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As filed with the Securities and Exchange Commission on August 5, 2021
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

MEREO BIOPHARMA GROUP PLC
(Exact Name of Registrant as Specified in Its Charter)
Not Applicable
(Translation of Registrant's Name into English)

England and Wales	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

Fourth Floor
One Cavendish Place
London W1G 0QF UK
Telephone: +44 33 3023 7300
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Mereo US Holdings Inc.
251 Little Falls Drive
Wilmington, DE 19808
Telephone: +1 302 636 5401
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

David S. Bakst
Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Telephone: +1 212 506 2500

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this Registration Statement.

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☐

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.
Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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 7(a)(2)(B) of the Securities Act. ☐

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Primary Offering				
Ordinary Shares, nominal value £0.003, per ordinary share**(1)**	—**(2)**	—**(3)**	$250,000,000**(4)**	$27,275**(5)**
Secondary Offering				
Ordinary Shares, nominal value £0.003, per ordinary share**(1)**	24,493,416**(6)**	0.524**(7)**	$12,834,550**(7)**	$1,400.25**(8)**
Total registration fee				$28,675.25

(1) All ordinary shares offered are in the form of American Depositary Shares ("ADSs"), with each ADS representing five (5) of our ordinary shares. ADSs issuable upon deposit of the ordinary shares registered hereby will have been registered under separate registration statements on Form F-6 (File No. 333-223890 and File No. 333-249338) and a registration statement on Form F-6 to be filed on the date of this Form F-3 or as soon as practicable thereafter.

(2) An unspecified number of ordinary shares is being registered as may from time to time be offered at unspecified prices. Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), the ordinary shares being registered hereunder include such indeterminate number of ordinary shares as may be issuable with respect to the ordinary shares being registered hereunder as a result of share splits, share dividends or similar transactions.

(3) With respect to the Primary Offering, the proposed maximum offering price per share for the registrant's ordinary shares will be determined from time to time by the registrant in connection with the issuance by the registrant of the ordinary shares registered hereunder.

(4) Estimated solely for the purpose of calculating the registration fee. The aggregate maximum offering price of the ordinary shares issued by the registrant pursuant to this registration statement will not exceed $250,000,000.

(5) Calculated pursuant to Rule 457(o) and Rule 457(p) under the Securities Act for the primary offering hereunder. The registrant filed a Registration Statement on Form F-3 (File No. 333-249341) on October 6, 2020 to register the offering of $200,000,000 of its ordinary shares in the form of ADSs and paid a filing fee of $21,820 following the effectiveness of which it sold $115,507,500 ordinary shares in the form of ADSs and $84,492,500 remain unsold which amount is being carried forward and used to offset the registration fees due for the primary offering hereunder. Accordingly, after application of $9,218 representing the remaining filing fee previously paid, as calculated pursuant to Rule 457(o) and Rule 457(p) under the Securities Act, the total additional registration fee being paid by the registrant for the primary offering is $18,057 calculated pursuant to Rule 457(p) under the Securities Act.

(6) The registrant is hereby registering for the offer and resale of up to an aggregate of 24,493,416 ordinary shares consisting of (i) 1,349,692 ordinary shares issuable to AstraZeneca AB ("AstraZeneca") pursuant to the exclusive license and option agreement we entered into with AstraZeneca October 28, 2017; (ii) 18,555,068 ordinary shares underlying convertible loan notes and warrants issuable to Novartis Pharma AG ("Novartis") under the convertible loan and warrant instruments dated February 10, 2020, as amended; (iii) 2,487,816 ordinary shares underlying warrants issuable to Silicon Valley Bank and Kreos Capital V (UK) Limited as lenders under previous loan agreements with them dated August 7, 2017 and September 28, 2018, as adjusted on December 15, 2020 that have been fully repaid; and (iv) 2,100,840 ordinary shares issued to Cancer Focus Fund, LP in connection with our partnership agreement entered into April 30, 2021. No separate consideration will be received for ordinary shares that are issued upon conversion of convertible loan notes or upon exercise of the warrants described in this paragraph hereunder

(7) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act, based on the average of the high and low prices of the registrant's ADSs on the Nasdaq Global Market on July 30, 2021, of $2.680 and $2.565. With respect to the Secondary Offering, the proposed maximum offering price per ordinary share will be determined from time to time in connection with, and at the time of, sale by the holders of such securities named in the registration statement.

(8) Calculated pursuant to Rule 457(c) under the Securities Act, based upon the average of the high and low prices of the registrant's ADSs on the Nasdaq Global Market on July 30, 2021, of $2.680 and $2.565.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This registration statement contains two prospectuses:

- a base prospectus which covers the offering, issuance and sale of up to $250,000,000 of our ADSs and the offering and sale by the Selling Shareholders of up to 24,493,416 of our ordinary shares in the form of ADSs, in each case from time to time in one or more offerings; and
- a sales agreement prospectus supplement covering the offering, issuance and sale of up to $50,000,000 of our ADSs that may be issued and sold under the Open Market Sale Agreement℠ dated August 5, 2021 between us and Jefferies LLC (the "Sales Agreement").

We terminated our previous sales agreement dated October 6, 2020 between us and SVB Leerink LLC under which we sold no securities. The base prospectus immediately follows this explanatory note. The specific terms of any securities to be offered pursuant to the base prospectus will be specified in a prospectus supplement to the base prospectus. The sales agreement prospectus supplement immediately follows the base prospectus. The $50,000,000 of ADSs that may be offered, issued and sold under the Sales Agreement prospectus supplement are included in the $250,000,000 of securities that may be offered, issued and sold by the registrant under the base prospectus. Upon termination of the Sales Agreement, any portion of the $50,000,000 included in the Sales Agreement prospectus supplement that is not sold pursuant to the Sales Agreement will be available for sale in other offerings pursuant to the base prospectus.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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PROSPECTUS (Subject to completion) **Dated August 5, 2021**

$250,000,000

American Depositary Shares Representing Ordinary Shares

24,493,416 Ordinary Shares
Offered by the Selling Shareholders in the form of American Depositary Shares

We may offer, from time to time, the American Depositary Shares ("ADSs") described in this prospectus, for an aggregate offering price of up to $250,000,000. In addition, the selling shareholders named in this prospectus (the "Selling Shareholders") may offer and sell from time to time up to 24,493,416 ordinary shares consisting of (i) 1,349,692 ordinary shares issuable to AstraZeneca AB ("AstraZeneca") pursuant to the exclusive license and option agreement we entered into with AstraZeneca on October 28, 2017, as amended; (ii) 18,555,068 ordinary shares underlying convertible loan notes and warrants issuable to Novartis Pharma AG ("Novartis") under the convertible loan and warrant instruments dated February 10, 2020, as amended; (iii) 2,487,816 ordinary shares underlying warrants issuable to Silicon Valley Bank and Kreos Capital V (UK) Limited as lenders under previous loan agreements with them dated August 7, 2017 and September 28, 2018, as adjusted on December 15, 2020 that have been fully repaid; and (iv) 2,100,840 ordinary shares issued to Cancer Focus Fund, LP ("Focus Fund") in connection with our partnership agreement entered into on April 30, 2021. We will not receive any of the proceeds from the sale of the ADSs by the Selling Shareholders. Each of the Selling Shareholders may offer and sell their ADSs in public or private transactions, or both. These sales may occur at fixed prices, at market prices prevailing at the time of sale, at prices related to prevailing market prices, or at negotiated prices. See "Plan of Distribution" for more information on how the Selling Shareholders may conduct sales of their ADSs.

We will provide you with the specific amount, price and terms of the applicable offered ADSs in one or more supplements to this prospectus. You should carefully read this prospectus and the applicable prospectus supplement, as well as the documents incorporated or deemed to be incorporated by reference in this prospectus, before you purchase any of the ADSs offered hereby. We may offer and sell the ADSs in the same offering or in separate offerings, to or through underwriters, dealers, and agents, or directly to purchasers. The names of any underwriters, dealers, or agents involved in the sale of our ADSs, their compensation and any options to purchase additional ADSs held by them will be described in the applicable prospectus supplement. See "Plan of Distribution."

Our ADSs trade on the Nasdaq Global Market, or the Nasdaq, under the symbol "MREO." On August 4, 2021, the last reported sale price of our ADSs on Nasdaq was $2.60 per ADS. We are both an "emerging growth company" and a "foreign private issuer" as defined under the Securities Act of 1933, as amended (the "Securities Act"), and, as such, are subject to reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company and a Foreign Private Issuer" for additional information.

Investing in our ADSs involve significant risks. See "Risk Factors" beginning on page 5 of this prospectus and the documents incorporated by reference into this prospectus concerning factors you should consider before investing in our ADSs.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated , 2021

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that we filed with the Securities and Exchange Commission, which we refer to as the "SEC," utilizing a "shelf" registration process. Under this shelf registration process, we may, over time, offer and sell the ADSs described in this prospectus in one or more offerings, up to a total dollar amount of $250,000,000, and the Selling Shareholders may also offer and sell up to 24,493,416 ordinary shares in the form of 4,898,683 ADSs, as described in this prospectus. This prospectus provides you with a general description of the securities that may be offered. Each time we or any Selling Shareholder offers securities under this prospectus, we or the Selling Shareholder will provide a prospectus supplement or other offering materials that will contain specific information about the terms of that offering. We may also add, update or change information contained in this prospectus by means of a prospectus supplement or by incorporating by reference information that we file or furnish to the SEC. The registration statement that we filed with the SEC includes exhibits that provide more detail on the matters discussed in this prospectus. If the information in this prospectus is inconsistent with a prospectus supplement, you should rely on the information in that prospectus supplement. Please carefully read this prospectus and any prospectus supplement, together with the additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference," before purchasing any securities.

You should rely only on the information contained or incorporated by reference in this prospectus, any prospectus supplement and any issuer free writing prospectus. "Incorporated by reference" means that we can disclose important information to you by referring you to another document filed separately with the SEC. We have not and the Selling Shareholders have not authorized any other person to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not making an offer of these securities in any state or jurisdiction where the offer is not permitted. You should only assume that the information in this prospectus or in any prospectus supplement or issuer free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Throughout this prospectus, and the documents incorporated by reference, unless otherwise designated, the terms "Mereo," the "Company," "we," "us," and "our" refer to Mereo BioPharma Group plc and our wholly-owned subsidiaries Mereo BioPharma 1 Limited, Mereo BioPharma 2 Limited, Mereo BioPharma 3 Limited, Mereo BioPharma 4 Limited, Mereo BioPharma 5, Inc. (formerly OncoMed Pharmaceuticals, Inc.), Mereo BioPharma Ireland Limited, Mereo US Holdings Inc. and NAVI Subsidiary, Inc. Our consolidated financial statements also treat Mereo BioPharma Group plc Employee Benefit Trust, an employee benefit trust operated by us, as a wholly-owned subsidiary of ours. References in this prospectus to the "Merger" are to the merger of Mereo MergerCo One Inc. and OncoMed Pharmaceuticals, Inc., with OncoMed Pharmaceuticals, Inc. surviving as a wholly-owned subsidiary of Mereo US Holdings Inc., and as an indirect wholly-owned subsidiary of Mereo BioPharma Group plc pursuant to the Agreement and Plan of Merger and Reorganization, dated December 5, 2018, by and among Mereo BioPharma Group plc, Mereo US Holdings Inc., Mereo MergerCo One Inc. and OncoMed Pharmaceuticals, Inc.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference herein. This summary may not contain all the information that may be important to you, and we urge you to read this entire prospectus carefully, including the risks related to our business, our industry, investing in our ADSs, that we describe under "Risk Factors" and our consolidated financial statements, including the notes thereto, incorporated by reference in this prospectus, before deciding to invest in our ADSs.

Our Company

We are a biopharmaceutical company focused on the development and commercialization of innovative therapeutics that aim to improve outcomes for oncology and rare diseases. Our existing portfolio consists of six clinical stage product candidates two of which are in ongoing clinical studies, two are partnered for further development and the remaining two will be further developed by a partner. Our lead oncology product candidate, etigilimab (an "anti-TIGIT"), has completed a Phase 1a dose escalation clinical trial in patients with advanced solid tumors and has been evaluated in a Phase 1b study in combination with nivolumab in select tumor types. We recently initiated a Phase1b/2 basket study for etigilimab in combination with an anti-PD-1 in three rare tumors, including sarcoma, several gynecological carcinomas including cervical and endometrial carcinomas and tumors with high mutation burden. On April 30, 2021 we and Focus Fund, a unique venture capital fund established in collaboration with The University of Texas MD Anderson Cancer Center ("MD Anderson") announced a partnership to evaluate Mereo's etigilimab, in clear cell ovarian cancer, a rare cancer that accounts for approximately 5–10% of all ovarian carcinomas in North America. Our other rare disease product candidates are alvelestat, which is being investigated in an ongoing Phase 2 proof-of-concept study for the treatment of severe AATD, in an investigator-initiated study in hospitalized COVID-19 and in an investigator-initiated study in Bronchiolitis Obliterans Syndrome ("BOS"), and setrusumab for the treatment of OI. Following the announcement of the results for setrusumab in a Phase 2b study in adults with OI which demonstrated a dose dependent increase in bone mineral density and bone strength and alignment with the FDA and the EMA following scientific advice on the pivotal study design for children with OI, we announced a strategic partnership with Ultragenyx Pharmaceutical, Inc. ("Ultragenyx") in December 2020 for the development of setrusumab in children and adults with OI. Ultragenyx have announced their intention to initiate a Phase 2/3 study in children with OI in the second half of 2021 following additional discussions with the regulators.

We plan to develop our product candidates for oncology and rare diseases through the next key clinical milestone and then partner where it makes sense to do so strategically but also in select cases to develop through regulatory approval and potentially commercialization.

Our second oncology product, navicixizumab for the treatment of late line ovarian cancer, has completed a Phase 1b study and has been partnered for further development with OncXerna Therapeutics, Inc. ("OncXerna") on a global basis.

We plan to partner or sell our other two product candidates acumapimod for the treatment of AECOPD and leflutrozole for the treatment of infertility and HH in obese men, recognizing the need for greater resources to take these product candidates to market.

Our strategy is selectively to acquire and develop product candidates for oncology and rare diseases that have already received significant investment from large pharmaceutical and biotechnology companies and that have substantial pre-clinical, clinical and manufacturing data packages. Since our formation in March 2015, we have successfully executed on this strategy by

acquiring six clinical-stage product candidates of which four were in oncology and rare diseases. Four of our six clinical-stage product candidates were acquired from large pharmaceutical companies and two were acquired in the Merger. We aim to efficiently develop our product candidates through the clinic and have successfully commenced or completed large, randomized Phase 2 clinical trials for five of our product candidates.

Oncology and rare diseases represent an attractive development and, in some cases, commercialization opportunity for us since they typically have high unmet medical need and can utilize regulatory pathways that facilitate acceleration to approval and to the potential market. Development of products for oncology and rare diseases both involve close collaboration with key opinion leaders and investigators. Development of rare disease products generally involves close coordination with the patient organizations and patients are treated at a limited number of specialized sites which helps identification of the patient population and enables a small targeted sales infrastructure to commercialize the products in key markets.

Our team has extensive experience in the pharmaceutical and biotechnology sector in the identification, acquisition, development, manufacturing and commercialization of product candidates in multiple therapeutic areas including oncology and rare diseases. Our senior management has long-standing relationships with senior executives of large pharmaceutical and biotechnology companies which we believe enhances our ability to form strategic partnerships on our product candidates and to identify and acquire additional product candidates.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

Emerging Growth Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company we have chosen to take advantage of certain exemptions from various reporting requirements that are applicable to other publicly traded entities that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to shareholder advisory votes, such as “say-on-pay,” “say-on-frequency,” and “say-on-golden parachutes;” and
- not being required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation. We may take advantage of these provisions until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion; (ii) the last day of 2024; (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during any three-year period.

Foreign Private Issuer

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies also are exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer.

As a foreign private issuer, we are permitted to follow the corporate governance practices of our home country in lieu of certain provisions of the Nasdaq. We therefore follow U.K. corporate governance practices in lieu of certain Nasdaq corporate governance requirements including the requirement to seek shareholder approval for certain issuances of equity securities.

Corporate Information

We were incorporated as a private limited company with the legal name Mereo BioPharma Group Limited under the laws of England and Wales on March 10, 2015 with the company number 09481161. On June 3, 2016, we re-registered as a public limited company with the legal name Mereo BioPharma Group plc. Our registered office address is Fourth Floor, One Cavendish Place, London, W1G 0QF, United Kingdom and our telephone number is +44 (0) 33 3023 7300. Our website address is www.mereobiopharma.com. The information contained on, or that can be accessed from, our website does not form part of this prospectus. Our agent for service of process in the United States is Mereo US Holdings Inc.

RISK FACTORS

Investing in our securities involves significant risks. Before making an investment decision, you should carefully consider the risks described below and under “Risk Factors” under Item 3.D. – “Risk Factors” in our most recent Annual Report on Form 20-F, and any updates in our Reports on Form 6-K, together with all of the other information appearing in this prospectus or incorporated by reference into this prospectus, in light of your particular investment objectives and financial circumstances. The risks so described are not the only risks facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. The trading price of our securities could decline due to any of these risks, and you may lose all or part of your investment. The discussion of risks includes or refers to forward-looking statements; you should read the explanation of the qualifications and limitations on such forward-looking statements discussed elsewhere in this prospectus.

The ongoing COVID-19 pandemic and uncertainty regarding the pace, extent and permanence of recovery may materially impact our business including planned clinical developments and our ongoing clinical studies.

COVID-19 continues to impact businesses, economies and health care systems around the world. Further, considerable uncertainty remains regarding the pace, extent and permanence of recovery due to uneven vaccine access and distribution among and within different countries, the emergence of new COVID-19 variants (e.g., Delta) and the willingness and ability of societies to return to pre-pandemic economic and social routines.

The majority of our work force has worked from home since the beginning of the COVID-19 pandemic due to government and local regulations. The official reopening of traditional workspaces and willingness of employees to return remain subject to continuous guidance and changes depending on the successful containment of COVID-19. Therefore, there will continue to be both direct and indirect impacts to businesses including disruptions to resources, inability of workers to carry out their jobs effectively, disruptions to manufacturing, supply chains, inability to travel and increased pressure on health systems required to treat COVID-19.

COVID-19 has created an unprecedented burden on health systems in impacted countries around the world. As a result, clinical centers have diverted resources away from the performance of clinical trials and because of that and the vulnerability of patients in the Company’s Phase 2 alvelestat program for patients with severe AATD, the Company’s clinical activities will face some delays. AATD patients, in particular, are at greater risk from COVID-19 given that the condition is a respiratory and lung condition, for this reason, our Phase 2 alvelestat trial has been delayed with topline data or an interim analysis now expected in late 2021. We have initiated a Phase 1b/2 study with etigilimab in a range of tumor types and we may face delays in enrollment in this study.

As a result of the COVID-19 pandemic and the ability of the United States, United Kingdom and other jurisdictions in which we operate to fully recover, we may experience disruptions that would significantly impact our business including:

- A delay or interruption in our ability to enroll and treat patients and to obtain data from ongoing clinical trials;
- A delay in our timelines for the initiation of new clinical trials;
- A delay in our ability to further recruit patients to our clinical trials and to screen patients for eligibility for our clinical trials;

- Interruption to key clinical trial activities including monitoring of clinical sites, patient visits, inability to follow patients after they have received treatment and patient assessments and patients dropping out from trials early reduce the numbers impacting efficacy analysis;
- A delay in availability of additional drug product for etigilimab, alvelestat and setrusumab due to lack of manufacturing capacity and/or raw materials at our third-party CMOs;
- A delay in our ability to close and negotiate third-party partnerships or collaborations or to progress third-party collaborations already in place;
- Limitations on employee resources as a result of increased sickness, requirement for employees to care for family members or requirement for employees to self-isolate themselves;
- Interruptions and delays in our development programs as a result of the government required “stay-at-home” guidelines;
- Delay in responses from regulatory authorities in relation to approvals, amendments or other regulatory engagements required for our ongoing development activities;
- Supply chain interruptions; or
- Diversion of CMO activities and raw materials to COVID-19 products, including restrictions imposed by various governments, causing delays to clinical trial supplies.

The COVID-19 pandemic continues to rapidly evolve and the extent to which it may impact our future business is highly uncertain and difficult to predict. In particular it is not currently known how long travel restrictions and social distancing/isolation requirements will continue to apply in the countries in which we operate and the impact on global health systems, financial markets or the economy as a whole is not yet known.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated into it contain statements that constitute forward-looking statements. Many of these forward-looking statements can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “plan,” “potential” and “should,” among others.

Forward-looking statements appear in a number of places in this prospectus and the documents incorporated into it and include, but are not limited to, statements regarding our intent, belief, or current expectations. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to substantial risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors, including, but not limited to, those identified under “Risk Factors.” In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a guarantee by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all.

Forward-looking statements include, but are not limited to, statements about:

- the development of our product candidates, including statements regarding the expected initiation, timing, progress, and availability of data from our clinical trials;
- the potential attributes and benefits of our product candidates and their competitive position;
- our ability to partner or sell our two product candidates, acumapimod for the treatment of AECOPD and leflutrozole for the treatment of infertility and HH in obese men, on attractive terms or at all;
- our ability to successfully commercialize, or enter into strategic relationships with third parties to commercialize, our product candidates, if approved;
- our estimates regarding expenses, future revenues, capital requirements, and our need for additional financing;
- our being subject to ongoing regulatory obligations if our products secure regulatory approval;
- our reliance on third parties to conduct our clinical trials and on third-party suppliers to supply or produce our product candidates;
- the patient market size of any diseases and market adoption of our products by physicians and patients;
- our ability to obtain and maintain adequate intellectual property rights and adequately protect and enforce such rights;
- the duration of our patent portfolio;
- the COVID-19 pandemic and the associated disruptions that could materially impact our business, including, delays to clinical trial supplies, planned clinical developments and our ongoing clinical studies;
- the United Kingdom’s withdrawal from the European Union may adversely impact our ability to obtain regulatory approvals of our product candidates in the European Union and may require us to incur additional expenses in order to develop, manufacture and commercialize our product candidates in the European Union;
- our ability to retain key personnel and recruit additional qualified personnel;
- our ability to manage growth;
- our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments; and
- other risk factors discussed under “Risk Factors.”

