Operating expenses for 2020, which represents a peak year given multiple pivotal studies planned, are projected to range between \$53 and \$55 million. This includes a restructuring charge of approximately \$2.3 million related to severance and health care benefits, exclusive of stock compensation, pertaining to today's announcement. Excluding first half expenditures, the annualized run rate for 2020 is expected to be between \$43 million and \$45 million. Eliminated positions relate primarily to the collapsing of functions and pausing of mid-stage programs. For 2021, operating expenses are predicted to range between \$39 and \$42 million. KindredBio believes its existing cash, cash equivalents and investments, the net reduction in the company's workforce, proceeds from the Mirataz sale, and revenues from

anticipated partnerships will be sufficient to fund the current operating plan through mid-2022, excluding the drawdown of \$30 million from its debt facility.

About Kindred Biosciences

Kindred Biosciences is a biopharmaceutical company developing innovative biologics focused on saving and improving the lives of pets. Its mission is to bring to pets the same kinds of safe and effective medicines that human family members enjoy. The Company's strategy is to identify targets that have already demonstrated safety and efficacy in humans and to develop therapeutics based on these validated targets for dogs and cats. KindredBio has a deep pipeline of novel biologics in development across many therapeutic classes, alongside state-of-the-art biologics manufacturing capabilities and a broad intellectual property portfolio.

For more information, visit: www.kindredbio.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, but not limited to, statements regarding our expectations about the trials, regulatory approval, manufacturing, distribution and commercialization of our current and future product candidates, and statements regarding our anticipated revenues, expenses, margins, profits and use of cash.

These forward-looking statements are based on our current expectations. These statements are not promises or guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results to be materially different from any future results expressed or implied by the forward-looking statements. These risks include, but are not limited to, the following: our limited operating history and expectations of losses for the foreseeable future; the absence of significant revenue from our products and our product candidates for the foreseeable future; the likelihood that our revenue will vary from quarter to quarter; our potential inability to obtain any necessary additional financing; our substantial dependence on the success of our products and our lead product candidates which may not be successfully commercialized even if they are approved for marketing; the effect of competition; our potential inability to obtain regulatory approval for our existing or future product candidates; our dependence on third parties to conduct some of our development activities; our dependence upon third-party manufacturers for supplies of our products and our product candidates and the potential inability of these manufacturers to deliver a sufficient amount of supplies on a timely basis; the uncertain effect of the COVID-19 pandemic on our business, results of operations and financial condition including, but not limited to, delays in our clinical trials resulting from the COVID-19 pandemic and possible delays in obtaining a sufficient amount of supplies on a timely basis resulting from the COVID-19 pandemic; uncertainties regarding the outcomes of trials regarding our product candidates; our potential failure to attract and retain senior management and key scientific personnel; uncertainty about our ability to enter into satisfactory agreements with third-party licensees of our biologic products or to develop a satisfactory sales organization for our equine small molecule products; our significant costs of operating as a public company; potential cyber-attacks on our information technology systems or on our third-party providers' information technology systems, which could disrupt our operations; our potential inability to repay the secured indebtedness that we have incurred from third-party lenders, and the restrictions on our business activities that are contained in our loan agreement with these lenders; the risk that our 2020 strategic realignment and corporate restructuring plans will result in unanticipated costs, revenue

shortfalls or other unintended consequences; uncertainty about the amount of royalties that we will receive from the sale of Mirataz® to Dechra Pharmaceuticals PLC; our potential inability to obtain and maintain patent protection and other intellectual property protection for our products and our product candidates; potential claims by third parties alleging our infringement of their patents and other intellectual property rights; our potential failure to comply with regulatory requirements, which are subject to change on an ongoing basis; the potential volatility of our stock price; and the significant control over our business by our principal stockholders and management.

For a further description of these risks and other risks that we face, please see the risk factors described in our filings with the U.S. Securities and Exchange Commission (the SEC), including the risk factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K and any subsequent updates that may be contained in our Quarterly Reports on Form 10-Q filed with the SEC. As a result of the risks described above and in our filings with the SEC, actual results may differ materially from those indicated by the forward-looking statements made in this press release. Forward-looking statements contained in this press release speak only as of the date of this press release and we undertake no obligation to update or revise these statements, except as may be required by law.

The results stated in this press release have not been reviewed by the Food and Drug Administration or the United States Department of Agriculture Center for Veterinary Biologics, as applicable.

Contacts

For investor inquiries:

Katja Buhner

Katja.buhner@kindredbio.com

(917) 969-3438