

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No.)***

Kezar Life Sciences, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

49372L100

(CUSIP Number)

**Morningside Venture Investments Limited
C/O THC Management Services S.A.M.
2nd Floor, Le Prince De Galles
3-5 Avenue DesCitronniers
Monaco, MC 98000
011-377-97-97-47-37**

with a copy to:

**Morningside Technology Advisory, LLC
Attn: Stephanie O'Brien, Esq.
1188 Centre Street
Newton Centre, MA 02459**

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

February 4, 2020

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) Names of Reporting Persons
Morningside Venture Investments Limited

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)
WC

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization
British Virgin Islands

(7) Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power
6,109,052

(9) Sole Dispositive Power
0

(10) Shared Dispositive Power
6,109,052

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
6,109,052

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)
16.0% (1)

(14) Type of Reporting Person (See Instructions)

-
- (1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the Securities and Exchange Commission (the "SEC") on February 3, 2020.

(1) Names of Reporting Persons
Frances Anne Elizabeth Richard

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)
AF

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization
United Kingdom

(7) Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power
6,109,052

(9) Sole Dispositive Power
0

(10) Shared Dispositive Power
6,109,052

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
6,109,052

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)
16.0% (1)

(14) Type of Reporting Person (See Instructions)

-
- (1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the SEC on February 3, 2020.

(1) Names of Reporting Persons

Jill Marie Franklin

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)

AF

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization

United Kingdom

(7) Sole Voting Power

0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power

6,109,052

(9) Sole Dispositive Power

0

(10) Shared Dispositive Power

6,109,052

(11) Aggregate Amount Beneficially Owned by Each Reporting Person

6,109,052

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)

16.0% (1)

(14) Type of Reporting Person (See Instructions)

-
- (1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the SEC on February 3, 2020.

(1) Names of Reporting Persons
Peter Stuart Allenby Edwards

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)
AF

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization
United Kingdom

(7) Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power
6,109,052

(9) Sole Dispositive Power
0

(10) Shared Dispositive Power
6,109,052

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
6,109,052

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)
16.0% (1)

(14) Type of Reporting Person (See Instructions)

-
- (1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the SEC on February 3, 2020.

(1) Names of Reporting Persons
Raymond Long Sing Tang

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)
AF

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization
United Kingdom

(7) Sole Voting Power
0

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power
6,109,052

(9) Sole Dispositive Power
0

(10) Shared Dispositive Power
6,109,052

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
6,109,052

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)
16.0% (1)

(14) Type of Reporting Person (See Instructions)

-
- (1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the SEC on February 3, 2020.

(1) Names of Reporting Persons
Equal Talent Investments Limited

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)
WC

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization
British Virgin Islands

(7) Sole Voting Power
4,800,000

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power
0

(9) Sole Dispositive Power
4,800,000

(10) Shared Dispositive Power
0

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
4,800,000

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)
12.6% (1)

(14) Type of Reporting Person (See Instructions)

-
- (1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the SEC on February 3, 2020.

(1) Names of Reporting Persons
Tracy Gia Yun Tsoi

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) x

(b) o

(3) SEC Use Only

(4) Source of Funds (See Instructions)
AF

(5) Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o

(6) Citizenship or Place of Organization
Australia

(7) Sole Voting Power
4,800,000

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With:

(8) Shared Voting Power
0

(9) Sole Dispositive Power
4,800,000

(10) Shared Dispositive Power
0

(11) Aggregate Amount Beneficially Owned by Each Reporting Person
4,800,000

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) o

(13) Percent of Class Represented by Amount in Row (11)
12.6% (2)

(14) Type of Reporting Person (See Instructions)
IN

(1) Based on 38,107,030 shares of Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, as reported in the Issuer's prospectus supplement dated January 31, 2020 and filed with the SEC on February 3, 2020.

Item 1. Security and Issuer.