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

You should read this prospectus and the documents that we incorporate by reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

CAPITALIZATION

The table below sets forth our cash and short-term deposits and capitalization as of December 31, 2020, the latest date for which we have audited financial statements and the information below available to us. The following information should be read in conjunction with the consolidated financial statements and related notes incorporated by reference in this prospectus. For more details on how you can obtain the documents incorporated by reference in this prospectus, see “Where You Can Find More Information” and “Incorporation by Reference”.

For the convenience of the reader, we have translated pound sterling amounts in the table below into U.S. dollars at an exchange rate of £0.731 to US$1.00, the exchange rate for pound sterling on December 31, 2020. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or any other exchange rate as of that or any other date.

	As of December 31, 2020 (in thousands)	
Cash and short-term deposits	£ 23,469	$ 32,105
Total interest bearing loans and borrowings	16,142	22,082
Warrant liability	50,775	69,460
Equity:		
Issued capital	1,017	1,391
Employee Benefit Trust shares	(1,305)	(1,785)
Share premium	161,785	221,320
Other capital reserves	128,374	175,614
Accumulated loss	(309,693)	(423,656)
Other reserves	5,001	6,841
Translation reserve	(150)	(205)
Total equity	(14,971)	(20,480)
Total Capitalization	£ 51,946	$ 71,062

The number of ordinary shares indicated as issued and outstanding above is based on 338,953,141 ordinary shares outstanding as of December 31, 2020. As of June 30, 2021 we had 544,510,263 ordinary shares outstanding. As of December 31, 2020, our net tangible book value was negative £46.6 million.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the ADSs as set forth in the applicable prospectus supplement. We will not receive any of the proceeds from the sale of ADSs being offered by the Selling Shareholders.

The Selling Shareholders will pay any underwriting discounts and commissions and share transfer taxes incurred by the Selling Shareholders for brokerage or legal services or any other expenses incurred by the Selling Shareholders in disposing of ADSs. We will bear all other fees and expenses incurred in effecting the registration of the ADSs of the Selling Shareholders that are covered by this prospectus, including registration and filing fees, fees and expenses of our counsel and our independent registered public accountants.

DESCRIPTION OF SHARE CAPITAL

The following is a description of the ordinary shares, par value £0.003 per share, of Mereo BioPharma Group plc (the "Company," "we" or "us") which are represented by American Depositary Shares ("ADSs") with each ADS representing five of our ordinary shares registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This description also summarizes relevant provisions of English law. The following summary does not purport to *be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of English law and the Company's articles of association, a copy of which is filed as Exhibit 1.1 to the Annual Report on Form 20-F of the Company for the fiscal year ended December 31, 2020. We encourage you to read the articles and the applicable provisions of English law for additional information.*

General

We were incorporated as a private limited company with the legal name Mereo BioPharma Group Limited under the laws of England and Wales on March 10, 2015 with the company number 09481161. On June 3, 2016, we re-registered as a public limited company with the legal name Mereo BioPharma Group plc. Our principal executive offices are located at 4th Floor, One Cavendish Place, London, W1G 0QF, United Kingdom. The principal legislation under which we operate and our ordinary shares are issued is the U.K. Companies Act 2006.

Share Capital

As of June 30, 2021, our issued share capital was £1,633,531, equivalent to 544,510,263 ordinary shares. The nominal value of our ordinary shares, including ordinary shares in the form of ADSs, is £0.003 per ordinary share. Each issued ordinary share is fully paid.

Registered Shares

We are required by the U.K. Companies Act 2006 to keep a register of our shareholders. Under English law, the ordinary shares are issued when the name of the shareholder is entered in our share register. The share register therefore is prima facie evidence of the identity of our shareholders, and the shares that they hold. The share register generally provides limited, or no, information regarding the ultimate beneficial owners of our ordinary shares. Our share register is maintained by our registrar, Link Asset Services.

Holders of our ADSs will not be treated as shareholders and their names will therefore not be entered in our share register. The depositary, the custodian or their nominees will be the holder of the ordinary shares underlying our ADSs. For discussion on our ADSs and ADS holder rights see "Description of American Depository Shares" in this prospectus. Holders of our ADSs have a right to receive the ordinary shares underlying their ADSs as discussed in "Description of American Depository Shares" in this prospectus.

Under the U.K. Companies Act 2006, we must enter an allotment of ordinary shares in our share register as soon as practicable and in any event within two months of the allotment. We will perform all procedures necessary to update the share register with the number of ordinary shares to be issued to the depositary upon sale of the ADSs, pursuant to a supplemental prospectus. We also are required by the U.K. Companies Act 2006 to register a transfer of ordinary shares (or give the transferee notice of and reasons for refusal as the transferee may reasonably request) as soon as practicable and in any event within two months of receiving notice of the transfer.

We, any of our shareholders or any other affected person may apply to the court for rectification of the share register if:

- the name of any person, without sufficient cause, is entered in or omitted from our register of members; or
- a default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member or on which we have a lien, provided that such refusal does not prevent dealings in the shares taking place on an open and proper basis.

Pre-emptive Rights

English law generally provides shareholders with pre-emptive rights when new shares are issued for cash; however, it is possible for the articles of association, or shareholders by special resolution, to exclude pre-emptive rights. Such an exclusion of pre-emptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the exclusion is contained in the articles of association, or from the date of the shareholder resolution, if the exclusion is by shareholder resolution. In either case, this exclusion would need to be renewed by our shareholders upon its expiration (i.e., at least every five years).

On February 1, 2021 our shareholders authorized our Board to disapply pre-emptive rights for a period until June 30, 2023 in respect of the allotment of ordinary shares or the grant of rights to subscribe for or convert securities into ordinary shares up to a maximum aggregate nominal amount of £1,540,760.28. The nominal value of our ordinary shares is £0.003 per ordinary share.

As of June 30, 2021, non-preemptive authorization up to a maximum nominal amount of £1,144,913 remained available to the Company.

Articles of Association

The following is a description of our Articles as at the date hereof.

Shares and Rights Attaching to Them

Objects

The objects of our company are unrestricted.

Share Rights

Subject to any special rights attaching to shares already in issue, our shares may be issued with or have attached to them any rights or restrictions as we may resolve by ordinary resolution of the shareholders or, failing such determination, as the board may determine.

Voting Rights

Without prejudice to any special rights, privileges or restrictions as to voting rights attached to any shares forming part of our share capital from time to time, the voting rights attaching to shares are as follows:

- on a show of hands, every shareholder who (being an individual) is present in person and (being a corporation) is present by a duly authorized representative shall have one vote;
- on a show of hands, each proxy present in person has one vote for and one vote against a resolution if the proxy has been duly appointed by more than one shareholder and the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more other of those shareholders to vote against it;

- on a show of hands, each proxy present in person has one vote for and one vote against a resolution if the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution and either: (1) the proxy has been instructed by one or more of those shareholders to vote for the resolution and has been given any discretion by one or more other of those shareholders to vote and the proxy exercises that discretion to vote against it; or (2) the proxy has been instructed by one or more of those shareholders to vote against the resolution and has been given any discretion by one or more other of those shareholders to vote and the proxy exercises that discretion to vote for it; or
- on a poll every shareholder who is present in person or by proxy shall have one vote for each share of which he or she is the holder, provided that certain shareholders each have their votes limited to 19.5% of the total voting share capital and any votes which would have otherwise been exercisable by them shall be deemed to be held and exercisable by the other shareholders, other than those and certain other shareholders, on a pro rata basis.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded. Subject to the provisions of the U.K. Companies Act 2006, a poll may be demanded by:

- the chairman of the meeting;
- the directors;
- two or more persons having the right to vote on the resolution; or
- a person or persons representing not less than 10% of the total voting rights of all shareholders having the right to vote on the resolution.

Restrictions on Voting

No shareholder shall (unless the Directors otherwise determine) be entitled to vote at any general meeting in respect of any share held by him or her unless all sums payable by him or her in respect of that share have been paid.

The board may from time to time make calls upon the shareholders in respect of any money unpaid on their shares and each shareholder shall (subject to at least 14 days' notice specifying when and how the payment is to be made) pay at the time or times so specified the amount called on his or her shares.

Dividends

We may, subject to the provisions of the U.K. Companies Act 2006 and our Articles, by ordinary resolution of shareholders declare dividends out of profits available for distribution in accordance with the respective rights of shareholders but no such dividend shall exceed the amount recommended by the directors. The board may from time to time pay shareholders such interim dividends as appear to the board to be justified by our financial position but, if at any time, our share capital is divided into different classes the board may not pay such interim dividends in respect of those shares which confer on the holders thereof deferred or non-preferential rights with regard to dividends if, at the time of payment, any preferential dividend is in arrears.

Subject to any special rights attaching to or the terms of issue of any share, all dividends shall be declared and paid according to the amounts paid up on the shares and shall be apportioned and paid pro rata according to the amounts paid up on the shares during any part or parts of the period in respect of which the dividend is paid.

No dividend or other moneys payable by us on or in respect of any share shall bear interest against us unless otherwise provided by the rights attached to the share or the provisions of another

agreement between the shareholder and us. Any dividend unclaimed after a period of 12 years from the date such dividend became due for payment shall be forfeited and cease to remain owing.

Dividends may be declared or paid in any currency and the board may decide the rate of exchange for any currency conversions that may be required, and how any costs involved are to be met, in relation to the currency of any dividend.

Any general meeting declaring a dividend may by ordinary resolution of shareholders, upon the recommendation of the board, direct payment or satisfaction of such dividend wholly or in part by the distribution of non-cash assets of equivalent value, including shares or other securities in any company.

The directors may, if authorized by an ordinary resolution of shareholders, offer any holders of ordinary shares the right to elect to receive in lieu of a dividend, or part of a dividend, an allotment of ordinary shares credited as fully paid up.

Change of Control

There is no specific provision in our Articles that would have the effect of delaying, deferring, or preventing a change of control.

Distributions on Winding Up

If we are in liquidation, the liquidator may, if authorized by a special resolution of shareholders and any other authority required at law, divide among shareholders (excluding us to the extent we are a shareholder by virtue only of holding treasury shares) in specie or in kind the whole or any part of our assets (whether or not the assets consist of property of one kind or consist of properties of different kinds and the liquidator may for such purpose set such value as the liquidator deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the shareholders or different classes of shareholders), or vest the whole or any part of such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator determines (and our liquidation may be closed and we may be dissolved), but no shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

Variation of Rights

All or any of the rights and privileges attached to any class of shares issued may be varied or abrogated only with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares held as treasury shares) or by special resolution passed at a separate general meeting of the holders of such shares, subject to the other provisions of the U.K. Companies Act 2006 and the terms of their issue. The U.K. Companies Act 2006 also provides a right to object to the variation of the share capital by the shareholders who did not vote in favor of the variation. Should 15% or more of the shareholders of the issued shares in question apply to the court to have the variation cancelled, the variation shall have no effect unless and until it is confirmed by the court.

Alteration to Share Capital

We may, by ordinary resolution of shareholders, consolidate all or any of our share capital into shares of larger amount than our existing shares, or sub-divide our shares or any of them into shares of a smaller amount. We may, by special resolution of shareholders, confirmed by the court, reduce our share capital or any capital redemption reserve or any share premium account in any manner authorized by the U.K. Companies Act 2006. We may redeem or purchase all or any of our shares as described in “—Other U.K. Law Considerations—Purchase of Own Shares.”

Preemption Rights

In certain circumstances, our shareholders may have statutory preemption rights under the U.K. Companies Act 2006 in respect of the allotment of new shares as described in "—Pre-emptive Rights" and "—Differences in Corporate Law—Pre-emptive Rights" in this prospectus.

Transfer of Shares

Any shareholder holding shares in certificated form may transfer all or any of his or her shares by an instrument of transfer in any usual form or any other form approved by the board. Any written instrument of transfer shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee.

In the case of uncertificated shares, the directors may take such action as they consider appropriate to achieve a transfer. The Uncertificated Securities Regulations 2001 permit shares to be issued and held in uncertificated form and transferred by means of a computer based system.

The board may decline to register any transfer of any share:

- which is not a fully paid share;
- where the transfer is not lodged at our registered office or such other place as the directors have appointed;
- where the transfer is not accompanied by the share certificate to which it relates, or such other evidence as the board may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
- where the transfer is in respect of more than one class of share; and
- where the number of joint holders to whom the share is to be transferred exceeds four.

If the board declines to register a transfer, it must return to the transferee the instrument of transfer together with notice of the refusal, unless the board suspects that the proposed transfer may be fraudulent.

Shareholder Meetings

Annual General Meetings

In accordance with the U.K. Companies Act 2006, we are required in each year to hold an annual general meeting in addition to any other general meetings in that year and to specify the meeting as such in the notice convening it. The annual general meeting shall be convened whenever and wherever the board sees fit, subject to the requirements of the U.K. Companies Act 2006, as described in "—Differences in Corporate Law—Annual General Meeting" and "—Differences in Corporate Law—Notice of General Meetings" in this prospectus.

Notice of General Meetings

The arrangements for the calling of general meetings are described in "—Differences in Corporate Law—Notice of General Meetings" in this prospectus.

Quorum of General Meetings

No business, other than the appointment of the chair of the meeting, shall be transacted at any general meeting unless a quorum is present. At least two shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

Class Meetings

The provisions in the Articles relating to general meetings apply to every separate general meeting of the holders of a class of shares.

Directors

Number of Directors

We may not have less than two directors on the Board and not more than nine. We may, by ordinary resolution of the shareholders, vary the minimum and maximum number of directors from time to time.

Appointment of Directors

Subject to the provisions of the Articles, we may, by ordinary resolution of the shareholders or a decision of the directors, elect any person to be a director, either to fill a casual vacancy or as an addition to the existing board, provided the total number of directors does not exceed the maximum number fixed by or in accordance with the Articles. However, any person that is not a director retiring from the existing board must be recommended by the board or the person must have confirmed in writing to us their willingness to be elected as a director not later than seven days before the general meeting at which the relevant resolution is proposed.

Any director appointed by the board will hold office only until the next following annual general meeting at which they must retire. In addition, all directors must retire at the third annual general meeting following the annual general meeting at which such director was elected or last re-elected. Such directors are eligible for re-election at the annual general meeting at which they retire.

The shareholders may, at the meeting at which a director retires, fill the vacated office by electing a person and in default the retiring director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

***Other U.K. Law* Considerations**

Mandatory Purchases and Acquisitions

Pursuant to Sections 979 to 991 of the U.K. Companies Act 2006, where a takeover offer has been made for us and the offeror has acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights carried by those shares, the offeror may give notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire that he or she wishes to acquire, and is entitled to so acquire, those shares on the same terms as the general offer. The offeror would do so by sending a notice to the outstanding minority shareholders telling them that it will compulsorily acquire their shares. Such notice must be sent within three months of the last day on which the offer can be accepted in the prescribed manner. The compulsory acquisition of the minority shareholders' shares can be completed at the end of six weeks from the date the notice has been given, subject to the minority shareholders failing to successfully lodge an application to the court to prevent such compulsory acquisition any time prior to the end of those six weeks following which the offeror can execute a transfer of the outstanding shares in its favor and pay the consideration to us, which would hold the consideration on trust for the outstanding minority shareholders. The consideration offered to the outstanding minority shareholders whose shares are compulsorily acquired under the U.K. Companies Act 2006 must, in general, be the same as the consideration that was available under the takeover offer.

Sell Out

The U.K. Companies Act 2006 also gives our minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for all of our shares. The holder of shares to which the offer relates, and who has not otherwise accepted the offer, may require the offeror to acquire his or her shares if, prior to the expiry of the acceptance period for such offer, (i) the offeror has acquired or unconditionally agreed to acquire not less than 90% in value of the voting shares, and (ii) not less than 90% of the voting rights carried by those shares. The offeror may impose a time limit on the rights of minority shareholders to be bought out that is not less than three months after the end of the acceptance period. If a shareholder exercises his or her rights to be bought out, the offeror is required to acquire those shares on the terms of this offer or on such other terms as may be agreed.

Disclosure of Interest in Shares

Pursuant to Part 22 of the U.K. Companies Act 2006, we are empowered to give notice in writing to any person whom we know or have reasonable cause to believe to be interested in our shares, or to have been so interested at any time during the three years immediately preceding the date on which the notice is issued requiring such persons, within a reasonable time to disclose to us particulars of that person's interest and (so far as is within his or her knowledge) particulars of any other interest that subsists or subsisted in those shares.

Under our Articles, if a person defaults in supplying us with the required particulars in relation to the shares in question ("default shares"), within the prescribed period, the directors may by notice direct that:

- in respect of the default shares, the relevant shareholder shall not be entitled to vote (either in person or by proxy) at any general meeting or to exercise any other right conferred by a shareholding in relation to general meetings;
- where the default shares represent at least 0.25% of their class, (a) any dividend or other money payable in respect of the default shares shall be retained by us without liability to pay interest and/or (b) no transfers by the relevant shareholder of any default shares may be registered (unless the shareholder himself is not in default and the shareholder provides a certificate, in a form satisfactory to the directors, to the effect that after due and careful enquiry the shareholder is satisfied that none of the shares to be transferred are default shares); and
- any shares held by the relevant shareholder in uncertificated form shall be converted into certificated form and that shareholder shall not after that be entitled to convert all or any shares held by him or her into uncertificated form (except with the authority of the directors) unless the shareholder himself is not in default and the shares which the shareholder wishes to convert are part only of the shareholder's holding and the shareholder provides a certificate, in a form satisfactory to the directors, to the effect that after due and careful enquiry the shareholder is satisfied that none of the shares to be converted into uncertificated form are default shares.

Purchase of Own Shares

Under English law, a limited company may only purchase its own shares out of the distributable profits of the company or the proceeds of a fresh issue of shares made for the purpose of financing the purchase, provided that they are not restricted from doing so by their articles. A limited company may not purchase its own shares if, as a result of the purchase, there would no longer be any issued shares of the company other than redeemable shares or shares held as treasury shares. Shares must be fully paid in order to be repurchased.

Subject to the above, we may purchase our own shares in the manner prescribed below. We may purchase on a recognized investment exchange our own fully paid shares pursuant to an ordinary resolution of shareholders. The resolution authorizing the purchase must:

- specify the maximum number of shares authorized to be acquired;
- determine the maximum and minimum prices that may be paid for the shares; and
- specify a date, not being later than five years after the passing of the resolution, on which the authority to purchase is to expire.

As an overseas exchange, Nasdaq is not a recognized investment exchange for these purposes.

We may purchase our own fully paid shares otherwise than on a recognized investment exchange pursuant to a purchase contract authorized by resolution of shareholders before the purchase takes place. Any authority will not be effective if any shareholder from whom we propose to purchase shares votes on the resolution and the resolution would not have been passed if he or she had not done so. The resolution authorizing the purchase must specify a date, not being later than five years after the passing of the resolution, on which the authority to purchase is to expire.

Distributions and Dividends

Under the U.K. Companies Act 2006, before a company can lawfully make a distribution or dividend, it must ensure that it has sufficient distributable reserves (on a non-consolidated basis). The basic rule is that a company's profits available for the purpose of making a distribution are its accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made. The requirement to have sufficient distributable reserves before a distribution or dividend can be paid applies to us and to each of our subsidiaries that has been incorporated under English law.

It is not sufficient that we, as a public company, have made a distributable profit for the purpose of making a distribution. An additional capital maintenance requirement is imposed on us to ensure that the net worth of the company is at least equal to the amount of its capital. A public company can only make a distribution:

- if, at the time that the distribution is made, the amount of its net assets (that is, the total excess of assets over liabilities) is not less than the total of its called up share capital and undistributable reserves; and
- if, and to the extent that, the distribution itself, at the time that it is made, does not reduce the amount of the net assets to less than that total.

City Code on Takeovers and Mergers

Following the cancellation of admission of our ordinary shares to trading on the AIM market of London Stock Exchange plc on December 18, 2020, the U.K. Panel on Takeovers and Mergers (the "Panel") confirmed to us that the U.K. City Code on Takeovers and Mergers (the "City Code") will not apply to us, and we and our shareholders will therefore not have the benefit of the protections the City Code affords, including, but not limited to, the requirement that a person who acquires an interest in our ordinary shares carrying 30% or more of our voting rights must make a cash offer to all other shareholders at the highest price paid in the 12 months before the offer was announced. Notwithstanding the above, we may become subject to the City Code in the future if any changes to the Board composition result in the majority of the Directors being resident in the United Kingdom, Channel Islands or the Isle of Man.

Exchange Controls

There are no governmental laws, decrees, regulations or other legislation in the United Kingdom that may affect the import or export of capital, including the availability of cash and cash equivalents for use by us, or that may affect the remittance of dividends, interest, or other payments by us to non-resident holders of our ordinary shares or ADSs, other than withholding tax requirements. There is no limitation imposed by English law or in the Articles on the right of non-residents to hold or vote shares.

Differences in Corporate Law

The applicable provisions of the U.K. Companies Act 2006 differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the U.K. Companies Act 2006 applicable to us and the General Corporation Law of the State of Delaware relating to shareholders' rights and protections. This summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and English law.

