

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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

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|--|---|---|--|
| 1. Name and Address of Reporting Person* <u>BAKER BROS. ADVISORS LP</u> (Last) (First) (Middle) 860 WASHINGTON STREET 3RD FLOOR (Street) NEW YORK NY 10014 (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) 05/23/2018 | 3. Issuer Name and Ticker or Trading Symbol <u>Kiniksa Pharmaceuticals, Ltd. [KNSA]</u> | |
| | | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) | 5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
|---------------------------------|---|--|---|

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|-----------------|---|----------------------------|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
| Series A Preferred | (1) | (1) | Class B1 Common Shares | 1,399,516 | (1) | I | See Footnotes ⁽²⁾⁽¹⁰⁾⁽¹¹⁾ |
| Series A Preferred | (1) | (1) | Class B1 Common Shares | 14,658,102 | (1) | I | See Footnotes ⁽³⁾⁽¹⁰⁾⁽¹¹⁾ |
| Series B Preferred | (4) | (4) | Class A1 Common Shares | 313,621 | (4) | I | See Footnotes ⁽⁵⁾⁽¹⁰⁾⁽¹¹⁾ |
| Series B Preferred | (4) | (4) | Class A1 Common Shares | 3,284,771 | (4) | I | See Footnotes ⁽⁶⁾⁽¹⁰⁾⁽¹¹⁾ |
| Series C Preferred | (7) | (7) | Class A1 Common Shares | 420,897 | (7) | I | See Footnotes ⁽⁸⁾⁽¹⁰⁾⁽¹¹⁾ |
| Series C Preferred | (7) | (7) | Class A1 Common Shares | 3,734,103 | (7) | I | See Footnotes ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾ |
| Non-Qualified Share Option (right to buy) | (12) | (12) | Class A Common Shares | 37,520 | (12) | I | See Footnotes ⁽¹⁰⁾⁽¹¹⁾⁽¹³⁾⁽¹⁴⁾ |
| Non-Qualified Share Option (right to buy) | (12) | (12) | Class A Common Shares | 37,520 | (12) | I | See Footnotes ⁽¹⁰⁾⁽¹¹⁾⁽¹³⁾⁽¹⁵⁾ |

1. Name and Address of Reporting Person*
BAKER BROS. ADVISORS LP
 (Last) (First) (Middle)
 860 WASHINGTON STREET
 3RD FLOOR
 (Street)
 NEW YORK NY 10014
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
667, L.P.
 (Last) (First) (Middle)
 860 WASHINGTON STREET, 3RD FLOOR

(Street)
NEW YORK NY 10014

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Baker Bros. Advisors \(GP\) LLC](#)

(Last) (First) (Middle)

860 WASHINGTON STREET
3RD FLOOR

(Street)
NEW YORK NY 10014

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Baker Brothers Life Sciences LP](#)

(Last) (First) (Middle)

860 WASHINGTON STREET
3RD FLOOR

(Street)
NEW YORK NY 10014

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[BAKER FELIX](#)

(Last) (First) (Middle)

860 WASHINGTON STREET
3RD FLOOR

(Street)
NEW YORK NY 10014

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[BAKER JULIAN](#)

(Last) (First) (Middle)

860 WASHINGTON STREET, 3RD FLOOR

(Street)
NEW YORK NY 10014

(City) (State) (Zip)

Explanation of Responses:

1. These securities consist of Series A Convertible Preferred Shares ("Series A Preferred") of Kiniksa Pharmaceuticals, Ltd. (the "Issuer") which are convertible into the Issuer's Class B1 common shares on a 1 for 1 basis (the "Series A Conversion Ratio") and will convert into non-voting Class B1 common shares of the Issuer at the Series A Conversion Ratio as per the election of Baker Bros. Advisors LP (the "Adviser") upon the closing of the Issuer's initial public offering without payment or further consideration. The Series A Preferred have no expiration date.
2. As a result of Felix J. Baker's and Julian C. Baker's ownership interest in Baker Biotech Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 1,399,516 shares of Series A Preferred held directly by 667, L.P. ("667"), a limited partnership of which the sole general partner is Baker Biotech Capital, L.P., a limited partnership of which the sole general partner is Baker Biotech Capital (GP), LLC, due to Baker Biotech Capital, L.P.'s right to receive an allocation of a portion of the profits from 667.
3. As a result of Felix J. Baker's and Julian C. Baker's ownership interest in Baker Brothers Life Sciences Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 14,658,102 shares of Series A Preferred held directly by Baker Brothers Life Sciences, L.P. ("Life Sciences" and together with "667", the "Funds") a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital, L.P., a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital (GP), LLC, due to Baker Brothers Life Sciences Capital, L.P.'s right to receive an allocation of a portion of the profits from Life Sciences.
4. These securities consist of Series B Convertible Preferred Shares ("Series B Preferred") of the Issuer which are convertible into the Issuer's Class A1 common shares on a 1 for 1 basis (the "Series B Conversion Ratio") and will convert into Class A1 non-voting common shares of the Issuer at the Series B Conversion Ratio as per the election of the Adviser upon the closing of the Issuer's initial public offering without payment or further consideration. The Series B Preferred have no expiration date.
5. As a result of Felix J. Baker's and Julian C. Baker's ownership interest in Baker Biotech Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 313,621 shares of Series B Preferred held directly by 667, a limited partnership of which the sole general partner is Baker Biotech Capital, L.P., a limited partnership of which the sole general partner is Baker Biotech Capital (GP), LLC, due to Baker Biotech Capital, L.P.'s right to receive an allocation of a portion of the profits from 667.
6. As a result of Felix J. Baker's and Julian C. Baker's ownership interest in Baker Brothers Life Sciences Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 3,284,771 shares of Series B Preferred held directly by Life Sciences, a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital, L.P., a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital (GP), LLC, due to Baker Brothers Life Sciences Capital, L.P.'s right to receive an allocation of a portion of the profits from Life Sciences.
7. These securities consist of Series C Convertible Preferred Shares ("Series C Preferred") of the Issuer which are convertible into the Issuer's Class A1 common shares on a 1 for 1 basis (the "Series C Conversion Ratio") and will convert into Class A1 non-voting common shares of the Issuer at the Series C Conversion Ratio as per the election of the Adviser upon the closing of the Issuer's initial public offering without payment or further consideration. The Series C Preferred have no expiration date.
8. As a result of Felix J. Baker's and Julian C. Baker's ownership interest in Baker Biotech Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 420,897 shares of Series C Preferred held directly by 667, a limited partnership of which the sole general partner is Baker Biotech Capital, L.P., a limited partnership of which the sole general partner is Baker