This statement on Schedule 13D relates to the Reporting Persons' (as defined in Item 2 below) beneficial ownership interest in the common stock, par value \$0.001 per share (the "Common Stock"), of Kezar Life Sciences, Inc., a Delaware corporation (the "Issuer"). The address of the principal executive office of the Issuer is 4000 Shoreline Court, Suite 300, South San Francisco, California 94080. Information given in response to each item shall be deemed incorporated by reference in all other items, as applicable.

Item 2. Identity and Background.

- (a) This statement is filed by:
- (i) Morningside Venture Investments Limited, a British Virgin Islands exempted company ("MVIL"), with respect to the Common Stock directly and beneficially owned by it;
 - (ii) Frances Anne Elizabeth Richard, with respect to the Common Stock beneficially owned by her as a result of her position as a director of MVIL;
 - (iii) Jill Marie Franklin, with respect to the Common Stock beneficially owned by her as a result of her position as a director of MVIL;
 - (iv) Peter Stuart Allenby Edwards, with respect to the Common Stock beneficially owned by him as a result of his position as a director of MVIL;
 - (v) Raymond Long Sing Tang, with respect to the Common Stock beneficially owned by him as a result of his position as a director of MVIL;
 - (vi) Equal Talent Investments Limited, a British Virgin Islands exempted company ("ETIL"), with respect to the Common Stock directly and beneficially owned by it; and
 - (vii) Tracy Gia Yun Tsoi, with respect to the Common Stock beneficially owned by her as a result of her position as a director of ETIL.

Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons."

Frances Anne Elizabeth Richard, Jill Marie Franklin, Peter Stuart Allenby Edwards and Raymond Long Sing Tang are the directors of MVIL and share voting and dispositive power with respect to the securities held by MVIL. Ms. Richard, Ms. Franklin, Mr. Edwards and Mr. Tang each disclaim beneficial ownership of the securities owned directly by MVIL, except to the extent of their pecuniary interest therein. MVIL disclaims beneficial ownership of the securities owned directly by ETIL. MVIL is ultimately wholly beneficially owned by a trust over which Adriel Wenbwo Chan and Ng Sui Yi have power to remove the trustee.

Tracy Gia Yun Tsoi is the sole director of ETIL and has sole voting and dispositive power with respect to the securities held by ETIL. Ms. Tsoi disclaims beneficial ownership of the securities owned directly by ETIL, except to the extent of her pecuniary interest therein. ETIL disclaims beneficial ownership of the securities owned directly by MVIL. ETIL is ultimately wholly beneficially owned by a trust over which Peter Stuart Allenby Edwards has sole authority to remove the trustee.

- (b) The business address of each of the Reporting Persons is:
- (i) With respect to MVIL, Ms. Richard, Ms. Franklin, Mr. Edwards and Mr. Tang:

c/o THC Management Services S.A.M.,
2nd Floor, Le Prince De Galles
3-5 Avenue Des Citronniers
MC 98000, Monaco

With copies to:

Morningside Technology Advisory, LLC
Attn: Stephanie O'Brien, Esq.
1188 Centre Street

Newton Centre, MA 02459

Springfield Financial Advisory Limited
Attn: Alice Li/Makim Ma
22nd Floor Hang Lung Centre
2-20 Paterson Street
Causeway Bay, Hong Kong

(ii) With respect to ETIL and Ms. Tsoi:

c/o THC Management Services S.A.M.,
2nd Floor, Le Prince De Galles
3-5 Avenue Des Citronniers
MC 98000, Monaco

With copies to:

Morningside Technology Advisory, LLC
Attn: Stephanie O'Brien, Esq.
1188 Centre Street
Newton Centre, MA 02459

Springfield Financial Advisory Limited
Attn: Alice Li/Makim Ma
22nd Floor Hang Lung Centre
2-20 Paterson Street
Causeway Bay, Hong Kong

- (c) The present principal business of MVIL, Ms. Richard, Ms. Franklin, Mr. Edwards, Mr. Tang, ETIL and Ms. Tsoi is the venture capital and private equity investment business.
- (d) No Reporting Person, during the last five years, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) No Reporting Person, during the last five years, has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) Citizenship of the Reporting Persons is as set forth below:

| | |
|--------------|------------------------|
| MVIL | British Virgin Islands |
| Ms. Richard | United Kingdom |
| Ms. Franklin | United Kingdom |
| Mr. Edwards | United Kingdom |
| Mr. Tang | United Kingdom |
| ETIL | British Virgin Islands |
| Ms. Tsoi | Australia |

Item 3. Source and Amount of Funds or Other Consideration.