	England and Wales	Delaware
Number of Directors	Under the U.K. Companies Act 2006, a public limited company must have at least two directors. Our Articles further provide that, unless otherwise determined by an ordinary resolution, the number of our directors shall be not less than two nor more than nine in number. Our board of directors currently consists of nine members. For as long as Novartis holds not less than one percent of our issued share capital, Novartis may appoint one observer who may attend, but not participate or vote in, any meeting of our board of directors.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the bylaws.
Removal of Directors	Under the U.K. Companies Act 2006, a company may remove a director without cause at a general meeting by way of an ordinary resolution of shareholders (which is passed by a simple majority of those voting in person or by proxy at a general meeting), irrespective of any provision of any agreement or service contract between the director and the company, provided	Under Delaware law, unless otherwise provided in the certificate of incorporation, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except (a) unless the certificate of incorporation provides otherwise, in the case of a corporation whose

	England and Wales	Delaware
	that 28 clear days' notice of the proposed resolution to remove the director is given and certain other procedural requirements under the U.K. Companies Act 2006 are followed (such as allowing the director to make representations against his or her removal either at the meeting or in writing). In addition to any power of removal under the U.K. Companies Act 2006, under our Articles, we may, by special resolution or ordinary resolution (of which special notice has been given in accordance with section 312 of the U.K. Companies Act 2006) remove any director from office (but without prejudice to any claim he or she may have for damages for breach of any agreement between us and the relevant director) and, by ordinary resolution, appoint another person to act as director in his or her place.	board of directors is classified, shareholders may effect such removal only for cause, or (b) in the case of a corporation having cumulative voting, if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he or she is a part.
Vacancies on the Board of Directors	Under our Articles, we may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director and our board of directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided in each case that the appointment does not cause the number of directors to exceed the number fixed by or in accordance with our Articles as the maximum number of directors.	Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director unless (a) otherwise provided in the certificate of incorporation or by-laws of the corporation or (b) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case a majority of the other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.
Annual General Meeting	Under the U.K. Companies Act 2006, a public limited company must hold an annual general meeting in each six-month	Under Delaware law, the annual meeting of stockholders shall be held at such place, on such date and

	England and Wales	Delaware
	period following the company's annual accounting reference date.	at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the bylaws.
General Meeting	Under the U.K. Companies Act 2006, a general meeting of the shareholders of a public limited company may be called by the directors.	Under Delaware law, special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.
	Subject to the notice requirements of the U.K. Companies Act 2006 outlined below and subject to our Articles, a general meeting of our shareholders may be called by our board of directors whenever and at such times and places as it shall determine.	
	A general meeting may also be convened by our board of directors on the requisition of not less than two of our shareholders who hold at least 5% of our voting share capital.	
	General meetings at which special resolutions are proposed and passed generally involve proposals to change the name of the company, permit the company to issue new shares for cash without the shareholders' pre-emptive right, amend the company's articles of association, or carry out other matters where either the company's articles of association or the U.K. Companies Act 2006 prescribe that a special resolution is required.	
	Other proposals relating to the ordinary course of the company's business, such as the election of directors, would generally be the subject of an ordinary resolution and subject to our Articles.	

	England and Wales	Delaware
Notice of General Meetings	Under the U.K. Companies Act 2006, at least 21 clear days' notice must be given for an annual general meeting and any resolutions to be proposed at that meeting. At least 14 clear days' notice is required for any other general meeting. In addition, certain matters, such as the removal of directors or auditors, require special notice, which is 28 clear days' notice.	Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall specify the place, date, hour, and purpose or purposes of the meeting.
Quorum	Our Articles provide that no business shall be transacted at any general meeting unless a quorum is present. Two qualifying persons present at a meeting and entitled to vote on the business to be transacted shall be a quorum, unless (1) each is a qualifying person only because he or she is authorized under the U.K. Companies Act 2006 to act as a representative of a corporation in relation to the meeting, and they are representatives of the same corporation, or (2) each is a qualifying person only because he or she is appointed as proxy of a shareholder in relation to the meeting, and they are proxies of the same shareholder. A "qualifying person" means (1) a person who is one of our shareholders, (2) a person authorized under the U.K. Companies Act 2006 to act as a representative of the corporation in relation to the meeting, or (3) a person appointed as proxy of a shareholder in relation to the meeting.	The certificate of incorporation or bylaws may specify the number of shares, the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum, but in no event shall a quorum consist of less than one third of the shares entitled to vote at the meeting. In the absence of such specification in the certificate of incorporation or bylaws, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders.

	England and Wales	Delaware
Proxy	Under the U.K. Companies Act 2006, at any meeting of shareholders, a shareholder may designate another person to attend, speak and vote at the meeting on their behalf by proxy.	Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A director of a Delaware corporation may not issue a proxy representing the director's voting rights as a director.
Issue of New Shares	Under the U.K. Companies Act 2006, the directors of a company must not exercise any power to allot shares or grant rights to subscribe for, or to convert any security into, shares unless they are authorized to do so by the company's articles of association or by an ordinary resolution of the shareholders. Any authorization given must state the maximum amount of shares that may be allotted under it and specify the date on which it will expire, which must be not more than five years from the date the authorization was given. The authority can be renewed by a further resolution of the shareholders.	Under Delaware law, if the company's certificate of incorporation so provides, the directors have the power to authorize additional stock. The directors may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the company or any combination thereof.
Pre-emptive Rights	Under the U.K. Companies Act 2006, "equity securities," being (i) shares in the company other than shares that, with respect to dividends and capital, carry a right to participate only up to a specified amount in a distribution ("ordinary shares") or (ii) rights to subscribe for, or to convert securities into, ordinary shares, proposed to be allotted for cash, must be offered first to the existing equity shareholders in the company in proportion to the respective nominal value of their holdings, unless an	Under Delaware law, shareholders have no pre-emptive rights to subscribe to additional issues of stock or to any security convertible into such stock unless, and except to the extent that, such rights are expressly provided for in the certificate of incorporation.

	England and Wales	Delaware
	exception applies or a special resolution to the contrary has been passed by shareholders in a general meeting or the articles of association provide otherwise, in each case in accordance with the provisions of the U.K. Companies Act 2006.	
Authority to Allot	Under the U.K. Companies Act 2006, the directors of a company must not allot shares or grant rights to subscribe for or to convert any security into shares unless those shares are allotted, or those rights to subscribe or convert any security into shares are granted (as applicable) pursuant to an employee share scheme, an ordinary resolution to the contrary has been passed by shareholders in a general meeting, or the articles of association provide otherwise, in each case, in accordance with the provisions of the U.K. Companies Act 2006.	Under Delaware law, if the corporation's charter or certificate of incorporation so provides, the board of directors has the power to authorize the issuance of stock. The board of directors may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation or any combination thereof. It may determine the amount of such consideration by approving a formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration is conclusive.
Liability of Directors and Officers	Under the U.K. Companies Act 2006, any provision (whether contained in a company's articles of association or any contract or otherwise) that purports to exempt a director of a company (to any extent) from any liability that would otherwise attach to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void. Any provision by which we directly or indirectly provide an indemnity (to any extent) for a director of the company or of an "associated company" (i.e., a company that is a parent, subsidiary or sister company of	Under Delaware law, a corporation's certificate of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation and its stockholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for: ▪ any breach of the director's duty of loyalty to the corporation or its stockholders; ▪ acts or omissions not in good faith or that involve intentional misconduct or

England and Wales	Delaware
us) against any liability attaching to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he or she is a director is void except as permitted by the U.K. Companies Act 2006, which provides exceptions for us to: ▪ purchase and maintain director and officer insurance insuring our directors or the directors of an associated company against any liability attaching in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he or she is a director; ▪ provide a “qualifying third party indemnity,” which is an indemnity against liability incurred by our directors and directors of an associated company to a person other than us or an associated company. Such indemnity must not cover criminal fines, penalties imposed by regulatory bodies, the defense costs of criminal proceedings where the director is found guilty, the defense costs of civil proceedings successfully brought against the director by the company or an associated company, or the costs of unsuccessful applications by the director for relief from liabilities for such matters; and ▪ provide a “qualifying pension scheme indemnity,” which is an indemnity against liability incurred in connection	a knowing violation of law; ▪ intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or ▪ any transaction from which the director derives an improper personal benefit.

	England and Wales	Delaware
	▪ with the company's activities as trustee of an occupational pension plan. Such indemnity must not cover a fine imposed in criminal proceedings, or sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or any liability incurred by the director in defending criminal proceedings in which he or she is convicted. Our Articles provide that it may indemnify each of our directors against: The U.K. Companies Act 2006 also provides that we may lend each of our directors funds to meet expenditure incurred by him or her in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him or her in relation to us or an associated company, or in connection with an application for certain specified relief, subject to the requirement that the loan must be on terms that it is to be repaid if the defense or the application for relief is unsuccessful.	
Voting Rights	For a description of the voting rights contained in our Articles see "Description of the Share Capital and Articles of Association—Articles of Association—Shares and Rights Attaching to Them—Voting Rights" in this prospectus.	Delaware law provides that, unless otherwise provided in the certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder.
Shareholder Vote on Certain Transactions	The U.K. Companies Act 2006 provides for schemes of arrangement, which are arrangements or compromises	Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the

	England and Wales	Delaware
	between a company and any class of shareholders or creditors and used in certain types of reconstructions, amalgamations, capital reorganizations or takeovers. These arrangements require: (1) the approval, at a shareholders' or creditors' meeting convened by order of a court of England and Wales, of a majority in number representing not less than 75% in value of the creditors or class of creditors or members or class of members (as the case may be) present and voting, either in person or by proxy; and (2) the approval of a court of England and Wales.	stock, closing of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires: ▪ the approval of the board of directors; and ▪ the approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.
Standard of Conduct for Directors	▪ Under English law, a director owes various statutory and fiduciary duties to the company, including: ▪ to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole; ▪ to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly conflicts, with the interests of the company; ▪ to act in accordance with the company's constitution and only exercise his or her powers for the purposes for which they are conferred; ▪ to exercise independent judgment; ▪ to exercise reasonable care, skill, and diligence; ▪ not to accept benefits from a third party conferred by reason of his or	Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the stockholders. Directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its shareholders. The duty of care generally requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or

	England and Wales	Delaware
	▪ her being a director or doing, or not doing, anything as a director; and ▪ a duty to declare any interest that he or she has, whether directly or indirectly, in a proposed or existing transaction or arrangement with the company.	she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. In general, but subject to certain exceptions, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation. In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the shareholders.
Shareholder Suits	Under English law, generally, the company, rather than its shareholders, is the proper claimant in an action in respect of a wrong done to the company or where there is an irregularity in the company's internal management. Notwithstanding this general position, the U.K. Companies Act 2006 provides that (1) a court may allow a shareholder to bring a derivative claim (that is, an action in respect of and on behalf of the company) in respect of a cause of action	Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must: ▪ state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiffs shares thereafter devolved on the plaintiff by operation of law; and

England and Wales	Delaware
arising from a director's negligence, default, breach of duty or breach of trust and (2) a shareholder may bring a claim for a court order on the ground that the company's affairs have been or are being conducted in a manner that is unfairly prejudicial to the interests of its shareholders generally or of some of its shareholders, or that an actual or proposed act or omission of the company is or would be so prejudicial. The U.K. Limitation Act 1980 imposes a limitation period, with certain exceptions, in respect of civil claims. The period is six years in respect of actions in contract and tort, and 12 years for "actions on a specialty," such as a breach of any obligation contained in a deed. The limitation period begins to run from the date on which the action accrued. In the case of contract, this is the date on which the breach of contract occurred, and in tort this is the date on which the damage is suffered.	▪ allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's failure to obtain the action; or ▪ state the reasons for not making the effort. Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

Citibank, N.A. ("Citibank") has agreed to act as the depositary for the ADSs. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. ADSs represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as American Depositary Receipts ("ADRs"). The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank, N.A., London Branch, located at 25 Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.

We have appointed Citibank as depositary pursuant to a deposit agreement. A copy of the form of the deposit agreement will be on file with the SEC under cover of a registration statement on Form F-6 to be filed on the date of prospectus or as soon as practicable thereafter. A copy of the deposit agreement is available from the SEC's website (www.sec.gov). Please refer to registration number 333-223890 or 333-249338 when retrieving such copy. "Holder" means the person or persons in whose name an ADS is registered on the register maintained by the depository for such purpose.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, five ordinary shares that are on deposit with the depositary and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. We and the depositary may agree to change the ADS-to-Share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of the ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of England and Wales, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. None of the depositary, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

The manner in which you own the ADSs (e.g., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect your rights and obligations, and the manner in which, and extent to which, the depositary's services are made available to you. As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the direct registration system or DRS). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and DTC, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC.

The registration of the ordinary shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Other Distributions

Holders generally have the right to receive the distributions we make on the securities deposited with the custodian. A Holder's receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction the applicable fees, taxes, and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds,

the depositary will arrange for the funds received in a currency other than U.S. dollars to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the laws and regulations of England and Wales.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes, and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Shares

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary shares ratio, in which case each ADS a Holder holds will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary shares ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes, and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (e.g., the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to subscribe for additional ordinary shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). Holders may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of a Holder’s rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to subscribe for new ordinary shares other than in the form of ADSs.

The depositary will *not* distribute the rights to a Holder if:

- we do not timely request that the rights be distributed to such Holder or we request that the rights not be distributed to such Holder; or
- we fail to deliver satisfactory documents to the depositary; or
- it is not reasonably practicable to distribute the rights. The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to a Holder. In such case, we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to a Holder only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable such Holder to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to a Holder, such Holder will receive either cash or additional ADSs, depending on what a shareholder in England and Wales would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares, or rights to purchase additional ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to a Holder. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to a Holder and if we provide to the depositary all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes, and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will not distribute the property to a Holder and will sell the property if:

- we do not request that the property be distributed to such Holder or if we request that the property not be distributed to such Holder; or
- we do not deliver satisfactory documents to the depositary; or
- the depositary determines that all or a portion of the distribution to such Holder is not reasonably practicable.
- The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert into U.S. dollars upon the terms of the deposit agreement the redemption funds received in a currency other than U.S. dollars and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. A Holder may have to pay fees, expenses, taxes, and other governmental charges upon the redemption of such Holder's ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary may determine.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for a Holder's ADSs may change from time to time. For example, there may be a change in nominal (or par) value, split-up, cancellation, consolidation, or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation, or sale of assets of ours.

If any such change were to occur, such Holder's ADSs would, to the extent permitted by law and the deposit agreement, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to a Holder, amend the deposit agreement, the ADRs and the applicable registration statement(s) on Form F-6, call for the exchange of such Holder's existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the Shares. If the depositary may not lawfully distribute such property to a Holder, the depositary may sell such property and distribute the net proceeds to such Holder as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

The depositary may create ADSs on a Holder's behalf if such Holder or such Holder's broker deposit ordinary shares with the custodian. The depositary will deliver these ADSs to the person a Holder indicates only after such Holder pays any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. A Holder's ability to deposit ordinary shares and receive ADSs may be limited by the legal considerations in the United States and England and Wales applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When a Holder makes a deposit of ordinary shares, such Holder will be responsible for transferring good and valid title to the depositary. As such, a Holder will be deemed to represent and warrant that:

- the ordinary shares are duly authorized, validly allotted and issued, fully paid, not subject to any call for the payment of further capital, and legally obtained;
- all pre-emptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived, disapplied or exercised;
- such Holder is duly authorized to deposit the ordinary shares;
- the ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage, or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, "Restricted Securities" (as defined in the deposit agreement); and
- the ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties is incorrect in any way, we and the depositary may, at such Holder's cost and expense, take any and all actions necessary to correct the consequences of the misrepresentation.

Transfer, Combination and Split Up of ADRs

ADR holders will be entitled to transfer, combine, or split up such Holder's ADRs and the ADSs evidenced thereby. For transfers of ADRs, a Holder will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes, and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have a Holder's ADRs either combined or split up, such Holder must surrender the ADRs in question to the depositary with such Holder's request to have them combined or split up, and such Holder must pay all applicable fees, charges, and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Ordinary Shares Upon Cancellation of ADSs

A Holder will be entitled to present such Holder's ADSs to the depositary for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. A Holder's ability to withdraw the ordinary shares held in respect of the ADSs may be limited by the legal considerations in the United States and England and Wales applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by a Holder's ADSs, such Holder will be required to pay to the depositary the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares.

A Holder assumes the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If a Holder holds ADSs registered in such Holder's name, the depositary may ask such Holder to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel such Holder's ADSs. The withdrawal of the ordinary shares represented by such Holder's ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancellation that represent a whole number of securities on deposit.

Holders will have the right to withdraw the securities represented by their ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends.
- Obligations to pay fees, taxes and similar charges.
- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair a Holder's right to withdraw the securities represented by such Holder's ADSs except to comply with mandatory provisions of law.

Voting Rights

Holders generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of Holders of ordinary shares are described in "Description of Share Capital—Articles of Association" in this prospectus.

At our request, the depositary will distribute to Holders any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs.

If the depositary timely receives voting instructions from a Holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the Holder's ADSs as follows:

- *In the event of voting by show of hands*, the depositary will vote (or cause the custodian to vote) all ordinary held on deposit at that time in accordance with the voting instructions received from a majority of Holders of ADSs who provide timely voting instructions.
- *In the event of voting by poll*, the depositary will vote (or cause the custodian to vote) the ordinary shares held on deposit in accordance with the voting instructions received from the Holders of ADSs. The depositary will give a discretionary proxy to a person designated by us to vote any ordinary shares held on deposit for which voting instructions were not received from the Holders of ADSs, unless we inform the depositary that (a) we do not wish such proxy to be given, (b) substantial opposition exists, or (c) the rights of Holders of ADSs may be adversely affected.

Securities for which no voting instructions have been received will not be voted (except as otherwise contemplated in the Deposit Agreement). Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure Holders that they will receive voting materials in time to enable such Holders to return voting instructions to the depositary in a timely manner.

Fees and Charges

ADS Holders will be required to pay the following fees under the terms of the deposit agreement:

Service	Fees
Issuance of ADSs (e.g., an issuance of ADS upon a deposit of ordinary shares, upon a change in the ADS(s)-to-ordinary share ratio, or for any other reason), excluding ADS issuances as a result of distributions of ordinary shares)	Up to U.S. 5¢ per ADS issued
Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-ordinary share ratio, or for any other reason)	Up to U.S. 5¢ per ADS cancelled
Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to U.S. 5¢ per ADS held
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to U.S. 5¢ per ADS held

Service	Fees
Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to U.S. 5¢ per ADS held
ADS Services	Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the depositary bank
Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)	Up to U.S. 5¢ per ADS (or fraction thereof) transferred
Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the Deposit Agreement) into freely transferable ADSs, and vice versa).	Up to U.S. 5¢ per ADS (or fraction thereof) converted

ADS Holders will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary, or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex, and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depositary in the conversion of foreign currency;
- the fees and expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs, and ADRs; and
- the fees, charges, costs and expenses incurred by the depositary, the custodian, or any nominee in connection with the ADR program.

ADS fees and charges payable upon (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person to whom the ADSs are issued (in the case of ADS issuances) and to the person whose ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the Holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, Holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to Holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS

transfers, the ADS transfer fee will be payable by the Holders of ADSs whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS Holder. Certain of the depositary fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges Holders may be required to pay may vary over time and may be changed by us and by the depositary. ADS Holders will receive prior notice of such changes. The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

Amendments

We may agree with the depositary to modify the deposit agreement at any time without Holders' consent. We undertake to give Holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to holders' substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges Holders are required to pay. In addition, we may not be able to provide holders with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

Holders will be bound by the modifications to the deposit agreement if they continue to hold their ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent Holders from withdrawing the ordinary shares represented by holders' ADSs (except as permitted by law).

Termination

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the Holders at least 30 days before termination. Until termination, Holders' rights under the deposit agreement will be unaffected.

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until holders request the cancellation of their ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

In connection with the termination of the deposit agreement, the depositary may, independently and without the need for any action by us, make available to holders of ADSs a means to withdraw the ordinary shares and other deposited securities represented by their ADSs and to direct the deposit of such ordinary shares and other deposited securities into an unsponsored American depositary shares program established by the depositary, upon such terms and conditions as the depositary may deem reasonably appropriate, subject however, in each case, to satisfaction of the applicable registration requirements by the unsponsored American depositary shares program under the Securities Act, and to receipt by the depositary of payment of the applicable fees and charges of, and reimbursement of the applicable expenses incurred by, the depositary.

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. Holders may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up, and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary's obligations to Holders. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to holders on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices, or for our failure to give notice.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our Articles, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our Articles or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting Shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to holders.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

- Nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among Mereo, the depositary and ADS holders.
- Nothing in the deposit agreement precludes Citibank (or its affiliates) from engaging in transactions in which parties adverse to Mereo or the ADS owners have interests, and nothing in the deposit agreement obligates Citibank to disclose those transactions, or any information obtained in the course of those transactions, to Mereo or to the ADS owners, or to account for any payment received as part of those transactions.

Taxes

Holders will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. Holders will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs; to deliver, transfer, split, and combine ADRs; or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, holders may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. Holders are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for such holders.

Foreign Currency Conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. Holders may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement and the ADRs will be interpreted in accordance with the laws of the State of New York. The rights of holders of ordinary shares (including ordinary shares represented by ADSs) is governed by the laws of England and Wales.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING AGAINST US AND/OR THE DEPOSITARY ARISING OUT OF, OR RELATING TO, THE DEPOSIT AGREEMENT, ANY ADR AND ANY TRANSACTIONS CONTEMPLATED IN THE DEPOSIT AGREEMENT (WHETHER BASED ON CONTRACT, TORT, COMMON LAW OR OTHERWISE).

SELLING SHAREHOLDERS

This prospectus also relates to the offer and resale of up to an aggregate of 24,493,416 ordinary shares consisting of (i) 1,349,692 ordinary shares issuable to AstraZeneca pursuant to the exclusive license and option agreement we entered into with AstraZeneca October 28, 2017, as amended (the "AstraZeneca Agreement"); (ii) 18,555,068 ordinary shares underlying convertible loan notes and warrants issuable to Novartis under the convertible loan and warrant instruments dated February 10, 2020, as amended (the "Novartis Agreements"); (iii) 2,487,816 ordinary shares underlying warrants issuable to Silicon Valley Bank and Kreos Capital V (UK) Limited as lenders under previous loan agreements with them dated August 7, 2017 and September 28, 2018, as adjusted on December 15, 2020 that have been fully repaid; and (iv) 2,100,840 ordinary shares issued to Focus Fund in connection with our partnership agreement entered into April 30, 2021. Prior to the cancellation of admission of our ordinary shares to trading on the AIM market of London Stock Exchange plc, these shareholders were, with the exception of Focus Fund, able to sell their shares on the AIM market of London Stock Exchange plc and did not require the ability to resell their ADSs on Nasdaq.