Biotech Capital (GP), LLC, due to Baker Biotech Capital, L.P.'s right to receive an allocation of a portion of the profits from 667.

9. As a result of Felix J. Baker's and Julian C. Baker's ownership interest in Baker Brothers Life Sciences Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 3,734,103 shares of Series C Preferred held directly by Life Sciences, a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital, L.P., a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital (GP), LLC, due to Baker Brothers Life Sciences Capital, L.P.'s right to receive an allocation of a portion of the profits from Life Sciences.

10. The Adviser serves as the Investment Adviser to the Funds. In connection with the services provided by the Adviser, the Adviser receives an asset-based management fee that does not confer any pecuniary interest in the securities held by the Funds. Baker Bros. Advisors (GP) LLC (the "Adviser GP") is the Adviser's sole general partner. Julian C. Baker and Felix J. Baker are principals of the Adviser GP. The Adviser has complete and unlimited discretion and authority with respect to the investment and voting power of the securities held by the Funds.

11. The general partners of the Funds relinquished to the Adviser all discretion and authority with respect to the investment and voting power of the securities held by the Funds. Julian C. Baker, Felix J. Baker, the Adviser GP and the Adviser disclaim beneficial ownership of the securities held directly by the Funds except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that any of Julian C. Baker, Felix J. Baker, the Adviser GP or the Adviser is a beneficial owner of such securities for purposes of Section 16 or any other purpose.

12. 18,760 Non-qualified share options ("Share Options") are exercisable solely into Class A Common Shares granted to each of Felix J. Baker and Dr. Stephen R. Biggar on May 23, 2018, pursuant to the Issuer's 2018 Incentive Award Plan. The Share Options have a strike price equal to the initial public offering price per common share of the Issuer and expire 10 years from the date of grant. The Share Options vest in 12 monthly installments from the date of grant such that they will become fully exercisable on the first anniversary of the grant date. Felix J. Baker, a principal of the Adviser and Dr. Stephen R. Biggar, a full-time employee of the Adviser serve on the Board as representatives of the Funds. Pursuant to the policies of the Adviser, Felix J. Baker and Dr. Stephen R. Biggar do not have a right to any of the Issuer's securities issued as part of their service on the Board and the Funds are entitled to receive all the pecuniary interest in the securities issued.

13. The Funds each own an indirect proportionate pecuniary interest in the Share Options. Solely as a result of Felix J. Baker's and Julian C. Baker's ownership interest in the general partners of the general partners of the Funds, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in the Share Options (i.e. no direct pecuniary interest).

14. As a result of their ownership interest in Baker Biotech Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 37,520 Share Options beneficially owned by 667, a limited partnership of which the sole general partner is Baker Biotech Capital, L.P., a limited partnership of which the sole general partner is Baker Biotech Capital (GP), LLC, due to Baker Biotech Capital, L.P.'s right to receive an allocation of a portion of the profits from 667.

15. As a result of their ownership interest in Baker Brothers Life Sciences Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 37,520 Share Options beneficially owned by Life Sciences, a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital, L.P., a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital (GP), LLC, due to Baker Brothers Life Sciences Capital, L.P.'s right to receive an allocation of a portion of the profits from Life Sciences.

Remarks:

Felix J. Baker, a principal and Dr. Stephen R. Biggar, a full-time employee of Baker Bros. Advisors LP are directors of Kinika Pharmaceuticals, Ltd. (the "Issuer"). By virtue of their representation on the Board of Directors of the Issuer, for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, the reporting persons are deemed directors by deputization of the Issuer.

By: Baker Bros. Advisors LP,
Name: Scott L. Lessing, Title: 05/23/2018
President /s/ Scott L. Lessing

Baker Bros. Advisors LP,
Mgmt. Co. and Inv. Adviser to
667, L.P., pursuant to authority
granted by Baker Biotech 05/23/2018
Capital, L.P., GP to 667, L.P.
Name: Scott L. Lessing, Title:
President /s/ Scott L. Lessing

By: Baker Bros. Advisors (GP)
LLC, Name: Scott L. Lessing, 05/23/2018
Title: President /s/ Scott L.
Lessing

Baker Bros. Advisors LP,
Mgmt. Co. and Inv. Adviser to
BAKER BROTHERS LIFE
SCIENCES, L.P., pursuant to
authority granted by Baker 05/23/2018
Brothers Life Sciences Capital,
L.P., GP to Baker Brothers Life
Sciences, L.P., Name: Scott L.
Lessing, Title: President /s/

/s/ Felix J. Baker 05/23/2018

/s/ Julian C. Baker 05/23/2018

** 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 5 (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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.