In June 2015, MVIL acquired an aggregate of 1,051,630 shares of Series A redeemable convertible preferred stock of the Issuer (the "Series A Preferred Shares") for an aggregate purchase price of \$1,999,999. All such shares were acquired with working capital.

In June and July 2017, MVIL acquired an aggregate of 1,007,422 shares of Series B redeemable convertible preferred stock of the Issuer (the "Series B Preferred Shares") for an aggregate purchase price of \$7,999,999. All such shares were acquired with working capital.

On June 25, 2018, upon the closing of the Issuer's initial public offering, MVIL's Series A Preferred Shares and Series B Preferred Shares were converted into shares of Common Stock on a 1-for-1 basis.

On February 4, 2020, in connection with a follow-on public offering by the Issuer, MVIL acquired 3,800,000 shares of Common Stock for an aggregate purchase price of \$9,880,000. Such shares were acquired with working capital.

On February 4, 2020, in connection with a follow-on public offering by the Issuer, ETIL acquired 4,800,000 shares of Common Stock for an aggregate purchase price of \$12,480,000. Such shares were acquired with working capital.

Item 4. Purpose of Transaction.

The securities reported herein were acquired solely for investment purposes with the aim of increasing the value of the investment and the Issuer.

Other than as described above, the Reporting Persons do not have any plans or proposals which would result in any of the following:

- (a) The acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer;
- (b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;
- (c) A sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;
- (d) Any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) Any material change in the present capitalization or dividend policy of the Issuer;
- (f) Any other material change in the Issuer's business or corporate structure;
- (g) Changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions that may impede the acquisition of control of the Issuer by any person;
- (h) Causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- (i) A class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended; or
- (j) Any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

The aggregate percentage of Common Stock reported beneficially owned by each person named herein is determined in accordance with SEC rules and is based upon 38,107,030 of the Issuer's Common Stock outstanding following the Issuer's January/February 2020 follow-on public offering, which closed on February 4, 2020. The applicable SEC rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities.

A. Morningside Venture Investments Limited

- (a) As of the close of business on February 11, 2020, MVIL beneficially owned 6,109,052 shares of Common Stock, representing a beneficial ownership of approximately 16.0% of the Common Stock. All such shares are directly held by MVIL.

| | | |
|-----|---|-----------|
| (b) | 1. Sole power to vote or direct vote: | -0- |
| | 2. Shared power to vote or direct vote: | 6,109,052 |
| | 3. Sole power to dispose or direct the disposition: | -0- |
| | 4. Shared power to dispose or direct the disposition: | 6,109,052 |

B. Frances Anne Elizabeth Richard

(a) As of the close of business on February 11, 2020, Ms. Richard beneficially owned 6,109,052 shares of Common Stock, representing a beneficial ownership of approximately 16.0% of the Common Stock. All such shares are directly held by MVIL.

| | |
|---|-----------|
| (b) 1. Sole power to vote or direct vote: | -0- |
| 2. Shared power to vote or direct vote: | 6,109,052 |
| 3. Sole power to dispose or direct the disposition: | -0- |
| 4. Shared power to dispose or direct the disposition: | 6,109,052 |

C. Jill Marie Franklin

(a) As of the close of business on February 11, 2020, Ms. Franklin beneficially owned 6,109,052 shares of Common Stock, representing a beneficial ownership of approximately 16.0% of the Common Stock. All such shares are directly held by MVIL.

| | |
|---|-----------|
| (b) 1. Sole power to vote or direct vote: | -0- |
| 2. Shared power to vote or direct vote: | 6,109,052 |
| 3. Sole power to dispose or direct the disposition: | -0- |
| 4. Shared power to dispose or direct the disposition: | 6,109,052 |