The AstraZeneca Agreement

In October 2017, our wholly-owned subsidiary Mereo BioPharma 4 Limited entered into an exclusive license and option agreement (the "License Agreement"), to obtain from AstraZeneca an exclusive worldwide, sub-licensable license under AstraZeneca's intellectual property rights relating to certain products containing a neutrophil elastase inhibitor, including products that contain alvelestat, with an option to acquire such intellectual property rights following commencement of a pivotal trial and payment of related milestone payments, together with the acquisition of certain related assets. Upon entering into the License Agreement, we made a payment of $3.0 million and issued 490,798 ordinary shares to AstraZeneca for an aggregate upfront payment equal to $5.0 million. This share issuance was the first of three share issuances we agreed to as part of the License Agreement. On May 21, 2021, the parties amended their subscription agreement (the "Amended Agreement") to reflect changes resulting from the cancellation of admission of Mereo's ordinary shares to trading on the AIM market of London Stock Exchange plc. The Amended Agreement provides that AstraZeneca can subscribe for both the second and third tranches once their subscription conditions are met for a total of 269,938 ADSs (equivalent to 1,349,692 ordinary shares).

The Novartis Agreements

In July 2015, three of our wholly-owned subsidiaries, Mereo BioPharma 3 Limited, Mereo BioPharma 2 Limited, and Mereo BioPharma 1 Limited (the "Subsidiaries"), entered into asset purchase agreements (the "Purchase Agreements"), to acquire from Novartis rights to setrusumab, acumapimod, and leflutrozole (the "Compounds"), respectively, and certain related assets (together with the Compounds, the "Novartis Assets"). In connection with the acquisition of the Novartis Assets, we issued 3,849,000 ordinary shares to Novartis pursuant to a subscription agreement. In addition, we paid Novartis $1.5 million for a payment made by Novartis to a third party in full satisfaction of all monetary obligations of Novartis to such third party with respect to acumapimod. We also entered into a sublicense agreement with Novartis (the "Sublicense Agreement"), pursuant to which Novartis granted us an exclusive, worldwide, royalty-bearing sublicense for certain therapeutic antibody product candidates directed against sclerostin (the "Antibody Product Candidates"), including setrusumab. As part of our relationship with Novartis, we entered into a convertible loan note instrument dated February 10, 2020 with Novartis pursuant to which we created 3,841,479 convertible loan notes at an exercise price of £0.265 and interest payable in the form of ordinary shares at 6% per annum for three years for a total of 17,105,454 ordinary shares or 3,421,090 ADSs and also granted Novartis warrants over 1,449,614 ordinary shares or 289,922 ADSs for a total of 18,555,068 ordinary shares or 3,711,013 ADSs pursuant to the Deed of Consent and Amendment to Note Instrument, dated November 24, 2020 and the Deed of Consent and Amendment to Warrant Instrument, dated November 24, 2020.

Silicon Valley Bank and Kreos Capital Warrants

On August 7, 2017, we entered into a loan agreement, with Silicon Valley Bank and Kreos Capital V (UK) Limited (the "Former Lenders"), which provided for total borrowings of £20.0 million and in connection with the borrowings we issued to the Former Lenders warrants to subscribe for our ordinary shares pursuant to a warrant instrument dated August 21, 2017 (the "2017 Warrant Instrument") and another warrant instrument on substantively similar terms on October 1, 2018 (the "2018 Warrant Instrument"). The 2017 Warrant Instrument and the 2018 Warrant Instrument are referred to as the "Warrant Instruments".

Under the Warrant Instruments initial allocations of warrants were issued to the Former Lenders with further issues following adjustment of the warrants from time to time resulting in each of the Former Lenders holding 621,954 warrants with each such warrant being exercisable at a subscription price of £2.95.

The 2017 Warrant Instrument will be capable of exercise until August 21, 2027 and the 2018 Warrant Instrument will be capable of exercise until October 1, 2028.

On December 15, 2020, we prepaid all amounts due and owing to the Former Lenders and also issued additional warrants giving each of the Former Lenders the right to subscribe for 621,954 ordinary shares at a price of $0.4144 per ordinary share (the "2020 Warrants"). The 2020 Warrants are an adjustment to the 2017 Warrant Instrument and the 2018 Warrant Instrument and the 2020 Warrants issued to each of the Former Lenders were apportioned between the 2017 Warrant Instrument and 2018 Warrant Instrument in the number of 469,575 and 152,379 respectively for each Former Lender and are subject to the same final exercise date as all prior warrants issued to the Former Lenders being August 21, 2027 for the 2017 Warrant Instrument and October 1, 2028 for the 2018 Warrant Instrument.

Following these transactions, the Former Lenders have warrants to purchase a total of 1,243,908 ordinary shares at an exercise price of £2.95 per share for the 2017 and 2018 Warrant Instruments and a total of 1,243,908 ordinary shares at an exercise price of $0.4144 per share for the 2020 Warrants.

Focus Fund

On April 30, 2021, we and Focus Fund announced a partnership for a Phase 1b/2 study of etigilimab in clear cell ovarian cancer. The study will be conducted at the University of Texas MD Anderson Cancer Center. The study will be financed by Focus Fund and is in exchange for the upfront consideration of 2,100,840 of our ordinary shares, which was equivalent to $1.5 million and additional payments based on the achievement of certain milestones and which will occur through our subsidiary.

The table below lists the Selling Shareholders and other information regarding the beneficial ownership of the shares held by the Selling Shareholders. The second column lists the number of ordinary shares beneficially owned by the Selling Shareholders, based on their ownership of the shares and warrants as of June 30, 2021, assuming exercise of the warrants on that date, without regard to any limitation on exercise and conversion by the holder of all of their convertible loan notes. The third column lists the percentage of shares beneficially owned by the Selling Shareholders before the offering. The fourth column lists the number of shares being registered in this prospectus by the Selling Shareholders. In accordance with the terms of the registration rights agreement with the Selling Shareholder and certain other holders of our shares and warrants, this prospectus generally covers the resale of that number of shares equal to the number of shares currently held by the Selling Shareholders and the shares issuable upon exercise of the warrants, determined as if such warrants were exercised in full. The fifth column lists the percentage of shares beneficially owned by the Selling Shareholders, assuming the sale of all of the shares registered by the registration statement of which this prospectus forms a part.

The Selling Shareholders may sell all, some or none of their Resale Shares included in this prospectus. See “Plan of Distribution.”

Name of Selling Shareholder	Number of Shares Beneficially Owned	Percentage of shares Beneficially Owned before the Offering	Number of Shares Being Registered in the Offering	Percentage of Shares Beneficially Owned after the Offering
AstraZeneca AB	1,349,692	*	1,349,692	0%
Silicon Valley Bank	1,243,908	*	1,243,908	0%
Kreos Capital V (UK) Limited	1,243,908	*	1,243,908	0%
Novartis Pharma AG	34,258,939	6.2%	18.555,068	2.9%
Cancer Focus Fund, LP	2,100,840	*	2,100,840	0%

* Indicates less than 1%.

MATERIAL TAX CONSIDERATIONS

Material U.S. Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax consequences to U.S. Holders (as defined below) of owning and disposing of the ADSs or ordinary shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the ADSs or ordinary shares. This discussion applies only to a U.S. Holder that acquires ADSs in this offering and holds the ADSs or ordinary shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of the U.S. Holder's particular circumstances, including any estate, gift, alternative minimum or Medicare contribution tax consequences, any U.S. state, local, or non-U.S. tax considerations, and any tax consequences applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies and other financial institutions;
- real estate investment trusts or regulated investment companies;
- dealers or traders in securities that use a mark-to market method of tax accounting;
- persons holding our ADSs or ordinary shares as part of a straddle, integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements treated as partnerships for U.S. federal income tax purposes and their partners or investors;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- S corporations;
- former citizens or residents of the United States;
- a person that is subject to special tax accounting rules under section 451(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code");
- persons that own or are deemed to own 10% or more of our stock by vote or value; or
- persons holding our ADSs or ordinary shares in connection with a trade or business outside the United States.

If a partnership (or other entity that is classified as a partnership for U.S. federal income tax purposes) owns the ADSs or ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partner and the partnership. Partnerships owning the ADSs or ordinary shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the ADSs or ordinary shares.

Persons that own or are deemed to own 10% or more of our stock by vote or value should consult their tax advisers regarding the application of the "controlled foreign corporation" rules to their ownership of our ADSs or ordinary shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions, and final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

We have not sought and do not intend to seek any ruling from the Internal Revenue Service (the "IRS") with respect to the U.S. federal income tax consequences described herein and there can be no assurance that the IRS or a court will not take a contrary position.

As used herein, a "U.S. Holder" is a person that, for U.S. federal income tax purposes, is a beneficial owner of our ADSs or ordinary shares and is:

- an individual who is a citizen or resident of the United States;

- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the United States and subject to the control of one or more U.S. persons for all substantial decisions or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of our ADSs or ordinary shares in their particular circumstances.

For U.S. federal income tax purposes, a beneficial owner of our ADSs generally will be treated as the owner of the underlying ordinary shares represented by such ADSs. Accordingly, gain or loss will generally not be recognized if a U.S. Holder exchanges our ADSs for the underlying ordinary shares.

Passive Foreign Investment Company Rules

Special U.S. tax rules apply to U.S. Holders of stock in a company that is considered to be a passive foreign investment company (a "PFIC"). In general, a non-U.S. corporation will be a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income (the "income test") or (ii) 50% or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income (the "asset test"). For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes interest, dividends, gains from certain property transactions, rents and royalties (other than certain rents or royalties derived in the active conduct of a trade or business). Cash is a passive asset for PFIC purposes. Goodwill (the value of which may be determined by reference to the company's market capitalization) is generally treated as an active asset to the extent attributable to activities intended to produce active income.

Based on our gross income, the average value of our assets, including goodwill, and the nature of the current stage of our business, we do not believe we were a PFIC for the year ended December 31, 2020. There can be no assurance regarding our PFIC status for the current year or any particular year in the future because PFIC status is factual in nature, depends upon factors not wholly within our control, generally cannot be determined until the close of the taxable year in question and is determined annually. Whether we will be a PFIC in the current or any future taxable year is uncertain because, among other things, we currently own a substantial amount of passive assets, including cash, and because the valuation of our assets that generate non-passive income for PFIC purposes, including our goodwill and other intangible assets, is uncertain and may vary substantially over time. In addition, the composition of our assets and income may vary substantially over time. The average quarterly value of our assets for purposes of determining our PFIC status for any taxable year (to the extent applicable) will generally be determined in part by reference to our market capitalization, which has fluctuated and may continue to fluctuate significantly over time. Accordingly, there can be no assurance that we will not be a PFIC in the current or for any future taxable year. Accordingly, U.S. Holders should invest in our ADSs only if they are willing to bear the U.S. federal income tax consequences associated with investments in PFICs.

If we are a PFIC for any taxable year and any of our non-U.S. subsidiaries or other companies in which we own equity interests were also a PFIC (any such entity, a "Lower-tier PFIC"), U.S. Holders would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and

would be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if the U.S. Holders held such shares directly, even though the U.S. Holders had not received the proceeds of those distributions or dispositions.

Generally, if we were a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares and the U.S. Holder does not make a valid QEF Election or a mark-to-market election (described below), gain recognized upon a disposition (including, under certain circumstances, a pledge) of our ADSs or ordinary shares by the U.S. Holder will be allocated ratably over the U.S. Holder's holding period for such ADSs or ordinary shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC will be taxed as ordinary income. The amounts allocated to each other taxable year will be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as applicable, and an interest charge will be imposed on the resulting tax liability for each relevant taxable year. Further, to the extent that any distribution received by a U.S. Holder on our ADSs or ordinary shares exceeds 125% of the average of the annual distributions received on such securities during the preceding three years or the U.S. Holder's holding period, whichever is shorter (an "excess distribution"), such excess distribution will be subject to taxation in the same manner. If we are a PFIC for any taxable year during which a U.S. Holder owns our ADSs or ordinary shares, we will generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder owns our ADSs or ordinary shares, even if we cease to meet the threshold requirements for PFIC status. If we are a PFIC for any taxable year but cease to be PFIC for subsequent years, U.S. Holders should consult their tax advisers regarding the advisability of making a "deemed sale" election that would allow them to eliminate the continuing PFIC status under certain circumstances.

To avoid the foregoing rules, a U.S. Holder can make a qualified electing fund election (a "QEF Election") to treat us and each Lower-tier PFIC as a qualified electing fund in the first taxable year that the entity is treated as a PFIC with respect to the U.S. Holder. A U.S. Holder must make the QEF Election for each PFIC by attaching a separate properly completed IRS Form 8621 for that PFIC to the U.S. Holder's timely filed U.S. federal income tax return. A U.S. Holder making a QEF election other than for the first taxable year in which it owns (or is treated as owning) an equity interest in a PFIC would continue to be subject to the rules described in the preceding paragraph with respect to such PFIC, unless the U.S. Holder makes a "deemed sale" election with respect to the PFIC and recognizes gain taxed under the general PFIC rules described above with respect to the PFIC stock's appreciation before the year for which the QEF Election is made.

We will provide the information necessary for a U.S. Holder to make a QEF election with respect to us and we will also use our best efforts to cause each Lower-tier PFIC (as defined below) that we control to provide such information. We intend to provide this information for any taxable year during which our only income is interest income or income from financial investments and for any other taxable year for which we determine that we were a PFIC. However, no assurance can be given that such QEF information will be available for any Lower-tier PFIC that we do not wholly-own. We will post the information necessary to make QEF Elections on our website. If we are a PFIC for any taxable year, the consequences to any U.S. Holder will depend in part on whether the U.S. Holder makes a valid QEF Election or mark-to-market election as described below.

If a U.S. Holder makes a QEF Election with respect to a PFIC, the U.S. Holder will be taxed on its *pro rata* share of the PFIC's ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is a PFIC. If a U.S. Holder makes a QEF Election with respect to us, any distributions we pay out of our earnings and profits that were previously included in the U.S. Holder's income under the QEF Election would not be taxable to the U.S. Holder. A U.S. Holder will increase its tax basis in its ADSs or ordinary shares by an amount equal to any

income included under the QEF Election and will decrease its tax basis by any amount distributed on the ADSs or ordinary shares that is not included in the U.S. Holder's income. In addition, a U.S. Holder will recognize capital gain or loss on the disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in the ADSs or ordinary shares, as determined in U.S. dollars. A. U.S. Holder will not be taxed on the ordinary income and net capital gain under the QEF rules for any year that we are not a PFIC.

Based on the nature of our expected income, the expected composition of our assets, and our business prospects, we do not currently expect to have significant ordinary earnings or net capital gain in any taxable year in which we may be a PFIC. However, it is difficult to predict the nature and composition of our income and assets and the value of our assets in light of the volatile nature of earnings patterns of emerging pharmaceutical or biotechnology companies such as us. Accordingly, U.S. Holders should note that if they make QEF Elections with respect to us and our subsidiaries, they may be required to pay U.S. federal income tax with respect to their ADSs or ordinary shares for any taxable year in which we have a positive amount of earnings or net capital gains even if we do not make any distributions in such year. U.S. Holders should consult their tax advisers regarding the advisability of making QEF Elections in their particular circumstances.

Alternatively, if we are a PFIC for any taxable year and if our ADSs or ordinary shares are "regularly traded" on a "qualified exchange," a U.S. Holder could make a mark-to-market election that will result in tax treatment different from the general tax treatment described in the two preceding paragraphs. Our ADSs and/or ordinary shares will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the ADSs and/or ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter. Nasdaq, on which the ADSs are listed, is a qualified exchange for this purpose. The Internal Revenue Service has not identified specific non-U.S. exchanges that are "qualified" for this purpose. If a U.S. Holder makes a valid mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of its ADSs or ordinary shares at the end of each taxable year over the adjusted tax basis of such ADSs or ordinary shares, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of its ADSs or ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in our ADSs or ordinary shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of our ADSs or ordinary shares in a year in which we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a valid mark-to-market election is made for any year in which we are a PFIC, distributions will be treated as described below under "—Taxation of Distributions" except that the preferential tax rates on dividends paid to non-corporate U.S. Holders will not apply. U.S. Holders will not be able to make a mark-to-market election with respect to Lower-tier PFICs, if any. U.S. Holders should consult their tax advisers as to the availability and desirability of a mark-to-market election in their particular circumstances if we are a PFIC for any taxable year.

If a U.S. Holder owns our ADSs or ordinary shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file annual reports on IRS Form 8621 (or any successor form) with respect to us and any Lower-tier PFIC, generally with the U.S. Holder's U.S. federal income tax return for that year. U.S. Holders should consult their tax advisers regarding our PFIC status for any taxable year and the potential application of the PFIC rules to an investment in our ADSs or ordinary shares.

Taxation of Distributions

This discussion under "—Taxation of Distributions" is subject to the PFIC rules described in "—Passive Foreign Investment Company Rules" above. Distributions paid on ADSs or ordinary shares, other than certain pro rata distributions of our ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will be treated first as a tax-free return of capital to the extent of the U.S. Holder's basis in the ADSs or ordinary shares and then as capital gain. For any taxable year in which we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that any distributions generally will be reported to U.S. Holders as dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be eligible for taxation at a preferential tax rate provided that we were not a PFIC for the taxable year in which the dividend is paid or the prior taxable year. Non-corporate U.S. Holders should consult their tax advisers regarding the availability of this preferential rate in the light of the discussion in "—Passive Foreign Investment Company Rules" above and in their particular circumstances.

If dividend payments in respect of our ADSs or ordinary shares are made in a currency other than the U.S. dollar, the amount of the dividend distribution that a U.S. Holder must include in income will be the U.S. dollar value of the payments made in such other currency, determined at the spot U.S. dollar exchange rate on the date the dividend distribution is includible in income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, if the foreign currency received as a dividend is not converted into U.S. dollars on the date of receipt, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is actually converted into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. U.S. Holders are urged to consult their tax advisers regarding the tax consequences of receiving, converting or disposing of any non-U.S. currency, received or deemed received as dividends on our ADSs or on the sale or retirement of an ADS or an ordinary share.

Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's, or in the case of our ADSs, the depositary's, receipt. Dividends generally will be income from non-U.S. sources, which may be relevant in calculating a U.S. Holder's foreign tax credit limitation. Subject to certain conditions and limitations, non-U.S. tax withheld, if any, on dividends may be deducted from such U.S. Holder's taxable income or credited against such U.S. Holder's U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute "passive category income," or, in the case of certain U.S. Holders, "general category income." A foreign tax credit for foreign taxes imposed on distributions may be denied if a U.S. Holder does not satisfy certain minimum holding period requirements. The rules relating to the determination of the foreign tax credit are complex, and U.S. Holders are urged to consult their tax advisors to determine whether and to what extent such U.S. Holder will be entitled to a foreign tax credit.

Sale or Other Taxable Disposition

Except as described under "—Passive Foreign Investment Company Rules" above, a U.S. Holder will generally recognize capital gain or loss on a sale or other taxable disposition of our ADSs or ordinary shares in an amount equal to the difference between the amount realized on the sale or disposition and the U.S. Holder's tax basis in the ADSs or ordinary shares disposed of, in each case as determined in U.S. dollars. A U.S. Holder's initial tax basis in the ordinary shares or ADSs will generally equal the cost of such ordinary shares or ADSs. If a U.S. Holder used foreign currency to purchase the

ordinary shares or ADSs, the cost of the ordinary shares or ADSs will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. Any such gain or loss will be long-term capital gain or loss if at the time of the sale or disposition the U.S. Holder has owned our ADSs or ordinary shares for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders may be subject to a tax rate that is lower than the rate applicable to ordinary income. The deductibility of capital losses is subject to limitations. Any capital gain or loss recognized upon the sale or disposition of ADSs or ordinary shares will generally be treated as U.S.-source income for foreign tax credit limitation purposes. U.S. Holders should consult their tax advisers regarding the proper treatment of gain or loss, the availability of a foreign tax credit, and for U.S. Holders that sell the ADSs or ordinary shares for an amount denominated in a currency other than the U.S. dollar should consult their tax advisers regarding any potential foreign currency gain or loss that may have to be recognized.

Information Reporting and Backup Withholding

In general, payments of dividends and proceeds from the sale or other disposition of our ADSs or ordinary shares that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) in the case of information reporting, the U.S. Holder is a corporation or other “exempt recipient” and (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder generally will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisers regarding the application of the information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information relating to their ownership of our ADSs or ordinary shares, or non-U.S. accounts through which our ADSs or ordinary shares are held, subject to certain exceptions. Penalties and potential other adverse tax consequences may be imposed if a U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to our ADSs or ordinary shares.

Material United Kingdom Tax Considerations

The following is a description of the material U.K. tax considerations relating primarily to the ownership and disposal of our ADSs by the U.S. Holders described above. The U.K. tax comments set out below are based on current U.K. tax law as applied in England and Wales, and HMRC practice (which may not be binding on HMRC) as at the date of this summary, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide and, save where otherwise stated, only apply to you if you are not resident in the U.K. for U.K. tax purposes and do not hold our ADSs for the purposes of a trade, profession or vocation that you carry on in the U.K. through a branch, agency or permanent establishment in the U.K. and if you hold our ADSs as an investment for U.K. tax purposes and are not subject to special rules.

