

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

| OMB APPROVAL | |
|--|-----------|
| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

| | | |
|--|--|--|
| 1. Name and Address of Reporting Person* <u>Krishnan Krish S</u> (Last) (First) (Middle) C/O KRYSTAL BIOTECH, INC. 2100 WHARTON STREET, SUITE 701 (Street) PITTSBURGH PA 15203 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Krystal Biotech, Inc. [KRY5]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President and CEO |
| | 3. Date of Earliest Transaction (Month/Day/Year) 11/15/2019 | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 | 11/15/2019 | | s ⁽¹⁾ | | 11,895 | D | \$49.7242 ⁽²⁾ | 2,024,567 | D | |
| Common Stock | 11/15/2019 | | s ⁽¹⁾ | | 11,386 | D | \$50.6903 ⁽³⁾ | 2,013,181 | D | |
| Common Stock | 11/15/2019 | | s ⁽¹⁾ | | 4,598 | D | \$51.4696 ⁽⁴⁾ | 2,008,583 | D | |
| Common Stock | 11/18/2019 | | s ⁽¹⁾ | | 1,046 | D | \$50.9768 ⁽⁵⁾ | 2,007,537 | D | |
| Common Stock | 11/18/2019 | | s ⁽¹⁾ | | 10,513 | D | \$51.8162 ⁽⁶⁾ | 1,997,024 | D | |
| Common Stock | 11/18/2019 | | s ⁽¹⁾ | | 8,080 | D | \$52.6787 ⁽⁷⁾ | 1,988,944 | D | |
| Common Stock | 11/18/2019 | | s ⁽¹⁾ | | 2,082 | D | \$53.8618 ⁽⁸⁾ | 1,986,862 | D | |
| Common Stock | 11/18/2019 | | s ⁽¹⁾ | | 400 | D | \$54.38 ⁽⁹⁾ | 1,986,462 | D | |
| Common Stock | | | | | | | | 112,162 | I | By trust ⁽¹⁰⁾ |
| Common Stock | | | | | | | | 2,001,462 | I | By spouse ⁽¹¹⁾ |

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) |
|--|--|--------------------------------------|--|--------------------------------|--|-----|--|------------------|---|--|--|---|--|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | | | | |
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

Explanation of Responses:

- The sales reported were effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person following discussions with the Compensation Committee and the Board of Directors.
- This transaction was executed in multiple trades ranging from \$49.16 to \$50.13. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$50.16 to \$51.14. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$51.235 to \$51.65. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$50.29 to \$51.27. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$51.31 to \$52.28. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$52.31 to \$53.215. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$53.35 to \$54.33. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- This transaction was executed in multiple trades ranging from \$54.35 to \$54.42. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price within the range set forth herein.
- Directly beneficially owned by the Krishnan Family Trust. The reporting person and her spouse are each joint beneficial owners of the trust with joint voting and investment control.

11. Directly beneficially owned by Suma S. Krishnan, the spouse of the reporting person.

Remarks:

/s/ Krish S. Krishnan

11/19/2019

** 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.

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.