D. Peter Stuart Allenby Edwards

(a) As of the close of business on February 11, 2020, Mr. Edwards beneficially owned 6,109,052 shares of Common Stock, representing a beneficial ownership of approximately 16.0% of the Common Stock. All such shares are directly held by MVIL.

| | |
|---|-----------|
| (b) 1. Sole power to vote or direct vote: | -0- |
| 2. Shared power to vote or direct vote: | 6,109,052 |
| 3. Sole power to dispose or direct the disposition: | -0- |
| 4. Shared power to dispose or direct the disposition: | 6,109,052 |

E. Raymond Long Sing Tang

(a) As of the close of business on February 11, 2020, Mr. Tang beneficially owned 6,109,052 shares of Common Stock, representing a beneficial ownership of approximately 16.0% of the Common Stock. All such shares are directly held by MVIL.

| | |
|---|-----------|
| (b) 1. Sole power to vote or direct vote: | -0- |
| 2. Shared power to vote or direct vote: | 6,109,052 |
| 3. Sole power to dispose or direct the disposition: | -0- |
| 4. Shared power to dispose or direct the disposition: | 6,109,052 |

F. Equal Talent Investments Limited

(a) As of the close of business on February 11, 2020, ETIL beneficially owned 4,800,000 shares of Common Stock, representing a beneficial ownership of approximately 12.6% of the Common Stock. All such shares are directly held by ETIL.

| | |
|---|-----------|
| (b) 1. Sole power to vote or direct vote: | 4,800,000 |
| 2. Shared power to vote or direct vote: | -0- |
| 3. Sole power to dispose or direct the disposition: | 4,800,000 |
| 4. Shared power to dispose or direct the disposition: | -0- |

G. Tracy Gia Yun Tsoi

(a) As of the close of business on February 11, 2020, Ms. Tsoi beneficially owned 4,800,000 shares of Common Stock, representing a beneficial ownership of approximately 12.6% of the Common Stock. All such shares are beneficially owned by ETIL.

| | |
|---|-----------|
| (b) 1. Sole power to vote or direct vote: | 4,800,000 |
| 2. Shared power to vote or direct vote: | -0- |
| 3. Sole power to dispose or direct the disposition: | 4,800,000 |
| 4. Shared power to dispose or direct the disposition: | -0- |

(c) See Item 3.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

MVIL and ETIL may act together with respect to the voting and disposition of the securities held by such entities.

Lock-up Agreement

MVIL has agreed not to sell or transfer any Common Stock or securities convertible into, exchangeable for or exercisable for Common Stock for 90 days after January 31, 2020 without first obtaining the written consent of Cowen and Company, LLC, Wells Fargo Securities, LLC and William Blair & Company, L.L.C. Specifically, MVIL has agreed, with certain limited exceptions, not to directly or indirectly offer, pledge, sell or contract to sell any Common Stock, sell any option or contract to purchase any Common Stock, purchase any option or contract to sell any Common Stock, grant any option, right or warrant for the sale of any Common Stock, lend or otherwise dispose of or transfer any Common Stock, request or demand that the Issuer file a registration statement related to the Common Stock, or enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any Common Stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise. This lock-up provision applies to Common Stock and to securities convertible into or exchangeable or exercisable for Common Stock. It also applies to Common Stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Item 7. Material to be Filed as Exhibits.

The following documents are filed as Exhibits to this statement:

| Exhibit Number | Exhibit Description |
|---------------------------|--|
| 99.1 | Joint Filing Agreement |
| 99.2 | Lock-up Agreement, dated January 31, 2020, delivered by Morningside Venture Investments Limited to Cowen and Company, LLC, Wells Fargo Securities, LLC and William Blair & Company, L.L.C. |

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, we certify that the information set forth in this statement is true, complete and correct. We also hereby agree to file this statement jointly pursuant to the Agreement listed on Exhibit 99.1 hereto.