This summary does not address all possible tax consequences relating to an investment in our ADSs. In particular it does not cover the U.K. inheritance tax consequences of holding our ADSs. It assumes that DTC has not made an election under section 97A(1) of the Finance Act 1986. It assumes that we do not (and will not at any time) derive 75% or more of our qualifying asset value, directly or indirectly, from U.K. land, and that we are and remain solely resident in the U.K. for tax purposes. This summary is for general information only and is not intended to be, nor should it be considered to be,

legal or tax advice to any particular holder. Holders of our ADSs are strongly urged to consult their tax advisers in connection with the U.K. tax consequences of their investment in our ADSs.

U.K. Taxation of Dividends

Mereo will not be required to withhold amounts for or on account of U.K. tax at source when paying a dividend in respect of its ordinary shares.

Holders who hold our ADSs as an investment, who are not resident in the U.K. for U.K. tax purposes and who do not hold their ADSs in connection with any trade, profession or vocation carried on by them in the U.K. through a branch, agency or permanent establishment in the U.K. should not be subject to U.K. tax in respect of any dividends on our ordinary shares.

U.K. Taxation of Capital Gains

An individual holder who is not resident in the U.K. for U.K. tax purposes should not be liable to U.K. capital gains tax on capital gains realized on the disposal of their ADSs unless such holder carries on a trade, profession or vocation in the U.K. through a branch or agency in the U.K. to which ADSs are attributable.

Any such individual holder of our ADSs who is temporarily a non-resident for U.K. tax purposes will, in certain circumstances, become liable to U.K. tax on capital gains in respect of gains realized while they were not resident in the U.K.

A corporate holder of our ADSs which is not resident in the U.K. for U.K. tax purposes should not be liable for U.K. corporation tax on chargeable gains realized on the disposal of our ADSs unless it carries on a trade in the U.K. through a permanent establishment in the U.K. to which our ADSs are attributable.

Stamp Duty and Stamp Duty Reserve Tax

The following statements apply to all holders, regardless of their jurisdiction of tax residence.

No stamp duty is payable on the issue of our ordinary shares into a depositary receipt system (such as, Mereo understands, that operated by Citibank) or a clearance service (such as, Mereo understands, DTC). Based on current published HMRC practice and case law, no stamp duty reserve tax (“SDRT”) should be payable on the issue of our ordinary shares into a depositary receipt system or a clearance service. Accordingly, no stamp duty or SDRT should be payable on the creation and issue of our ADSs pursuant to the issue of our ordinary shares to Citibank’s custodian.

Transfers of ordinary shares to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts or to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services, will generally be regarded by HMRC as subject to stamp duty or SDRT at 1.5% of the amount or value of the consideration or, in certain circumstances, the value of the ordinary shares transferred. In practice, this liability for stamp duty or SDRT is in general borne by such person depositing the relevant shares in the depositary receipt system or clearance service.

No SDRT or stamp duty should be payable on paperless transfers of, or agreements to transfer, our ADSs through the facilities of DTC.

The transfer on sale of ordinary shares by a written instrument of transfer will generally be liable to U.K. stamp duty at the rate of 0.5% of the amount or value of the consideration for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer ordinary shares outside a depositary receipt system or a clearance service will generally give rise to a liability on the purchaser to SDRT at the rate of 0.5% of the amount or value of the consideration. Such SDRT is payable on the seventh day of the month following the month in which the charge arises, but where an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of that agreement, (i) any SDRT that has not been paid ceases to be payable, and (ii) any SDRT that has been paid may be recovered from HMRC, generally with interest.

PLAN OF DISTRIBUTION

Primary Offering

We may sell the ADSs in one or more of the following ways (or in any combination) from time to time:

- through underwriters or dealers;
- directly to a limited number of purchasers or to a single purchaser;
- in “at-the-market” offerings, within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market on an exchange or otherwise;
- through agents; or
- through any other method permitted by applicable law and described in the applicable prospectus supplement.

The prospectus supplement will state the terms of the offering of the ADSs, including:

- the name or names of any underwriters, dealers or agents;
- the purchase price of such securities and the proceeds to be received by us, if any;
- any underwriting discounts or agency fees and other items constituting underwriters’ or agents’ compensation;
- any initial public offering price;
- any discounts or concessions allowed or reallowed or paid to dealers; and
- any securities exchanges on which the securities may be listed.

Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

- negotiated transactions;
- at a fixed public offering price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to prevailing market prices; or
- at negotiated prices.

Unless otherwise stated in a prospectus supplement, the obligations of the underwriters to purchase any ADSs will be conditioned on customary closing conditions and the underwriters will be obligated to purchase all of such ADSs, if any are purchased.

The ADSs may be sold through agents from time to time. The prospectus supplement will name any agent involved in the offer or sale of the ADSs and any commissions paid to them. Generally, any agent will be acting on a best efforts basis for the period of its appointment.

Sales to or through one or more underwriters or agents in at-the-market offerings will be made pursuant to the terms of a sales agreement with the underwriters or agents. Such underwriters or agents may act on an agency basis or on a principal basis. During the term of any such agreement, ADSs may be sold on a daily basis on any stock exchange, market or trading facility on which the ADSs are traded, in privately negotiated transactions or otherwise as agreed with the underwriters or agents. The distribution agreement will provide that any ADSs sold will be sold at negotiated prices or at prices related to the then prevailing market prices for our ADSs. Therefore, exact figures regarding proceeds that will be raised or commissions to be paid cannot be determined at this time and will be

described in a prospectus supplement. Pursuant to the terms of the distribution agreement, we may also agree to sell, and the relevant underwriters or agents may agree to solicit offers to purchase, blocks of our ADSs. The terms of each such distribution agreement will be described in a prospectus supplement.

We may authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase the ADSs at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The contracts will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth any commissions paid for solicitation of these contracts.

Underwriters and agents may be entitled under agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the underwriters or agents may be required to make.

The prospectus supplement may also set forth whether or not underwriters may over-allot or effect transactions that stabilize, maintain or otherwise affect the market price of the securities at levels above those that might otherwise prevail in the open market, including, for example, by entering stabilizing bids, effecting syndicate covering transactions or imposing penalty bids.

Underwriters and agents may be customers of, engage in transactions with, or perform services for us and our affiliates in the ordinary course of business.

Any underwriters to whom ADSs are sold for public offering and sale may make a market in the securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice.

Secondary Offering

The registration statement of which this prospectus forms a part has been filed in part in respect of, an aggregate of 24,493,416 shares (including those issuable upon the exercise of warrants or conversion of convertible loan notes) consisting of (i) 1,349,692 ordinary shares issuable to AstraZeneca pursuant to the exclusive license and option agreement we entered into with AstraZeneca October 28, 2017, as amended; (ii) 18,555,068 ordinary shares underlying convertible loan notes and warrants issuable to Novartis under the convertible loan and warrant instruments dated February 10, 2020, as amended; (iii) 2,487,816 ordinary shares underlying warrants issuable to Silicon Valley Bank and Kreos Capital V (UK) Limited as lenders under previous loan agreements with them dated August 7, 2017 and September 28, 2018, as adjusted on December 15, 2020 that have been fully repaid; and (iv) 2,100,840 ordinary shares issued to Focus Fund in connection with our partnership agreement entered into April 30, 2021. The holders of such ordinary shares are identified in this prospectus as Selling Shareholders. Any ordinary shares offered and sold in the United States by the Selling Shareholders will be in the form of ADSs. The Selling Shareholders are also permitted to sell ordinary shares not represented by ADSs in private or offshore transactions, which resales are not covered by this prospectus. The Selling Shareholders may, or may not, elect to sell their ordinary shares represented by ADSs as and to the extent that each may individually determine. Such sales, if any, will be made through brokerage transactions on Nasdaq or other securities exchange in the United States at prevailing market prices.

The Selling Shareholders may dispose of all or a portion of their ordinary shares in the form of ADSs from time to time directly or through one or more underwriters, broker-dealers or agents. If ADSs representing our ordinary shares are sold through underwriters or broker-dealers, the Selling Shareholders will be responsible for any applicable underwriting discounts or commissions or agent's

commissions. ADSs representing our ordinary shares may be sold on Nasdaq or any other national securities exchange or quotation service on which the securities may be listed or quoted at the time of disposition, in the over-the-counter market or in transactions otherwise than on these exchanges or systems or in the over-the-counter market and in one or more transactions at fixed prices, at prevailing market prices at the time of the disposition, at varying prices determined at the time of disposition, or at negotiated prices. These dispositions may be effected in transactions, which may involve crosses or block transactions. The Selling Shareholders may use any one or more of the following methods when disposing of their ADSs:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the ADSs as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions and offshore transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the Selling Shareholder to sell a specified number of such ADSs at a stipulated price per ADS;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- a combination of any such methods of disposition; and
- any other method permitted pursuant to applicable law.

The Selling Shareholders also may resell all or a portion of their ordinary shares in offshore transactions or open market transactions in reliance upon Regulation S under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the Selling Shareholders may arrange for other broker-dealers to participate in dispositions. If the Selling Shareholders effects such transactions by selling ADSs representing our ordinary shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive applicable commissions in the form of discounts, concessions or commissions from the Selling Shareholders or commissions from purchasers of ADSs representing our ordinary shares for whom they may act as agent or to whom they may sell as principal. Such commissions, which shall be payable by the Selling Shareholders, will be in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with applicable FINRA rules and regulations.

In connection with dispositions of ADSs representing their ordinary shares, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of ADSs representing their ordinary shares in the course of hedging in positions they assume. The Selling Shareholders may also sell ADSs representing their ordinary shares short and, if such short sale shall take place after the date that the registration statement of which this prospectus forms a part is declared effective by the Securities and Exchange Commission, the Selling Shareholders may deliver ADSs representing such shares to close out short positions and to return borrowed shares in connection with such short sales. The Selling Shareholders may also loan or pledge ADSs representing their ordinary shares to broker-dealers that in turn may sell

such shares, to the extent permitted by applicable law. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of ADSs, which ADSs such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). Notwithstanding the foregoing, the Selling Shareholders have been advised that it may not use their ADSs to cover short sales of our ADSs made prior to the date the registration statement of which this prospectus forms a part has been declared effective by the SEC.

The Selling Shareholders and any broker-dealer or agents participating in the distribution of the ADSs representing their ordinary shares may be deemed to be “underwriters” within the meaning of Section 2(a)(11) of the Securities Act in connection with such dispositions. In such event, any commissions paid, or any discounts or concessions allowed to, any such broker-dealer or agent and any profit on the resale of the ADSs representing our ordinary shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. If the Selling Shareholders are “underwriters” within the meaning of Section 2(a)(11) of the Securities Act they will be subject to the applicable prospectus delivery requirements of the Securities Act including Rule 172 thereunder and may be subject to certain statutory liabilities thereof, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

EXPENSES

The following table sets forth the expenses (other than underwriting discounts and commissions or agency fees and other items constituting underwriters' or agents' compensation, if any) expected to be incurred by us in connection with a possible offering of securities registered under this registration statement.

SEC registration fee	$28,675.25*
FINRA filing fee	$39,925.18**
Legal fees and expenses	(1)
Accounting fees and expenses	(1)
Printing expenses	(1)
Miscellaneous expenses	(1)
Total	$ (1)

* Includes the $9,218 previously paid in connection with unsold securities as set forth in the calculation of registration fee table above.

** Includes the $12,673.88 previously paid in connection with unsold securities as set forth in the calculation of registration fee table above.

(1) To be provided by a prospectus supplement or a Report on Form 6–K that is incorporated by reference into this prospectus.

LEGAL MATTERS

Mayer Brown LLP has passed upon certain legal matters regarding the securities offered hereby. The validity of the ordinary shares underlying the ADSs to be offered pursuant to this prospectus will be passed upon for us by Mayer Brown International LLP. Any underwriters, dealers or agents will be advised by their own legal counsel concerning issues relating to any offering.

EXPERTS

The consolidated financial statements of Mereo BioPharma Group plc appearing in Mereo BioPharma Group plc's Annual Report (Form 20-F) for the year ended December 31, 2020, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The registered business address of Ernst & Young LLP is Apex Plaza, Forbury Road, Reading, RG1 1YE, United Kingdom.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are incorporated and currently existing under the laws of England and Wales. In addition, most of our directors and officers reside outside of the United States and most of our assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process in the United States on us or those persons or to enforce in the United States judgments obtained in United States courts against us or those persons based on the civil liability or other provisions of the United States securities laws or other laws.

In addition, uncertainty exists as to whether the courts of England and Wales would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liabilities provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in England and Wales against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

There is currently no treaty between (i) the United States and (ii) England and Wales providing for reciprocal recognition and enforcement of judgments of United States courts in civil and commercial matters, although the United States and the United Kingdom are both parties to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. A final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the United States securities laws, will not be automatically enforceable in England and Wales. Any final and conclusive monetary judgment for a definite sum obtained against us in United States courts will be treated by the courts of England and Wales as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues will be necessary, provided that:

- the relevant U.S. court had jurisdiction over the original proceedings according to English conflicts of laws principles at the time when proceedings were initiated—in order to establish that, it would be necessary that we either submitted to the U.S. jurisdiction or were resident/present or carrying on business within the U.S. jurisdiction and were duly served with process;
- the U.S. judgment was final and conclusive in the sense of being final and unalterable in the court that pronounced it and being for a definite sum of money and it is currently enforceable in the United States;
- the judgment given by the courts was not in respect of penalties, taxes, fines, or similar fiscal or revenue obligations (or otherwise based on a U.S. law that an English court considers to relate to a penal, revenue or other public law);
- the judgment was not procured by fraud;
- the judgment was not obtained following a breach of a jurisdictional or arbitration clause, unless with the agreement of the defendant or the defendant's subsequent submission to the jurisdiction of the court;
- recognition or enforcement of the judgment in England and Wales would not be contrary to public policy or the Human Rights Act 1998;
- the proceedings pursuant to which judgment was obtained were not contrary to natural justice;
- the U.S. judgment was not arrived at by doubling, trebling, or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the U.K. Protection of Trading Interests Act 1980, or is a judgment based on measures designated by the Secretary of State under Section 1 of that Act or is otherwise unlawful under English law; and

- there is not a prior conflicting decision of an English court or the court of another jurisdiction whose judgment the English court recognizes on the issues in question between the same parties.

Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the United States securities laws, including whether the award of monetary damages under such laws would constitute a penalty, is an issue for the English court making such decision.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. Nevertheless, we cannot assure you that those judgments will be recognized or enforceable in England and Wales.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. These methods generally permit the English court discretion to prescribe the manner of enforcement. In addition, it may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is or becomes subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor. Also note that, in any enforcement proceedings, the judgment debtor may raise any counterclaim that could have been brought if the action had been originally brought in England unless the subject of the counterclaim was in issue and denied in the U.S. proceedings.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-3 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet website that contains reports, proxy and information statements, and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our board members, executive officers, and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at https://www.mereobiopharma.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and our website address is included in this prospectus as an inactive textual reference only.

INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to other documents which we have filed or will file with the SEC. We are incorporating by reference in this prospectus the documents listed below and all amendments or supplements we may file to such documents, as well as any future filings we may make with the SEC on Form 20-F under the Exchange Act before the time that all of the securities offered by this prospectus have been sold or de-registered:

- Our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on March 31, 2021;
- Our report on Form 6-K furnished to the SEC on July 20, 2021; and
- The description of our ordinary shares contained in Item 1 of the Registration Statement on Form 8-A, File No. 001-38452, originally filed with the SEC on April 9, 2018 and subsequently amended on April 15, 2019, as updated by Exhibit 2.2 to the 2020 Form 20-F, including the "Description of Ordinary Shares" and the "Description of American Depositary Shares" contained therein and any amendment or report filed for the purpose of further updating such descriptions.

In addition, any reports on Form 6-K submitted to the SEC by us pursuant to the Exchange Act after the date of the initial registration statement and prior to effectiveness of the registration statement that we specifically identify in such forms as being incorporated by reference into the registration statement of which this prospectus forms a part and all subsequent annual reports on Form 20-F filed after the effective date of this registration statement and prior to the termination of this offering and any reports on Form 6-K subsequently submitted to the SEC or portions thereof that we specifically identify in such forms as being incorporated by reference into the registration statement of which this prospectus forms a part, shall be considered to be incorporated into this prospectus by reference and shall be considered a part of this prospectus from the date of filing or submission of such documents.

As you read the above documents, you may find inconsistencies in information from one document to another. If you find inconsistencies between the documents and this prospectus, you should rely on the statements made in the most recent document. All information appearing in this prospectus is qualified in its entirety by the information and financial statements, including the notes thereto, contained in the documents incorporated by reference herein.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of these filings, at no cost, upon written or oral request to us at the following address:

Mereo BioPharma Group plc
1 Cavendish Place
4th Floor
London, W1G 0QF
United Kingdom
Tel: +44-333-023-7300
Attention: Investor Relations

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The information in this prospectus supplement is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus supplement is not an offer to sell these securities, and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS SUPPLEMENT (Subject to completion) **Dated August 5, 2021**

Up to $50,000,000 American Depositary Shares

Representing Ordinary Shares

We have entered into an Open Market Sale Agreement℠ (the "Sale Agreement") with Jefferies LLC, or Jefferies, relating to the American Depository Shares (the "ADSs") offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the sales agreement, under this prospectus supplement, we may offer and sell our ADSs having an aggregate offering price of up to $50,000,000 from time to time through Jefferies acting as our agent.

Our ADSs are traded on the Nasdaq Global Market, or the Nasdaq, under the symbol "MREO." On August 4, 2021, the last reported sale price of our ADSs on the Nasdaq was $2.60 per ADS.

Sales of our ADSs, if any, under this prospectus supplement will be made by any method deemed to be an "at-the-market offering, as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended (the "Securities Act"). Jefferies is not required to sell any specific amount of securities, but will act as our sales agent using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between Jefferies and us. There is no arrangement for funds to be received in any escrow, trust or similar arrangement.

The compensation to Jefferies for sales of ADSs sold pursuant to the sales agreement will be an amount equal to 3% of the gross proceeds of any ADSs sold under the sales agreement. In connection with the sale of the ADSs on our behalf, Jefferies will be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation of Jefferies will be deemed to be underwriting commissions or discounts. We have also agreed to provide indemnification and contribution to Jefferies with respect to certain liabilities, including liabilities under the Securities Act or the Securities Exchange Act of 1934, as amended. See "Plan of Distribution" beginning on page S-18 for additional information regarding the compensation to be paid to Jefferies.

We are both an "emerging growth company" and a "foreign private issuer" as defined under the Securities Act, and, as such, are subject to reduced public company reporting requirements.

Investing in our ADSs involves a high degree of risk. See "Risk Factors" on page S-8 of this prospectus supplement and in the documents incorporated by reference into this prospectus supplement concerning factors you should consider before investing in our ADSs.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.

Jefferies

The date of this prospectus supplement is , 2021.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which is part of a registration statement that we filed with the SEC using a “shelf” registration process. The accompanying prospectus describes more general information, some of which may not apply to this offering. Under this shelf registration process, we may from time to time sell our ADSs having an aggregate offering price of up to $50,000,000 under this prospectus supplement at prices and on terms to be determined by market conditions at the time of the offering.

Before buying any of the ADSs that we are offering, we urge you to carefully read both this prospectus supplement and the accompanying prospectus together with all of the information incorporated by reference herein, as well as the additional information described under the headings “Where You Can Find More Information” and “Incorporation by Reference.” These documents contain important information that you should consider when making your investment decision.

To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference in this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement, provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date, for example, a document incorporated by reference in this prospectus supplement, the statement in the document having the later date modifies or supersedes the earlier statement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and any related free writing prospectus filed by us with the SEC. We have not, and Jefferies LLC has not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. You should assume that the information appearing in this prospectus supplement, the documents incorporated by reference and any related free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates.

You should also read and consider the information in the documents to which we have referred you in the sections entitled “Where You Can Find More Information” and “Incorporation by Reference” in this prospectus supplement.

Throughout this prospectus, and the documents incorporated by reference, unless otherwise designated, the terms “Mereo,” the “Company,” “we,” “us,” and “our” refer to Mereo BioPharma Group plc and our wholly-owned subsidiaries Mereo BioPharma 1 Limited, Mereo BioPharma 2 Limited, Mereo BioPharma 3 Limited, Mereo BioPharma 4 Limited, Mereo BioPharma 5, Inc. (formerly OncoMed Pharmaceuticals, Inc.), Mereo BioPharma Ireland Limited, Mereo US Holdings Inc. and NAVI Subsidiary, Inc. Our consolidated financial statements also treat Mereo BioPharma Group plc Employee Benefit Trust, an employee benefit trust operated by us, as a wholly-owned subsidiary of ours. References in this prospectus to the “Merger” are to the merger of Mereo MergerCo One Inc. and OncoMed Pharmaceuticals, Inc., with OncoMed Pharmaceuticals, Inc. surviving as a wholly-owned subsidiary of Mereo US Holdings Inc., and as an indirect wholly-owned subsidiary of Mereo BioPharma Group plc pursuant to the Agreement and Plan of Merger and Reorganization, dated December 5, 2018, by and among Mereo BioPharma Group plc, Mereo US Holdings Inc., Mereo MergerCo One Inc. and OncoMed Pharmaceuticals, Inc.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated into it contain statements that constitute forward-looking statements. Many of these forward-looking statements can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “plan,” “potential” and “should,” among others.

Forward-looking statements appear in a number of places in this prospectus supplement, the accompanying prospectus and the documents incorporated into it and include, but are not limited to, statements regarding our intent, belief, or current expectations. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. Such statements are subject to substantial risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors, including, but not limited to, those identified under “Risk Factors.” In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a guarantee by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all.

Forward-looking statements include, but are not limited to, statements about:

- the development of our product candidates, including statements regarding the expected initiation, timing, progress, and availability of data from our clinical trials;
- the potential attributes and benefits of our product candidates and their competitive position;
- our ability to partner or sell our two product candidates, acumapimod for the treatment of AECOPD and leflutrozole for the treatment of infertility and HH in obese men, on attractive terms or at all;
- our ability to successfully commercialize, or enter into strategic relationships with third parties to commercialize, our product candidates, if approved;
- our estimates regarding expenses, future revenues, capital requirements, and our need for additional financing;
- our being subject to ongoing regulatory obligations if our products secure regulatory approval;
- our reliance on third parties to conduct our clinical trials and on third-party suppliers to supply or produce our product candidates;
- the patient market size of any diseases and market adoption of our products by physicians and patients;
- our ability to obtain and maintain adequate intellectual property rights and adequately protect and enforce such rights;
- the duration of our patent portfolio;
- the COVID-19 pandemic and the associated disruptions that could materially impact our business, including, delays to clinical trial supplies, planned clinical developments and our ongoing clinical studies;
- the United Kingdom’s withdrawal from the European Union may adversely impact our ability to obtain regulatory approvals of our product candidates in the European Union and may require us to incur additional expenses in order to develop, manufacture and commercialize our product candidates in the European Union;
- our ability to retain key personnel and recruit additional qualified personnel;
- our ability to manage growth;
- our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments; and
- other risk factors discussed under “Risk Factors.”

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

You should read this prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference in this prospectus supplement, the accompanying prospectus and have filed as exhibits to the registration statement, of which this prospectus supplement is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement or incorporated by reference herein. This summary may not contain all the information that may be important to you, and we urge you to read this entire prospectus supplement carefully, including the risks related to our business, our industry, investing in our ordinary shares, that we describe under "Risk Factors" and our consolidated financial statements, including the notes thereto, included and incorporated by reference in this prospectus supplement, before deciding to invest in our ADSs.

Our Company

We are a biopharmaceutical company focused on the development and commercialization of innovative therapeutics that aim to improve outcomes for oncology and rare diseases. Our existing portfolio consists of six clinical stage product candidates two of which are in ongoing clinical studies, two are partnered for further development and the remaining two will be further developed by a partner. Our lead oncology product candidate, etigilimab (an "anti-TIGIT"), has completed a Phase 1a dose escalation clinical trial in patients with advanced solid tumors and has been evaluated in a Phase 1b study in combination with nivolumab in select tumor types. We recently initiated a Phase1b/2 basket study for etigilimab in combination with an anti-PD-1 in three rare tumors, including sarcoma, several gynecological carcinomas including cervical and endometrial carcinomas and tumors with high mutation burden. On April 30, 2021 we and Cancer Focus Fund, LP ("Focus Fund"), a unique venture capital fund established in collaboration with The University of Texas MD Anderson Cancer Center ("MD Anderson") announced a partnership to evaluate Mereo's etigilimab, in clear cell ovarian cancer, a rare cancer that accounts for approximately 5–10% of all ovarian carcinomas in North America. Our other rare disease product candidates are alvelestat, which is being investigated in an ongoing Phase 2 proof-of-concept study for the treatment of severe AATD,in an investigator-initiated study in hospitalized COVID-19 and in an investigator-initiated study in Bronchiolitis Obliterans Syndrome ("BOS"), and setrusumab for the treatment of OI. Following the announcement of the results for setrusumab in a Phase 2b study in adults with OI which demonstrated a dose dependent increase in bone mineral density and bone strength and alignment with the FDA and the EMA following scientific advice on the pivotal study design for children with OI, we announced a strategic partnership with Ultragenyx Pharmaceutical, Inc. ("Ultragenyx") in December 2020 for the development of setrusumab in children and adults with OI. Ultragenyx have announced their intention to initiate a Phase 2/3 study in children with OI in the second half of 2021 following additional discussions with the regulators.

We plan to develop our product candidates for oncology and rare diseases through the next key clinical milestone and then partner where it makes sense to do so strategically but also in select cases to develop through regulatory approval and potentially commercialization.

Our second oncology product, navicixizumab for the treatment of late line ovarian cancer, has completed a Phase 1b study and has been partnered for further development with OncXerna Therapeutics, Inc. ("OncXerna") on a global basis.

We plan to partner or sell our other two product candidates acumapimod for the treatment of AECOPD and leflutrozole for the treatment of infertility and HH in obese men, recognizing the need for greater resources to take these product candidates to market.

Our strategy is selectively to acquire and develop product candidates for oncology and rare diseases that have already received significant investment from large pharmaceutical and biotechnology companies and that have substantial pre-clinical, clinical and manufacturing data

packages. Since our formation in March 2015, we have successfully executed on this strategy by acquiring six clinical-stage product candidates of which four were in oncology and rare diseases. Four of our six clinical-stage product candidates were acquired from large pharmaceutical companies and two were acquired in the Merger. We aim to efficiently develop our product candidates through the clinic and have successfully commenced or completed large, randomized Phase 2 clinical trials for five of our product candidates.

Oncology and rare diseases represent an attractive development and, in some cases, commercialization opportunity for us since they typically have high unmet medical need and can utilize regulatory pathways that facilitate acceleration to approval and to the potential market. Development of products for oncology and rare diseases both involve close collaboration with key opinion leaders and investigators. Development of rare disease products generally involves close coordination with the patient organizations and patients are treated at a limited number of specialized sites which helps identification of the patient population and enables a small targeted sales infrastructure to commercialize the products in key markets.

Our team has extensive experience in the pharmaceutical and biotechnology sector in the identification, acquisition, development, manufacturing and commercialization of product candidates in multiple therapeutic areas including oncology and rare diseases. Our senior management has long-standing relationships with senior executives of large pharmaceutical and biotechnology companies which we believe enhances our ability to form strategic partnerships on our product candidates and to identify and acquire additional product candidates.

Implications of Being an Emerging Growth Company and a Foreign Private Issuer

Emerging Growth Company

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company we have chosen to take advantage of certain exemptions from various reporting requirements that are applicable to other publicly traded entities that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to shareholder advisory votes, such as “say-on-pay,” “say-on-frequency,” and “say-on-golden parachutes;” and
- not being required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation.

We may take advantage of these provisions until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion; (ii) the last day of 2024; (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during any three-year period.

Foreign Private Issuer

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specific information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Both foreign private issuers and emerging growth companies also are exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer.

As a foreign private issuer, we are permitted to follow the corporate governance practices of our home country in lieu of certain provisions of the Nasdaq. We therefore follow U.K. corporate governance practices in lieu of certain Nasdaq corporate governance requirements including the requirement to seek shareholder approval for certain issuances of equity securities.

Corporate Information

We were incorporated as a private limited company with the legal name Mereo BioPharma Group Limited under the laws of England and Wales on March 10, 2015 with the company number 09481161. On June 3, 2016, we re-registered as a public limited company with the legal name Mereo BioPharma Group plc. Our registered office address is Fourth Floor, One Cavendish Place, London, W1G 0QF, United Kingdom and our telephone number is +44 (0) 33 3023 7300. Our website address is www.mereobiopharma.com. The information contained on, or that can be accessed from, our website does not form part of this prospectus supplement. Our agent for service of process in the United States is Mereo US Holdings Inc.

THE OFFERING	
ADSs Offered by Us	ADSs having an aggregate offering price of up to $50,000,000.
Plan of Distribution	“At the market offering” that may be made from time to time through our sales agent, Jefferies. See “Plan of Distribution.”
Use of Proceeds	We intend to use the net proceeds from this offering, if any, for general corporate purposes, which may include research and development expenses, working capital and general and administrative expenses. See “Use of Proceeds.”
Risk Factors	You should read the “Risk Factors” section of this prospectus supplement for a discussion of factors to consider carefully before deciding to purchase our ADSs.
Nasdaq Global Market Symbol	MREO

RISK FACTORS

Investing in our securities involves significant risks. Before making an investment decision, you should carefully consider the risks described under “Risk Factors” under Item 3.D.—“Risk Factors” in our most recent Annual Report on Form 20-F, and any updates in our Reports on Form 6-K, together with all of the other information appearing in this prospectus supplement, the accompanying prospectus or incorporated by reference into this prospectus supplement, in light of your particular investment objectives and financial circumstances. The risks so described are not the only risks facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. The trading price of our securities could decline due to any of these risks, and you may lose all or part of your investment. The discussion of risks includes or refers to forward-looking statements; you should read the explanation of the qualifications and limitations on such forward-looking statements discussed elsewhere in this prospectus supplement and the accompanying prospectus.

Risks Related to our ADSs

The ADSs offered under this prospectus supplement and the accompanying prospectus may be sold in “at-the-market offerings,” and investors who buy ADSs at different times will likely pay different prices.

Investors who purchase ADSs under this prospectus supplement and the accompanying prospectus at different times will likely pay different prices, and so may experience different outcomes in their investment results. We will have discretion, subject to market demand and the terms of the sales agreement, to vary the timing, prices, and numbers of ADSs sold, and there is no minimum or maximum sales price. Investors may experience declines in the value of their shares as a result of ADS sales made at prices lower than the prices they paid.

The actual number of ADSs we sell, if any, under the sales agreement and the resulting gross proceeds is uncertain.

Subject to certain limitations in the sales agreement and compliance with applicable law, we have the discretion to deliver a sales notice to Jefferies at any time throughout the term of the sales agreement. The number of ADSs that are sold by Jefferies after delivering a sales notice will fluctuate based on the market price of ADSs during the sales period and limits we set with Jefferies, as well as any limits under applicable law or exchange listing rules. Because the price per each ADS sold, if any, will fluctuate based on the market price of the ADSs during the terms of the sales agreement, it is not possible at this stage to predict the number of ADSs that will ultimately be issued, if any.

We have broad discretion in the use of the net proceeds from this offering, and we may not use them effectively.

We currently intend to use the net proceeds from this offering as described in “Use of Proceeds.” However, our board of directors and our management retains broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our ADSs. Our failure to apply these funds effectively could result in financial losses, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Future sales of ADSs could depress the market price of ADSs.

If holders of ADSs sell, or indicate an intent to sell, substantial amounts of ADSs in the public markets, the trading price of our ADSs could decline significantly. These sales might also make it more difficult for us to sell equity securities at a time and price that we otherwise would deem appropriate.

Because we do not anticipate paying any cash dividends on ADSs or ordinary shares in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

Under English law, a company's accumulated realized profits must exceed its accumulated realized losses on a non-consolidated basis before dividends can be paid. Therefore, we must have distributable profits before issuing a dividend. We have not paid dividends in the past on our ordinary shares. Further, we intend to retain future earnings, if any, for use in our business and do not anticipate paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, on ADSs or ordinary shares will be your sole source of gains for the foreseeable future.

Purchasers will experience immediate dilution in the book value per share of the ADSs purchased in the offering.

The ADSs sold in this offering, if any, will be sold from time to time at various prices. However, we expect that the offering price of our ADSs will be substantially higher than the net tangible book value per ADS, and per each underlying ordinary share, prior to this offering. After giving effect to the sale of ADSs in the aggregate amount of $50.0 million at an assumed offering price of $2.60 per ADS, the last reported sale price of our ADSs on August 4, 2021 on the Nasdaq, and after deducting commissions and estimated offering expenses, our as adjusted net tangible book value as of December 31, 2021 would have been £(11.5) million or £(0.03) per ordinary share, equivalent to $(0.04) per ordinary share and $(0.18) per ADS. This represents an immediate increase in net tangible book value of approximately $0.76 per ADS to our existing shareholders and an immediate dilution in as adjusted net tangible book value of $2.78 per ADS to purchasers of ADSs in this offering. See the section titled "Dilution" for a more detailed illustration of the dilution you would incur if you participate in this offering.

You may experience future dilution as a result of future equity offerings.

In order to raise additional capital, we may in the future offer additional ADSs. We cannot assure you that we will be able to sell ADSs or other securities in any other offering at a price per ADS that is equal to or greater than the price per ADS paid by investors in this offering, and investors purchasing ADSs or other securities in the future could have rights superior to existing shareholders. The price per ADS at which we sell additional ADSs in future transactions may be higher or lower than the price per ADS in this offering.

USE OF PROCEEDS

We may issue and sell our ADSs having aggregate sales proceeds of up to $50,000,000 from time to time. Because there is no minimum offering amount required as a condition to close this offering, the actual total public offering amount, commissions and proceeds to us, if any, are not determinable at this time. We intend to use the net proceeds from this offering, if any, for general corporate purposes, which may include research and development expenses, working capital and general and administrative expenses. Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business conditions. As of the date of this prospectus supplement, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the amounts that we will actually spend on the uses set forth above.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the price per ADS you pay in this offering and the net tangible book value per ADS immediately after this offering.

As of December 31, 2020, our net tangible book value was £(46.6) million, or £(0.14) per ordinary share, equivalent to $(0.19) per ordinary share and $(0.94) per ADS, with each ADS representing 5 ordinary shares. Net tangible book value per ordinary share is equal to our total assets minus intangible assets and total liabilities, divided by 338,953,141, the total number of ordinary shares outstanding as of December 31, 2020.

After giving effect to the sale of our ADSs in the aggregate amount of $50.0 million at an assumed offering price of $2.60 per ADS, the last reported sale price of our ADSs on the Nasdaq on August 4, 2021, and after deducting commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2020 would have been £(11.5) million, or £(0.03) per ordinary share, equivalent to $(0.04) per ordinary share and $(0.18) per ADS. This represents an immediate increase in net tangible book value of $0.76 per ADS to our existing shareholders and an immediate dilution in net tangible book value of $2.78 per ADS to new investors in this offering.

The following table illustrates this calculation on a per ADS basis. The as adjusted information is illustrative only and will adjust based on the actual price to the public, the actual number of ADSs sold and other terms of the offering determined at the time our ADSs are sold pursuant to this prospectus supplement. The ADSs sold in this offering, if any, will be sold from time to time at various prices.

Assumed public offering price per ADS		$2.60
Net tangible book value per ADS as of December 31, 2020	$(0.94)	
Increase in net tangible book value per ADS attributable to the offering	$ 0.76	
As adjusted net tangible book value per ADS after giving effect to the offering		$(0.18)
Dilution per ADS to new investors participating in the offering		$ 2.78

The above discussion and table are based on 338,953,141 ordinary shares outstanding as of December 31, 2020 and excludes:

- 18,483,624 ordinary shares issuable upon exercise of outstanding options under our equity plans as of December 31, 2020;
- 310,539,920 ordinary shares issuable upon the exercise of warrants, convertible notes and other committed equity outstanding as of December 31, 2020; and
- 39,675,000 ADSs representing 198,375,000 ordinary shares sold by us in an underwritten public offering completed on February 12, 2021.

To the extent that outstanding options or warrants are exercised or convertible notes converted, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity securities, the issuance of these securities may result in further dilution to our shareholders.

PLAN OF DISTRIBUTION

We have entered into the Sale Agreement with Jefferies, under which we may offer and sell our ADSs from time to time through Jefferies acting as agent. Pursuant to this prospectus supplement we may offer and sell up to $50,000,000 of our ADSs. Sales of our ADSs, if any, under this prospectus supplement and the accompanying prospectus will be made by any method that is deemed to be an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act.

Each time we wish to issue and sell ADSs under the Sale Agreement, we will notify Jefferies of the number of ADSs to be issued, the dates on which such sales are anticipated to be made, any limitation on the number of ADSs to be sold in any one day and any minimum price below which sales may not be made. Once we have so instructed Jefferies, unless Jefferies declines to accept the terms of such notice, Jefferies has agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such ADSs up to the amount specified on such terms. The obligations of Jefferies under the Sale Agreement to sell our ADSs are subject to a number of conditions that we must meet.

The settlement of sales of ADSs between us and Jefferies is generally anticipated to occur on the second trading day following the date on which the sale was made. Sales of our ADSs as contemplated in this prospectus supplement will be settled through the facilities of The Depository Trust Company or by such other means as we and Jefferies may agree upon. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will pay Jefferies a commission equal to 3.0% of the aggregate gross proceeds we receive from each sale of our ADSs. Because there is no minimum offering amount required as a condition to close this offering, the actual total public offering amount, commissions and proceeds to us, if any, are not determinable at this time. In addition, we have agreed to reimburse Jefferies for the fees and disbursements of its counsel in an amount not to exceed $125,000, in addition to certain ongoing disbursements of its legal counsel, unless Jefferies otherwise agrees. In addition, we estimate that the total expenses for the offering, excluding any commissions or expense reimbursement payable to Jefferies under the terms of the sales agreement and ADS issuance fees payable to the depositary bank, will be approximately $300,000. The remaining sale proceeds, after deducting any other transaction fees, will equal our net proceeds from the sale of such ADSs.

Jefferies will provide written confirmation to us before the open on the Nasdaq on the day following each day on which ADSs are sold under the sales agreement. Each confirmation will include the number of ADSs sold on that day, the aggregate gross proceeds of such sales and the proceeds to us.

In connection with the sale of the ADSs on our behalf, Jefferies will be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation of Jefferies will be deemed to be underwriting commissions or discounts. We have agreed to indemnify Jefferies against certain civil liabilities, including liabilities under the Securities Act. We have also agreed to contribute to payments Jefferies may be required to make in respect of such liabilities.

The offering of our ADSs pursuant to the sales agreement will terminate upon the earlier of (i) the sale of all ADSs subject to the sales agreement and (ii) the termination of the sales agreement as permitted therein.

This summary of the material provisions of the sales agreement does not purport to be a complete statement of its terms and conditions. A copy of the sales agreement is filed as an exhibit to the registration statement of which this prospectus supplement forms a part.

Jefferies and its affiliates may in the future provide various investment banking, commercial banking, financial advisory and other financial services for us and our affiliates, for which services they may in the future receive customary fees. In the course of its business, Jefferies may actively trade our securities for its own account or for the accounts of customers, and, accordingly, Jefferies may at any time hold long or short positions in such securities.

A prospectus supplement and the accompanying prospectus in electronic format may be made available on a website maintained by Jefferies, and Jefferies may distribute the prospectus supplement and the accompanying prospectus electronically.

The address of Jefferies LLC is 520 Madison Avenue New York, New York 10022.

LEGAL MATTERS

Mayer Brown LLP has passed upon certain legal matters regarding the securities offered hereby. The validity of the ordinary shares underlying the ADSs to be offered pursuant to this prospectus supplement will be passed upon for us by Mayer Brown International LLP. Jefferies LLC is being represented in connection with this offering by Cooley LLP, New York, New York with respect to U.S. law and Cooley (UK) LLP with respect to certain matters of English law.

EXPERTS

The consolidated financial statements of Mereo BioPharma Group plc appearing in Mereo BioPharma Group plc's Annual Report (Form 20-F) for the year ended December 31, 2020, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The registered business address of Ernst & Young LLP is Apex Plaza, Forbury Road, Reading, RG1 1YE, United Kingdom.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-3 under the Securities Act. This prospectus supplement, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus supplement relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet website that contains reports, proxy and information statements, and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our board members, executive officers, and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at https://www.mereobiopharma.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus supplement and our website address is included in this prospectus supplement as an inactive textual reference only.

INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" information into this prospectus supplement, which means that we can disclose important information to you by referring you to other documents which we have filed or will file with the SEC. We are incorporating by reference in this prospectus supplement the documents listed below and all amendments or supplements we may file to such documents, as well as any future filings we may make with the SEC on Form 20-F under the Exchange Act before the time that all of the securities offered by this prospectus supplement have been sold or de-registered:

- Our Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on March 31, 2021;
- Our report on Form 6-K furnished to the SEC on July 20, 2021; and
- The description of our ordinary shares contained in Item 1 of the Registration Statement on Form 8-A, File No. 001-38452, originally filed with the SEC on April 9, 2018 and subsequently amended on April 15, 2019, as updated by Exhibit 2.2 to the 2020 Form 20-F, including the "Description of Ordinary Shares" and the "Description of American Depositary Shares" contained therein and any amendment or report filed for the purpose of further updating such descriptions.

In addition, any reports on Form 6-K submitted to the SEC by us pursuant to the Exchange Act after the date of the initial registration statement and prior to effectiveness of the registration statement that we specifically identify in such forms as being incorporated by reference into the registration statement of which this prospectus supplement forms a part and all subsequent annual reports on Form 20-F filed after the effective date of this registration statement and prior to the termination of this offering and any reports on Form 6-K subsequently submitted to the SEC or portions thereof that we specifically identify in such forms as being incorporated by reference into the registration statement of which this prospectus supplement forms a part, shall be considered to be incorporated into this prospectus supplement by reference and shall be considered a part of this prospectus supplement from the date of filing or submission of such documents.

As you read the above documents, you may find inconsistencies in information from one document to another. If you find inconsistencies between the documents and this prospectus supplement, you should rely on the statements made in the most recent document. All information appearing in this prospectus supplement is qualified in its entirety by the information and financial statements, including the notes thereto, contained in the documents incorporated by reference herein.

We will provide to each person, including any beneficial owner, to whom this prospectus supplement is delivered, a copy of these filings, at no cost, upon written or oral request to us at the following address:

Mereo BioPharma Group plc
1 Cavendish Place
4th Floor
London, W1G 0QF
United Kingdom
Tel: +44-333-023-7300
Attention: Investor Relations

You should rely only on the information incorporated by reference or provided in this prospectus supplement. We have not authorized anyone else to provide you with different or additional information. An offer of these securities is not being made in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement is accurate as of any date other than the date on the front of those documents.

Table of Contents

Up to $50,000,000 American Depositary Shares

Representing Ordinary Shares

PROSPECTUS SUPPLEMENT

Jefferies

, 2021

PART II—INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 8. Indemnification of directors and officers

The Articles of Association of Mereo BioPharma Group plc ("Mereo," the "Company" or the "registrant") provide that Mereo may indemnify the directors and other officers of Mereo in respect of any proceedings, whether civil or criminal, brought against them by reason of their being directors or officers of Mereo and to the fullest extent permitted by the Companies Act 2006 of the United Kingdom ("CA 2006").

Generally, under CA 2006, any provision by which Mereo directly or indirectly provides an indemnity (to any extent) for a director of Mereo or of an "associated company" (i.e., a company that is a parent, subsidiary or sister company of Mereo) against any liability attaching to him or her in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he or she is a director is (subject to certain exceptions specified under CA 2006) void.