Dated: February 14, 2020

MORNINGSIDE VENTURE INVESTMENTS LIMITED

By: /s/ Frances Anne Elizabeth Richard
Frances Anne Elizabeth Richard, Director

/s/ Frances Anne Elizabeth Richard
Frances Anne Elizabeth Richard

/s/ Jill Marie Franklin
Jill Marie Franklin

/s/ Peter Stuart Allenby Edwards
Peter Stuart Allenby Edwards

/s/ Raymond Long Sing Tang
Raymond Long Sing Tang

EQUAL TALENT INVESTMENTS LIMITED

By: /s/ Tracy Gia Yun Tsoi
Tracy Gia Yun Tsoi, Director

/s/ Tracy Gia Yun Tsoi
Tracy Gia Yun Tsoi

JOINT FILING AGREEMENT

The undersigned, being duly authorized thereunder, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

MORNINGSIDE VENTURE (I) INVESTMENTS LTD.

By: /s/ Frances Anne Elizabeth Richard
Frances Anne Elizabeth Richard, Director

/s/ Frances Anne Elizabeth Richard
Frances Anne Elizabeth Richard

/s/ Jill Marie Franklin
Jill Marie Franklin

/s/ Peter Stuart Allenby Edwards
Peter Stuart Allenby Edwards

/s/ Raymond Long Sing Tang
Raymond Long Sing Tang

EQUAL TALENT INVESTMENTS LIMITED

By: /s/ Tracy Gia Yun Tsoi
Tracy Gia Yun Tsoi, Director

/s/ Tracy Gia Yun Tsoi
Tracy Gia Yun Tsoi

January 31, 2020

Cowen and Company, LLC
Wells Fargo Securities, LLC
William Blair & Company, L.L.C.
As Representatives of the several Underwriters

c/o Cowen and Company, LLC
599 Lexington Avenue, 25th Floor
New York, New York 10022

c/o Wells Fargo Securities, LLC
500 West 33rd Street, 14th Floor
New York, New York 10001

c/o William Blair & Company, L.L.C.
150 N. Riverside Plaza
Chicago, Illinois 606

RE: Kezar Life Sciences, Inc. (the “**Company**”)

Ladies & Gentlemen:

The undersigned is an owner of shares of common stock, par value \$0.001 per share, of the Company (“**Shares**”) or of securities convertible into or exchangeable or exercisable for Shares. The Company proposes to conduct a public offering of Shares (the “**Offering**”) for which Cowen and Company, LLC (“**Cowen**”), Wells Fargo Securities, LLC (“**Wells Fargo**”) and William Blair & Company, L.L.C. (“**William Blair**,” and together with Cowen and Wells Fargo, the “**Representatives**”) will act as the representatives of the underwriters. The undersigned recognizes that the Offering will benefit the Company and the undersigned. The undersigned acknowledges that the underwriters are relying on the representations and agreements of the undersigned contained in this letter agreement in conducting the Offering and, at a subsequent date, in entering into an underwriting agreement (the “**Underwriting Agreement**”) and other underwriting arrangements with the Company with respect to the Offering.

Annex A sets forth definitions for capitalized terms used in this letter agreement that are not defined in the body of this letter agreement. Those definitions are a part of this letter agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, during the Lock-up Period, the undersigned will not (and will cause any Family Member not to), without the prior written consent of the Representatives, which may withhold their consent in their sole discretion:

- Sell or Offer to Sell any Shares or Related Securities currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned or such Family Member,
 - enter into any Swap,
 - make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any Shares or Related Securities, or cause to be filed a registration statement, prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration, or
 - publicly announce any intention to do any of the foregoing.
-

The foregoing will not apply to the registration of the offer and sale of the Shares, and the sale of the Shares to the underwriters, in each case as contemplated by the Underwriting Agreement. In addition, the foregoing restrictions shall not apply to:

- (i) transfers of Shares or Related Securities by gift, including, without limitation, to a charitable organization, or by will or intestate succession to the legal representative, heir, beneficiary or any Family Member of the undersigned, or to a trust whose beneficiaries consist exclusively of one or more of the undersigned and/or a Family Member;
- (ii) transfers or dispositions of Shares or Related Securities to a Family Member, a trust formed for the direct or indirect benefit of the undersigned or an Immediate Family Member or any corporation, partnership, limited liability company or other entity all of the beneficial ownership interests of which, in each case, are held by the undersigned or any Family Member;
- (iii) distributions of Shares or Related Securities to partners, members, stockholders or trust beneficiaries of the undersigned;
- (iv) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, transfers of Shares or Related Securities to (x) another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act) of the undersigned, (y) any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned, or (z) limited partners, general partners, members, managers, managing members, directors, officers, employees, stockholders or other equity holders of the undersigned or of the entities described in the preceding clauses (x) and (y);
- (v) transfers or dispositions of Shares as forfeitures (x) to satisfy tax withholding and remittance obligations of the undersigned in connection with the vesting or exercise of equity awards granted pursuant to the Company's equity incentive plans or (y) pursuant to a net exercise or cashless exercise by the stockholder of outstanding equity awards pursuant to the Company's equity incentive plans;
- (vi) transfers of Shares or Related Securities pursuant to a change of control of the Company (meaning the consummation of any bona fide third party tender offer, merger, consolidation or other similar transaction made to all holders of Shares the result of which is that any "person" (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of more than 50% of the voting capital stock of the Company) after the Offering that has been approved by the independent members of the Company's board of directors, provided, that in the event that such change of control is not completed, the Shares or Related Securities owned by the undersigned shall remain subject to the restrictions herein; or
- (vii) transfers of Shares or Related Securities arising as a result of the termination of employment of the undersigned to the Company pursuant to agreements under which the Company has the option to repurchase such Shares or Related Securities or a right of first refusal with respect to transfers of such Shares or Related Securities.

Notwithstanding the foregoing, it shall be a condition to such transfer that:

- in any such case as provided in clauses (i) through (iv) and (vi), each transferee or distributee executes and delivers to the Representatives an agreement in form and substance satisfactory to the Representatives stating that such transferee or distributee is receiving and holding such Shares and/or Related Securities subject to the provisions of this letter agreement and agrees not to Sell or Offer to Sell such Shares and/or Related Securities, engage in any Swap or engage in any other activities restricted under this letter agreement except in accordance with this letter agreement (as if such transferee or distributee had been an original signatory hereto), and
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in any such case as provided in clauses (i) through (vi), prior to the expiration of the Lock-up Period, no public disclosure or filing under the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) shall be required, or made voluntarily, reporting a reduction in beneficial ownership of Shares in connection with such transfer (other than, in connection with a repurchase of Shares or Related Securities by the Company pursuant to clause (vii), a Form 4 or Form 5 required to be filed under the Exchange Act if the undersigned is subject to Section 16 reporting with respect to the Company under the Exchange Act, provided, however, that if such Form 4 or Form 5 is filed during the Lock-Up Period, such Form 4 or Form 5 shall indicate by footnote disclosure or otherwise that such Form 4 or Form 5 relates to a repurchase of Shares or Related Securities by the Company in connection with the termination of the undersigned's employment with the Company, and that any Shares or Related Securities subject to this letter agreement that continue to be held by the undersigned remain subject to the terms of this letter agreement).

Furthermore, notwithstanding the restrictions imposed by this letter agreement, the undersigned may (i) exercise an option to purchase Shares granted under any equity incentive plan or stock purchase plan of the Company, provided that the Shares issued upon such exercise shall continue to be subject to the restrictions on transfer set forth in this letter agreement; (ii) establish a trading plan pursuant to Rule 10b5-1 under the Exchange Act (a "**10b5-1 Plan**") for the transfer of Shares, provided that such 10b5-1 Plan shall not provide for or permit any transfers, sales or other dispositions of Shares during the Lock-up Period and the entry into such 10b5-1 Plan is not publicly disclosed, including in any filing under the Exchange Act, during the Lock-up Period; (iii) transfer Shares or Related Securities made pursuant to a 10b5-1 Plan that has been entered into by the undersigned prior to the date of this agreement; provided, that to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made by or on behalf of the undersigned or the Company regarding any such sales or transfers, such announcement or filing shall include a statement to the effect that the sale or transfer was made pursuant to a 10b5-1 Plan; or (iv) transfer Shares or Related Securities by operation of law, including pursuant to a domestic order or negotiated divorce settlement provided that the transferee execute and deliver to the Representatives a letter agreement in substantially the form of this letter agreement; or (v) transfer or dispose of Shares or Related Securities acquired in the Offering or in the open market following the Offering, provided that no public disclosure or filing under the Exchange Act (other than filings under Section 13 of the Exchange Act) by any party to the transfer shall be required, or made voluntarily, during the Lock-up Period.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of Shares or Related Securities held by the undersigned and the undersigned's Family Members, if any, except in compliance with the foregoing restrictions.

With respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of the offer and sale of any Shares and/or any Related Securities owned either of record or beneficially by the undersigned, including any rights to receive notice of the Offering.

The undersigned confirms that the undersigned has not, and has no knowledge that any Family Member has, directly or indirectly, taken any action designed to or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares. The undersigned will not, and will cause any Family Member not to take, directly or indirectly, any such action.

Whether or not the Offering occurs as currently contemplated or at all depends on market conditions and other factors. The Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the underwriters.

If (i) the Company notifies the Representatives in writing that it does not intend to proceed with the Offering, (ii) the Underwriting Agreement is not executed before February 28, 2020, or (iii) the Underwriting Agreement (other than the provisions thereof that survive termination) terminates or is terminated prior to payment for and delivery of the Shares, then in each case, this letter agreement shall automatically, and without any action on the part of any other party, terminate and be of no further force and effect, and the undersigned shall automatically be released from the obligations under this letter agreement.

The undersigned hereby represents and warrants that the undersigned has full power, capacity and authority to enter into this letter agreement. This letter agreement is irrevocable and will be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

For and on behalf of
Morningside Venture Investments Limited

By: /s/ Raymond Long Sing Tang
Raymond Long Sing Tang, Director

By: /s/ Frances Anne Elizabeth Richard
Frances Anne Elizabeth Richard, Director

*(Indicate capacity of person signing if
signing as custodian or trustee, or on behalf
of an entity)*

Certain Defined Terms
Used in Lock-up Agreement

For purposes of the letter agreement to which this Annex A is attached and of which it is made a part:

- “**Call Equivalent Position**” shall have the meaning set forth in Rule 16a-1(b) under the Exchange Act.
- “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.
- “**Family Member**” shall mean the spouse of the undersigned, an immediate family member of the undersigned or an immediate family member of the undersigned’s spouse, in each case living in the undersigned’s household or whose principal residence is the undersigned’s household (regardless of whether such spouse or family member may at the time be living elsewhere due to educational activities, health care treatment, military service, temporary internship or employment or otherwise). “**Immediate family member**” as used above shall have the meaning set forth in Rule 16a-1(e) under the Exchange Act.
- “**Lock-up Period**” shall mean the period beginning on the date hereof and continuing through the close of trading on the date that is 90 days after the date of the Prospectus (as defined in the Underwriting Agreement).
- “**Put Equivalent Position**” shall have the meaning set forth in Rule 16a-1(h) under the Exchange Act.
- “**Related Securities**” shall mean any options or warrants or other rights to acquire Shares or any securities exchangeable or exercisable for or convertible into Shares, or to acquire other securities or rights ultimately exchangeable or exercisable for or convertible into Shares.
- “**Securities Act**” shall mean the Securities Act of 1933, as amended.
- “**Sell or Offer to Sell**” shall mean to:
 - sell, offer to sell, contract to sell or lend,
 - effect any short sale or establish or increase a Put Equivalent Position or liquidate or decrease any Call Equivalent Position
 - pledge, hypothecate or grant any security interest in, or
 - in any other way transfer or dispose of,in each case whether effected directly or indirectly.
- “**Swap**” shall mean any swap, hedge or similar arrangement or agreement that transfers, in whole or in part, the economic risk of ownership of Shares or Related Securities, regardless of whether any such transaction is to be settled in securities, in cash or otherwise.

Capitalized terms not defined in this Annex A shall have the meanings given to them in the body of this letter agreement.