Mereo has entered into a deed of indemnity with each of its directors. Except as prohibited by applicable law, these deeds of indemnity may require Mereo, among other requirements, to indemnify its directors and executive officers for certain expenses, including attorneys' fees, costs and expenses incurred by such directors and executive officers with the prior written consent of Mereo in any action or proceeding arising out of their service as a director or executive officer of Mereo, or one of its subsidiaries.

Mereo maintains directors' and officers' insurance coverage, which, subject to policy terms and limitations, is expected to include coverage to reimburse Mereo for amounts that it may be required or permitted by law to pay directors or officers of Mereo.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), may be permitted to directors, officers or persons controlling Mereo pursuant to the foregoing provisions, Mereo has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Item 9. Exhibits and financial statements

(a) **Exhibits**. The exhibits to this registration statement are listed in the Exhibit Index to this registration statement and incorporated herein by reference.

(b) **Financial Statement Schedules**. Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in our combined financial statements or the notes thereto.

Item 10. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set

forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) (§ 230.424(b) of this chapter) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and a(l)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Exchange Act of 1934 need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Securities Act if such financial statements and information are contained in periodic reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Form F-3.

(5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the

first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered

therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c)-(g) Not applicable.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referred to in Item 8, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement.
1.2***	Open Market Sale Agreement℠, dated August 5, 2021, by and between Mereo BioPharma Group plc and Jefferies LLC.
4.1**	Form of Deposit Agreement (incorporated by reference to Exhibit 4.2 to the registrant's registration statement on Form F-4 filed with the SEC on January, 25, 2019 (File No. 333-229351)).
4.2**	Form of American Depositary Receipt (included in Exhibit 4.1).
4.3***	Deed of Amendment and Restatement relating to a Subscription Deed, dated May 14, 2021, by and between Mereo BioPharma Group plc and AstraZeneca AB.
4.4***	Deed of Consent and Amendment to Warrant Instruments, dated December 15, 2020, by and between Mereo Biopharma Group plc, Kreos Capital V (UK) Limited and Silicon Valley Bank.
4.5**	Deed of Consent and Amendment to Note Instrument, dated November 24, 2020, between Mereo BioPharma Group plc and Novartis Pharma AG (incorporated by reference to Exhibit 4.30 to the registrant's Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on March 31, 2021 (File No. 001-38452)).
4.6**	Deed of Consent and Amendment to Warrant Instrument, dated November 24, 2020, between Mereo BioPharma Group plc and Novartis Pharma AG (incorporated by reference to Exhibit 4.31 to the registrant's Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on March 31, 2021 (File No. 001-38452)).
4.7**	Loan Agreement, dated September 28, 2018, by and among Mereo BioPharma Group plc, as borrower, the guarantors party thereto, Silicon Valley Bank, as a lender, and Kreos Capital V (UK) Limited, as a lender, agent and security agent.
4.7.1**	Deed of Consent and Amendment, dated April 17, 2019, by and among Mereo BioPharma Group plc, as borrower, the guarantors party thereto, Silicon Valley Bank, as a lender, and Kreos Capital V (UK) Limited, as a lender, agent and security agent.
4.8**	Exclusive License and Option Agreement, dated October 28, 2017, by and between Mereo BioPharma 4 Limited and AstraZeneca AB (incorporated by reference to Exhibit 4.13 to the registrant's Annual Report on Form 20-F for the year ended December 31, 2020, filed with the SEC on March 31, 2021 (File No. 001-38452)).
5.1***	Opinion of Mayer Brown International LLP.
23.1***	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2***	Consent of Mayer Brown International LLP (included in Exhibit 5.1).

* To be subsequently filed, if applicable, by an amendment to this registration statement or by a Report on Form 6-K.
** Previously filed.
*** Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in London, the United Kingdom on August 5, 2021.

MEREO BIOPHARMA GROUP PLC

By: /s/ Denise Scots-Knight, Ph.D.
Name: Denise Scots-Knight, Ph.D.
Title: Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENT, that each person whose signature appears below hereby constitutes and appoints Denise Scots-Knight, Ph.D., as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead in any and all capacities, in connection with this registration statement, including to sign in the name and on behalf of the undersigned, this registration statement and any and all amendments thereto, including post-effective amendments and registrations filed pursuant to Rule 462 under the U.S. Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on August 5, 2021 in the capacities indicated:

Name	Title
/s/ Denise Scots-Knight, Ph.D. Denise Scots-Knight, Ph.D.	Chief Executive Officer and Member of the Board (Principal Executive Officer)
/s/ Christine Fox Christine Fox	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
/s/ Peter Fellner, Ph.D. Peter Fellner, Ph.D.	Chairman of the Board
/s/ Peter Bains Peter Bains	Member of the Board
/s/ Jeremy Bender, Ph.D. Jeremy Bender, Ph.D.	Member of the Board

Name	Title
/s/ Anders Ekblom, M.D., Ph.D. Anders Ekblom, M.D., Ph.D.	Member of the Board
/s/ Kunal Kashyap Kunal Kashyap	Member of the Board
/s/ Deepika R. Pakianathan, Ph.D. Deepika R. Pakianathan, Ph.D.	Member of the Board
/s/ Brian Schwartz Brian Schwartz	Member of the Board
/s/ Michael Wyzga Michael Wyzga	Deputy Chair

SIGNATURE OF AUTHORIZED U.S. REPRESENTATIVE OF REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Mereo BioPharma Group plc has signed this registration statement on August 5, 2021.

Mereo US Holdings Inc.

By: /s/ Denise Scots-Knight, Ph.D.
Name: Denise Scots-Knight, Ph.D.
Title: President

Exhibit 1.2

OPEN MARKET SALE AGREEMENT[SM]

August 5, 2021

JEFFERIES LLC
520 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales with registered number 09481161 (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell from time to time through Jefferies LLC, as sales agent and/or principal (the "**Agent**"), American Depositary Shares of the Company (the "**ADSs**"), each representing five ordinary shares, nominal value £0.003 per share in the capital of the Company (the "**Ordinary Shares**"), on the terms set forth in this agreement (this "**Agreement**").

The ADSs shall be issued pursuant to a deposit agreement, dated as of April 23, 2019, by and among the Company, Citibank, N.A., as depositary (the "**Depositary**"), and all holders and beneficial holders of the ADSs issued thereunder, as supplemented by a letter agreement, to be entered into by and between the Company and the Depositary addressing the establishment and maintenance of a facility related to the ADSs that are contemplated to be issued pursuant to this Agreement (collectively, the "**Deposit Agreement**"),. The Company shall, following subscription by the Agent of the ADSs, deposit, on behalf of the Agent, the Ordinary Shares represented by such ADSs (the "**Underlying Shares**") with Citibank N.A., London Branch, as custodian for the Depositary (the "**Custodian**"), pursuant to which the Depositary shall deliver the ADSs to the Agent.

References in this Agreement to (1) the Company issuing and selling ADSs through the Agent, and similar or analogous expressions, shall be understood to include references to the Company allotting and issuing the new Ordinary Shares underlying those ADSs to the Depositary or its nominee and procuring the issue of ADSs representing such Ordinary Shares by the Depositary or its nominee to the Agent (acting as agent and/or principal); and (2) the purchase of, or payment for, any ADSs, and similar or analogous expressions, shall be understood to refer to the subscription for the Ordinary Shares underlying those ADSs, as well as deposit of the Ordinary Shares for ADSs representing such Ordinary Shares, and the payment of the subscription moneys in respect of such Ordinary Shares.

SM "Open Market Sale Agreement" is a service mark of Jefferies LLC

Section 1. DEFINITIONS

(a) Certain Definitions. For purposes of this Agreement, capitalized terms used herein and not otherwise defined shall have the following respective meanings:

"**Affiliate**" of a Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first- mentioned Person. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agency Period**" means the period commencing on the date of this Agreement and expiring on the earliest to occur of (x) the date on which the Agent shall have placed the Maximum Program Amount pursuant to this Agreement and (y) the date this Agreement is terminated pursuant to Section 7.

"**CA 2006**" means the UK Companies Act 2006, as amended.

"**Commission**" means the U.S. Securities and Exchange Commission.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"**Floor Price**" means the minimum price set by the Company in the Issuance Notice below which the Agent shall not sell Shares (as defined below) during the applicable period set forth in the Issuance Notice, which may be adjusted by the Company at any time during the period set forth in the Issuance Notice by delivering written notice of such change to the Agent and which in no event shall be less than $1.00 without the prior written consent of the Agent, which may be withheld in the Agent's sole discretion.

"**Issuance Amount**" means the aggregate Sales Price of the Shares to be sold by the Agent pursuant to any Issuance Notice.

"**Issuance Notice**" means a written notice delivered to the Agent by the Company in accordance with this Agreement in the form attached hereto as Exhibit A that is executed by its Chief Executive Officer, President or Chief Financial Officer.

"**Issuance Notice Date**" means any Trading Day during the Agency Period that an Issuance Notice is delivered pursuant to Section 3(b)(i).

"**Issuance Price**" means the Sales Price less the Selling Commission.

"**Maximum Program Amount**" means Shares with an aggregate Sales Price of the lesser of (a) the number or dollar amount of Underlying Shares registered under the effective Registration Statement (defined below) pursuant to which the offering is being made, (b) the number of authorized but unissued Ordinary Shares (less Ordinary Shares issuable upon exercise, conversion or exchange of any outstanding securities of the Company or otherwise reserved from the Company's authorized capital stock), (c) the number of Ordinary Shares representing the pound sterling nominal amount of Ordinary Shares that the Company's board of directors or a duly authorized committee thereof is authorized to allot from time to time, in accordance with the Company's articles of association and pursuant to a valid authority under section 551 of the CA 2006 and a valid power under section 570 of the CA 2006 to allot Ordinary Shares as if section

561 of the CA 2006 did not apply (less Ordinary Shares issuable upon exercise, conversion or exchange of any outstanding securities of the Company or otherwise reserved from the Company's authorized capital stock), (d) the number or dollar amount of Ordinary Shares, represented by ADSs, permitted to be sold under Form F-3 (including General Instruction I.B.5 thereof, if applicable) and Form F-6, as applicable, or (e) the number or dollar amount of ADSs for which the Company has filed a Prospectus (defined below).

"**Person**" means an individual or a corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental authority or other entity of any kind.

"**Principal Market**" means the Nasdaq Global Market or such other national securities exchange on which the ADSs, including any Shares, are then listed.

"**Sales Price**" means the actual sale execution price of each Share placed by the Agent pursuant to this Agreement.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.

"**Selling Commission**" means three percent (3.0%) of the gross proceeds of Shares sold pursuant to this Agreement, or as otherwise agreed between the Company and the Agent with respect to any Shares sold pursuant to this Agreement and being compliant with the CA 2006.

"**Settlement Date**" means the second business day following each Trading Day during the period set forth in the Issuance Notice on which Shares are sold pursuant to this Agreement, when the Company shall deliver to the Agent the amount of Shares sold on such Trading Day and the Agent shall deliver to the Company the Issuance Price received on such sales.

"**Shares**" shall mean the Company's ADSs issued or issuable pursuant to the Deposit Agreement and upon the transactions contemplated by this Agreement.

"**Trading Day**" means any day on which the Principal Market is open for trading.

Section 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to, and agrees with, the Agent that as of (1) the date of this Agreement, (2) each Issuance Notice Date, (3) each Settlement Date, (4) each Triggering Event Date and (5) as of each Time of Sale (each of the times referenced above is referred to herein as a "**Representation Date**"), except as may be disclosed in the Prospectus (including any documents incorporated by reference therein and any supplements thereto) on or before a Representation Date:

(a) Registration Statement. The Company has prepared and filed, or will file, with the Commission a shelf registration statement on Form F-3 that contains a base prospectus (the "**Base Prospectus**"). Such registration statement registers the issuance and sale by the Company of the Underlying Shares under the Securities Act. The Company may file one or more additional registration statements from time to time that will contain a base prospectus and related prospectus or prospectus supplement, if applicable, with respect to the Shares. Except where the context otherwise requires, such registration statement(s), including any information deemed to be a part thereof pursuant to Rule 430B under the Securities Act, including all financial statements, exhibits and schedules thereto and all documents incorporated or deemed to be incorporated therein by reference pursuant to Item 6 of Form F-3 under the Securities Act as from time to time amended or supplemented, is herein referred to as the "**Registration Statement,**" and the prospectus constituting a part of such registration statement(s), together with any prospectus supplement filed with the Commission pursuant to Rule 424(b) under the Securities Act relating to a particular issuance of the Shares, including all documents incorporated or deemed to be incorporated therein by reference pursuant to Item 6 of Form F-3 under the Securities Act, in each case, as from time to time amended or supplemented, is referred to herein as the "**Prospectus,**" except that if any revised prospectus is provided to the Agent by the Company for use in connection with the offering of the Shares that is not required to be filed by the Company pursuant to Rule 424(b) under the Securities Act, the term "**Prospectus**" shall refer to such revised prospectus from and after the time it is first provided to the Agent for such use. The Registration Statement at the time it originally became effective is herein called the "**Original Registration Statement.**" As used in this Agreement, the terms "amendment" or "supplement" when applied to the Registration Statement or the Prospectus shall be deemed to include the filing by the Company with the Commission of any document under the Exchange Act after the date hereof that is or is deemed to be incorporated therein by reference. The Company and the Depositary have filed with the Commission a registration statement on Form F-6 (No. 333-249338) and a registration statement on Form F-6 to be filed on the date of this Registration Statement or as soon as practicable thereafter covering the registration of the ADSs under the Securities Act. The registration statements relating to the ADSs are hereinafter referred to as the "**ADS Registration Statement**."

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Registration Statement, the ADS Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in or otherwise deemed under the Securities Act to be a part of or included in the Registration Statement, the ADS Registration Statement or the Prospectus, as the case may be, as of any specified date; and all references in this Agreement to amendments or supplements to the Registration Statement, the ADS Registration Statement or the Prospectus shall be deemed to mean and include, without limitation, the filing of any document under the Exchange Act which is or is deemed to be incorporated by reference in or otherwise deemed under the Securities Act to be a part of or included in the Registration Statement, the ADS Registration Statement or the Prospectus, as the case may be, as of any specified date.

At the time the Original Registration Statement was or will be declared effective and at the time the Company's most recent annual report on Form 20-F was filed with the Commission, if later, the Company met the then-applicable requirements for use of Form F-3 under the Securities Act. During the Agency Period, each time the Company files an annual report on Form 20-F the Company will meet the then-applicable requirements for use of Form F-3 under the Securities Act.

(b) Compliance with Registration Requirements. The Original Registration Statement and any Rule 462(b) Registration Statement have been or will be declared effective by the Commission under the Securities Act. The Company has complied or will comply to the Commission's satisfaction with all requests of the Commission for additional or supplemental information. No stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

The Prospectus when filed complied or will comply in all material respects with the Securities Act and, if filed with the Commission through its Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**") (except as may be permitted by Regulation S T under the Securities Act), was identical to the copy thereof delivered to the Agent for use in connection with the issuance and sale of the Shares. Each of the Registration Statement, the ADS Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendment thereto, at the time it became or becomes effective and at each Representation Date, complied and will comply in all material respects with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the date of this Agreement, the Prospectus and any Free Writing Prospectus (as defined below) considered together (collectively, the "**Time of Sale Information**") did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus, as amended or supplemented, as of its date and at each Representation Date, did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the three immediately preceding sentences do not apply to statements in or omissions from the Registration Statement, the ADS Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information relating to the Agent furnished to the Company in writing by the Agent expressly for use therein, it being understood and agreed that the only such information furnished by the Agent to the Company consists of the information described in Section 6 below. There are no contracts or other documents required to be described in the Prospectus or to be filed as exhibits to the Registration Statement which have not been described or filed as required. The Registration Statement and the offer and sale of the Shares as contemplated hereby meet the requirements of Rule 415 under the Securities Act and comply in all material respects with said rule.

(c) Ineligible Issuer Status. The Company is not an "ineligible issuer" in connection with the offering of the Shares pursuant to Rules 164, 405 and 433 under the Securities Act. Any Free Writing Prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act. Each Free Writing Prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or

used or referred to by the Company complies or will comply in all material respects with the requirements of Rule 433 under the Securities Act including timely filing with the Commission or retention where required and legending, and each such Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the issuance and sale of the Shares did not, does not and will not include any information that conflicted, conflicts with or will conflict with the information contained in the Registration Statement, the ADS Registration Statement or the Prospectus, including any document incorporated by reference therein. Except for the Free Writing Prospectuses, if any, and electronic road shows, if any, furnished to the Agent before first use, the Company has not prepared, used or referred to, and will not, without the Agent's prior consent, prepare, use or refer to, any Free Writing Prospectus.

(d) Incorporated Documents. The documents incorporated or deemed to be incorporated by reference in the Registration Statement, the ADS Registration Statement and the Prospectus, at the time they were filed with the Commission, complied in all material respects with the requirements of the Exchange Act, as applicable, and, when read together with the other information in the Prospectus, do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) Exchange Act Compliance. The documents incorporated or deemed to be incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the Commission, and any Free Writing Prospectus or amendment or supplement thereto complied and will comply in all material respects with the requirements of the Exchange Act, and, when read together with the other information in the Prospectus, at the time the Registration Statement, the ADS Registration Statement and any amendments thereto become effective and at each Time of Sale (as defined below), as the case may be, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Emerging Growth Company Status. From the time of the initial filing of the Registration Statement with the Commission through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"), unless the Company has notified the Agent that it is no longer an Emerging Growth Company. During the Agency Period, the Company agrees to notify the Agent as soon as practicable upon the Company ceasing to be an Emerging Growth Company.

(g) Stamp Taxes. Except as described in the Registration Statement and the Prospectus, no stamp duty, stamp duty reserve, registration, stamp or other issuance or transfer taxes or other similar taxes or duties ("**Transfer Taxes**") are payable in the United States or United Kingdom by or on behalf of the Agent in connection with (i) the issuance of Underlying Shares by the Company or the deposit of the Underlying Shares by the Company in accordance with the terms of the Deposit Agreement against the issuance of the Shares; (ii) the issuance by the Depositary of the Shares (or Shares evidenced by American Depositary Receipts ("ADRs")) in accordance with the terms of the Deposit Agreement; (iii) the sale, agreement to sell, issuance or delivery of the Shares (or Shares evidenced by ADRs) to the Agent in the manner contemplated by this Agreement and the Deposit Agreement; (iv) the initial sale, agreement to sell or delivery by the Agent of the Shares (or Shares evidenced by ADRs) to or for the account of purchasers thereof in the manner contemplated by this Agreement and the Deposit Agreement; or (v) the execution and delivery of this Agreement or the Deposit Agreement.

(h) Dividends and Distributions. Except as described in the Prospectus, all dividends and other distributions declared and payable on the Ordinary Shares may under applicable English law and regulations be paid to the Depositary in pounds sterling and may be converted into foreign currency that may be transferred out of the United Kingdom in accordance with the Deposit Agreement. Except as disclosed in the Prospectus, no subsidiary of the Company (each, a "**Subsidiary**" and, collectively, the "**Subsidiaries**") is prohibited or restricted, directly or indirectly, from paying dividends to the Company, or from making any other distribution with respect to such Subsidiary's equity securities or from repaying to the Company or any other Subsidiary of the Company any amounts that may from time to time become due under any loans or advances to such subsidiary from the Company or from transferring any property or assets to the Company or to any other Subsidiary.

(i) Foreign Private Issuer. The Company is a "foreign private issuer" within the meaning of Rule 405 under the Securities Act, unless the Company has notified the Agent that it is no longer a Foreign Private Issuer. During the Agency Period, the Company agrees to notify the Agent as soon as practicable upon the Company ceasing to be a Foreign Private Issuer.

(j) Independent Accountants. The accountants who certified the audited financial statements of the Company included or incorporated by reference in the Registration Statement and the Prospectus are an independent registered public accounting firm as required by, and delivered their report thereon in compliance with, the Securities Act and the Public Company Accounting Oversight Board (United States) ("**PCAOB**"), and which is registered as a public accounting firm as defined by the PCAOB whose registration has not been suspended or revoked and who has not requested such registration to be withdrawn.

(k) Financial Statements. The consolidated financial statements of the Company included or incorporated by reference in the Registration Statement and the Prospectus, together with the related notes, comply as to form in all material respects with Regulation S-X under the Securities Act and present fairly, in all material respects, the financial position of the Company and its consolidated Subsidiaries at the dates indicated and the results of operations and cash flows of the Company and its consolidated Subsidiaries for the periods specified; said financial statements have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") applied on a consistent basis throughout the periods involved except as may be expressly stated in the related notes thereto. The interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement and the Prospectus fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto. No other financial statements or supporting schedules are required to be included in the Registration Statement or the Prospectus. The financial data set forth in each of the Registration Statement and the Prospectus under the caption "Capitalization" fairly presents the information set forth therein on a basis consistent with that of the audited financial statements

contained in the Registration Statement and the Prospectus. To the Company's knowledge, no person who has been suspended or barred from being associated with a registered public accounting firm, or who has failed to comply with any sanction pursuant to Rule 5300 promulgated by the PCAOB, has participated in or otherwise aided the preparation of, or audited, the financial statements, supporting schedules or other financial data filed with the Commission as a part of the Registration Statement and the Prospectus.

(l) Compliance with the Sarbanes-Oxley Act of 2002. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply in all material respects with any applicable provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(m) No Material Adverse Effect to Business. Except as otherwise stated therein, since the respective dates as of which information is given in the Registration Statement or the Prospectus, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "**Material Adverse Effect**"), (B) there have been no transactions entered into by the Company or any of its Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its Subsidiaries considered as one enterprise, (C) there have been no material liabilities or obligations, direct or contingent, entered into by the Company or any of its Subsidiaries and (D) there has been no dividend or distribution of any kind declared, paid or made by the Company or any of its Subsidiaries on any class of share capital, or any repurchase or redemption by the Company or any of its Subsidiaries of any class of share capital.

(n) Incorporation and Good Standing of the Company. The Company has been duly incorporated and is validly existing as a public limited company under the laws of England and Wales and has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing (to the extent such concept applies) in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified or to be in good standing would not reasonably be expected to result in a Material Adverse Effect.

(o) Incorporation/Organization and Good Standing of the Company's Subsidiaries. Each Subsidiary has been duly incorporated or organized and is validly existing in good standing (to the extent such concept applies) under the laws of the jurisdiction of its incorporation or organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus and is duly qualified to transact business and is in good standing (to the extent such concept applies) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to be so qualified or to be in good standing (to the extent such concept applies) would not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed in the Registration Statement and the

Prospectus, all of the issued and outstanding share capital or capital stock or other equity ownership interests (as applicable) of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable (to the extent such concept applies) and is owned by the Company, directly or through Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. The constitutive or organizational documents of each Subsidiary comply in all material respects with the requirements of applicable laws of its jurisdiction of incorporation and are in full force and effect. None of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only Subsidiaries of the Company are the entities listed on Exhibit 8.1 to the Company's Annual Report on Form 20-F, as filed with the Commission, for its most recently completed fiscal year.

(p) Capitalization. (i) The issued and outstanding share capital of the Company is as set forth in the Registration Statement and the Prospectus. The issued and outstanding Ordinary Shares of the Company have been duly authorized and are validly issued and fully paid and no further contribution of capital in respect of such Ordinary Shares will be required to be made to the Company by the holders of such shares by reason solely of them being such holders. The issued and outstanding ADSs have been duly authorized and are validly issued. None of the issued and outstanding Ordinary Shares of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company. (ii) The Underlying Shares may be issued to the Custodian or its nominee against payment therefor to the Company following which the Depositary will issue ADSs against the deposit of the Underlying Shares and at the time of issue such issuance of Underlying Shares will be within all authorizations of the directors for the issuance of Ordinary Shares under the CA 2006. Upon due issuance by the Depositary of the ADSs against the deposit of the Underlying Shares in respect thereof in accordance with the provisions of the Deposit Agreement, such ADSs will be duly and validly issued and the persons in whose names the ADSs are registered will be entitled to the rights specified therein and in the Deposit Agreement. Except as disclosed in the Registration Statement, the allotment and issue of the Underlying Shares in the form of ADSs by the Company and the deposit of the Underlying Shares with the Depositary or its nominee and the issuance of the ADSs representing such Underlying Shares as contemplated by this Agreement and the Deposit Agreement will not trigger any anti-dilution or preemptive or similar rights of any holder of any Ordinary Shares or ADSs, securities convertible into or exchangeable or exercisable for Ordinary Shares or ADSs or options, warrants or other rights to purchase Ordinary Shares or ADSs or any other securities of the Company with respect to such Ordinary Shares, ADSs, securities, options, warrants or rights, save for any rights of preemption under the CA 2006 that will, at the time of allotment of the Underlying Shares, have been validly waived or disapplied. The Deposit Agreement and the or ADSs conform in all material respects to each description thereof in the Registration Statement and the Prospectus. Each holder of ADSs issued pursuant to the Deposit Agreement shall be entitled, subject to the Deposit Agreement, to seek enforcement of its rights in a direct suit, action or proceeding against the Company. (iii) There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or its Subsidiaries other than those described in the Registration Statement and the Prospectus.

(q) This Agreement. The Company has the corporate power to enter into this Agreement and this Agreement has been duly authorized, executed and delivered by the Company.

(r) Authorization and Description of Ordinary Shares. On each Settlement Date, the Company and its directors will have the power and authority to allot and issue the Underlying Shares to be delivered on such Settlement Date pursuant to this Agreement without further sanction or consent by any securityholder of the Company (including under section 551 of the CA 2006) and, when the Underlying Shares are issued and allotted by the Company to the Custodian (or its nominee) and the ADSs are issued and delivered pursuant to the Deposit Agreement against payment of the consideration therefor, those ADSs (and the Underlying Shares) will be validly issued and fully paid without any encumbrance or call for payment of further capital; and on each Settlement Date, the issuance of the Underlying Shares will not be subject to the preemptive or other similar rights of any securityholder of the Company (including under section 561 of the CA 2006), or any such rights will have been validly disapplied. The Underlying Shares will rank equally in all respects with the existing Ordinary Shares. The Ordinary Shares will conform in all material respects to all statements relating thereto contained in the Registration Statement and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same.

(s) Authorization of Deposit Agreement. The Deposit Agreement has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the Depositary, constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except as rights to indemnification thereunder may be limited by applicable law and public policy considerations and subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; upon due issuance by the Depositary of the ADSs against the deposit of the Underlying Shares in respect thereof in accordance with the provisions of the Deposit Agreement, such ADSs will be duly and validly issued, and the persons in whose names the ADSs are registered will be entitled to the rights specified therein, respectively, and in the Deposit Agreement; and the Deposit Agreement and the ADSs conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus. There has been no change in the Company's agreement with the Depositary in connection with any pre-release of the ADSs and no such change is currently contemplated.

(t) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale or sold by the Company under the Securities Act pursuant to this Agreement, other than those rights that have been disclosed in the Registration Statement and the Prospectus and have been waived.

(u) Absence of Violations, Defaults and Conflicts. Neither the Company nor any Subsidiary is (A) in violation of its articles of association, charter, by-laws or similar constitutive or organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any Subsidiary is a party or by which either of them may be bound or to which any of the properties or assets of the Company or any Subsidiary is subject (collectively, "**Agreements and Instruments**"), or (C) in violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency

or other authority, body or agency having jurisdiction over the Company or its Subsidiaries or any of their respective properties, assets or operations (each, a "**Governmental Entity**"), except in the case of each of (B) and (C) above, for such defaults or violations that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the performance of the Deposit Agreement and the consummation of the transactions contemplated herein or therein and in the Registration Statement and the Prospectus (including the allotment and issuance of the Underlying Shares and Shares and deposit with the Custodian or its nominee of the Underlying Shares and the use of the proceeds from the sale of the Shares as described therein under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action by the Company and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or its Subsidiaries pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter, by-laws or similar organizational document of the Company or its Subsidiaries or any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a "**Repayment Event**" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or its Subsidiaries.

(v) Stock Exchange Listing. The ADSs are registered pursuant to Section 12(b) of the Exchange Act and are listed on the Principal Market and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the ADSs under the Exchange Act or delisting the ADSs from the Principal Market, nor has the Company received any notification that the Commission or the Principal Market is contemplating terminating such registration or listing. To the Company's knowledge, it is in compliance with all applicable listing requirements of the Principal Market.

(w) Absence of Labor Dispute. No labor dispute with the employees of the Company or its Subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, would reasonably be expected to result in a Material Adverse Effect.

(x) Absence of Monitoring Agreements. Neither the Company nor any of its Subsidiaries is a party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any governmental or regulatory authority. The Company and each of its Subsidiaries is in compliance with all applicable U.S. or non-U.S. laws, rules, regulations, orders and decrees governing its business and the regulation of pharmaceuticals or biohazardous substances or materials, including without limitation the U.S. federal Food, Drug and Cosmetic Act, U.S. data privacy and securities laws and U.S. health care fraud and abuse laws, except where noncompliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(y) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, allotment or issuance of the ADSs or the issuance and deposit with the Custodian or its nominee of the Underlying Shares hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained or as may be required under the Securities Act, the rules of the Principal Market, state securities laws or the rules of the Financial Industry Regulatory Authority, Inc. ("**FINRA**").

(z) Possession of Licenses and Permits. The Company and each of its Subsidiaries possess all licenses, certificates, authorizations and permits issued by, and has made all declarations and filings with, the appropriate U.S. or non-U.S. governmental or regulatory authorities of competent jurisdiction (including, without limitation, the FDA, the EMA or comparable U.S. or non-U.S. governmental authorities of competent jurisdiction) that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the Registration Statement and the Prospectus (collectively, the "**Governmental Permits**"), except where any failures to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries are in compliance with all such Governmental Permits, and all such Governmental Permits are valid and in full force and effect, except where such non-compliance, invalidity or failure to be in full force and effect would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Neither the Company nor any Subsidiary has received written notification of any revocation, modification, suspension, termination or invalidation (or proceedings related thereto) of any such Governmental Permit and the Company has no knowledge that any such Governmental Permit requiring renewal will not be renewed, except where any revocation, modification, suspension, termination or invalidation (or proceedings related thereto) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and each of its Subsidiaries have filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any applicable laws or Governmental Permits, and all such material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and accurate on the date filed in all material respects (or were materially corrected or supplemented by a subsequent submission), except where the failure to so file, obtain, maintain or submit, or such incompleteness or inaccuracy, would not reasonably be expected to have a Material Adverse Effect.

(aa) Company Studies and Trials. The studies, tests and preclinical studies or clinical trials conducted by or on behalf of the Company and its Subsidiaries that are described in the Prospectus (the "**Company Studies and Trials**") were and, if still pending, are being conducted, to the Company's knowledge, in all material respects in accordance with applicable laws and regulations; the descriptions of the results of the Company Studies and Trials contained in the Registration Statement and the Prospectus are, to the Company's knowledge, accurate in all material respects; except to the extent disclosed in the Registration Statement and the Prospectus, the Company has no knowledge of any other studies or trials not described in the Prospectus, the results of which materially call into question the results described or referred to in the Prospectus when viewed in the context in which such results are described and the clinical state of development; and except to the extent disclosed in the Registration Statement and the Prospectus,

the Company has not received any written notices or correspondence from the FDA, the EMA or comparable U.S. or non-U.S. governmental authorities of competent jurisdiction requiring the termination, suspension or material modification of any Company Studies and Trials where such termination, suspension or material modification would reasonably be expected to have a Material Adverse Effect.

(bb) Relationships. There are no business relationships or related-party transactions involving the Company or any Subsidiary or any other person required to be described in the Registration Statement or the Prospectus which have not been described as required.

(cc) Title to Property. The Company and its Subsidiaries do not own any real property and any material real property and buildings held under lease by the Company and its Subsidiaries is held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property by the Company and its Subsidiaries. The Company and its Subsidiaries have good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the Registration Statement and the Prospectus or (B) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and all of the leases and subleases material to the business of the Company and its Subsidiaries, considered as one enterprise, and under which the Company or its Subsidiaries holds properties described in the Registration Statement or the Prospectus, are in full force and effect, and neither the Company nor any such Subsidiary has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any Subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(dd) Title to Intellectual Property; Privacy and Data Protection. Except as disclosed in the Registration Statement or the Prospectus and except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (i) the Company and each of its Subsidiaries solely owns or otherwise possesses the valid right to use all (A) patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses and trade secret rights and (B) inventions, software, works of authorships, trademarks, service marks, trade names, databases, formulae, know how, Internet domain names and all other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary confidential information, systems, or procedures) and all rights associated with any of the foregoing in any jurisdiction ((A) and (B) collectively, "**Intellectual Property Rights**") that are necessary to conduct their respective businesses as currently conducted, or otherwise used or held for use in, their respective businesses as currently conducted, and as proposed to be conducted as described in the Registration Statement or the Prospectus, (ii) to the Company's knowledge, the Company's and its respective Subsidiaries' businesses as now conducted and as proposed to be conducted as described in the Registration Statement or the Prospectus do not and will not give rise to any infringement of, any misappropriation of, or other violation of, any valid and enforceable Intellectual Property Rights of any other Person, and neither the Company nor any of its respective Subsidiaries has in the past 3 years infringed, misappropriated, or otherwise violated, any Intellectual Property Rights of any other Person, and the Intellectual Property of the Company has

not been adjudged by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part, and the Company is unaware of any facts which would form a reasonable basis for any such adjudication, (iii) there are no third parties who have any rights to the Intellectual Property Rights described in the Registration Statement or the Prospectus as being owned by or exclusively licensed to the Company or any of its Subsidiaries (collectively, and together with all other Intellectual Property Rights owned by the Company or exclusively licensed to the Company or any of its Subsidiaries, the "**Company Intellectual Property Rights**"), including no liens, security interests, or other encumbrances, except for customary reversionary rights of third-party licensors with respect to Intellectual Property Rights that are disclosed as licensed to the Company or one or more of its Subsidiaries and non-exclusive licenses of Intellectual Property Rights granted by the Company or its Subsidiaries in the ordinary course of business, (iv) to the Company's knowledge, there is no infringement, misappropriation or other violation by third parties of any Company Owned IP (as defined below), (v) there is no pending, and neither the Company nor or any of its Subsidiaries has received written notice of any threatened, action, suit, proceeding, or claim against the Company or any of its Subsidiaries (A) alleging the infringement, misappropriation or other violation, or the infringement, misappropriation or other violation upon commercialization of any product or service described in the Registration Statement or the Prospectus as under development, by the Company or any of its Subsidiaries of any Intellectual Property Right of any Person; or (B) challenging the ownership, validity, enforceability, patentability or scope of any Company Intellectual Property Rights or other Intellectual Property Rights owned by, or to the Company's knowledge, exclusively licensed to, the Company or any of its Subsidiaries (collectively, "**Company Owned IP**"), or to the Company's knowledge, exclusively licensed to, the Company or any of its Subsidiaries, including no interferences, oppositions, reexaminations, or government proceedings, and the Company is unaware of any facts which would form a reasonable basis for any such action, suit, proceeding, or claim, (vi) the Company and its Subsidiaries maintain commercially reasonable policies and procedures designed to protect the security, integrity and privacy of personally identifiable information ("**Protected Information**"), as defined under any applicable law and have taken all reasonable steps to protect, maintain and safeguard the confidentiality of any confidential Company Owned IP, including the execution of appropriate nondisclosure, confidentiality agreements and invention assignments with their employees, (vii) the Company and its Subsidiaries are presently and were in the past 3 years at all times in compliance in all material respects with all applicable U.S. and/or non-U.S. laws relating to privacy, data protection, data security, or the collection and use of personal information collected, used, or held for use by the Company or any of its Subsidiaries, or on behalf of the Company or any of its subsidiaries, in the conduct of their respective businesses there has been no unauthorized access to, or any unauthorized use, disclosure, losses or theft of, or security breaches relating to, any Protected Information received, or transmitted, by, on behalf of, or in the possession, custody or control of the Company or any of its Subsidiaries, (viii) no claims have been asserted or threatened in writing against the Company or any of its Subsidiaries alleging a violation of any person's privacy or personal information or data rights, (ix) the Company and each of its Subsidiaries solely owns all right, title and interest in and to all Intellectual Property Rights created or otherwise developed by any present or former employee, consultant or contractor of the Company or any of its Subsidiaries in the course of his, her, or its employment or other relationship with the Company or such Subsidiaries, free of any restrictions on the use or ownership of such Intellectual Property Rights, (x) the Company Owned IP is subsisting, in full force and effect, is being duly maintained, and, to the Company's knowledge, if issued or

registered, valid and enforceable, (xi) to the Company's knowledge, no employee of the Company is in or has been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement, or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company, and (xii) none of the Company owned Intellectual Property or technology (including information technology and outsourced arrangements) employed by the Company or its subsidiaries has been obtained or is being used by the Company or its subsidiary in violation of any contractual obligation binding on the Company or its subsidiaries or any of their respective officers, directors or employees or otherwise in violation of the rights of any persons.

(ee) Patents and Patent Applications. All patents and patent applications owned by or licensed to the Company or under which the Company has rights have, to the knowledge of the Company, been duly and properly filed and maintained; to the knowledge of the Company, the parties prosecuting such patent applications have complied or will comply with their duty of candor and disclosure to the USPTO in connection with such applications; and the Company is not aware of any facts required to be disclosed to the USPTO that were not disclosed to the USPTO and which would preclude the grant of a patent in connection with any such application or would reasonably be expected to form the basis of a finding of invalidity with respect to any patents that have issued with respect to such applications. To the Company's knowledge, all patents and patent applications owned by the Company and filed with the USPTO or any foreign or international patent authority (the "**Company Patent Rights**") and all patents and patent applications in-licensed by the Company and filed with the USPTO or any foreign or international patent authority (the "**In-licensed Patent Rights**") have been duly and properly filed; the Company believes it has complied or will comply with its duty of candor and disclosure to the USPTO for the Company Patent Rights and, to the Company's knowledge, the licensors of the In-licensed Patent Rights have complied with their duty of candor and disclosure to the USPTO for the In-licensed Patent Rights.

(ff) FDA Compliance. Except as described in the Registration Statement and the Prospectus, the Company: (A) is and at all times has been in material compliance with all statutes, rules or regulations of the FDA and other comparable Governmental Entities applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product under development, manufactured or distributed by the Company ("**Applicable Laws**"); (B) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other correspondence or notice from the FDA or any Governmental Entity alleging or asserting material noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, exemptions, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("**Authorizations**"); (C) possesses all material Authorizations and such Authorizations are valid and in full force and effect and the Company is not in material violation of any term of any such Authorizations; (D) has not received notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from the FDA or any Governmental Entity or third party alleging that any product operation or activity is in material violation of any Applicable Laws or Authorizations and has no knowledge that the FDA or any Governmental Entity or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; (E) has not received notice that the FDA or any Governmental Entity has taken, is taking or intends to take action to limit, suspend, modify or revoke any material

Authorizations and has no knowledge that the FDA or any Governmental Entity is considering such action; and (F) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission).

(gg) Compliance with Health Care Laws. The Company has operated and currently is in compliance with all applicable health care laws, rules and regulations (except where such failure to operate or non-compliance would not, singly or in the aggregate, result in a Material Adverse Effect), including, without limitation, (i) the Federal, Food, Drug and Cosmetic Act (21 U.S.C. §§ 301 et seq.) and Public Health Service Act (42 U.S.C. §§ 262 et seq.); (ii) all applicable federal, state, local and foreign healthcare related fraud and abuse laws, including, without limitation, the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)), the U.S. Physician Payments Sunshine Act (42 U.S.C. § 1320a-7h), the civil False Claims Act (31 U.S.C. §§ 3729 et seq.), the criminal False Claims Law (42 U.S.C. § 1320a-7b(a)), all criminal laws relating to healthcare fraud and abuse, including but not limited to 18 U.S.C. Sections 286 and 287, the healthcare fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") (42 U.S.C. Section 1320d et seq.), the exclusions law (42 U.S.C. § 1320a-7), and the civil monetary penalties law (42 U.S.C. § 1320a-7a); (iii) HIPAA, as amended by the Health Information Technology for Economic Clinical Health Act (42 U.S.C. Section 17921 et seq.); (iv) Medicare (Title XVIII of the Social Security Act); (v) Medicaid (Title XIX of the Social Security Act); (vi) the Patient Protection and Affordable Care Act (Pub. Law 111-148), as amended by the Health Care and Education Affordability Reconciliation Act of 2010 (Pub. Law 111-152); (vii) the regulations promulgated pursuant to such laws; and (viii) any other local, state, federal, or foreign health care laws applicable to the Company, including those relating to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, advertising, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured or distributed by or for the Company (collectively, the "**Health Care Laws**"). Neither the Company, nor to the Company's knowledge, any of its officers, directors, employees or agents have engaged in activities which are, as applicable, cause for false claims liability, civil penalties, or mandatory or permissive exclusion from Medicare, Medicaid, or any other state or federal healthcare program. The Company has not received written notice or other correspondence of any claim, action, suit, audit, survey, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation or activity is in violation of any Health Care Laws, and, to the Company's knowledge, no such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action is threatened. The Company is not a party to and does not have any ongoing reporting obligations pursuant to any corporate integrity agreement, deferred prosecution agreement, monitoring agreement, consent decree, settlement order, plan of correction or similar agreement imposed by any governmental or regulatory authority. Additionally, neither the Company nor any of its employees, officers, directors or, to the Company's knowledge, its agents, has been excluded, suspended or debarred from participation in any U.S. state or federal health care program or human clinical research or is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion.

(hh) Environmental Laws. Except as described in the Registration Statement and the Prospectus or would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (A) neither the Company nor any Subsidiary is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (B) the Company and its Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company, threatened, administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any Subsidiary and (D) there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company or any Subsidiary relating to Hazardous Materials or any Environmental Laws.

(ii) Accounting Controls and Disclosure Controls. The Company and its Subsidiaries make and keep accurate books and records and maintain effective internal control over financial reporting (as defined under Rule 13a-15 and 15d-15 under the Exchange Act) and a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (E) the interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement and the Prospectus fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto. Except as described in the Registration Statement, and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially adversely affected, or is reasonably likely to materially adversely affect, the Company's internal control over financial reporting. The Company maintains disclosure controls and procedures (as defined in Rule 13a-15 and Rule 15d-15 under the Exchange Act) that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

(jj) Payment of Taxes. All tax returns of the Company and its Subsidiaries required by law to be filed have been timely filed (taking into account any properly requested extensions which have been obtained) pursuant to applicable U.S. or non-U.S. (including United Kingdom), state, local or other law (and were when filed, and remain, complete and correct), except insofar as the failure to file such tax returns or request such extensions would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Company and its Subsidiaries have timely paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them, except (i) as are being contested in good faith and as to which adequate reserves have been established by the Company or its Subsidiary (as applicable) in conformity with IFRS or other applicable accounting principles or (ii) insofar as the failure to pay would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Company and its Subsidiaries do not have any tax deficiencies or claims outstanding or assessed or, to the Company's knowledge, proposed against them except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The charges, accruals and reserves on the books of the Company in respect of any tax liability for any years not finally determined are, in conformity with IFRS, adequate to meet any assessments or re-assessments for additional tax for any years not finally determined, except to the extent of any inadequacy that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(kk) Insurance. Except as disclosed in the Registration Statement or the Prospectus, the Company and its Subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute and similar size engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or its Subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(ll) Investment Company Act. The Company is not required, and upon the allotment and issuance of the Underlying Shares and the deposit with the Custodian or its nominee of the Underlying Shares as herein contemplated and the application of the net proceeds therefrom as described in the Registration Statement and the Prospectus will not be required, to register as an "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

(mm) Absence of Manipulation. Neither the Company nor, to the Company's knowledge, any affiliate of the Company has taken, nor will the Company or any affiliate take, directly or indirectly, any action which is designed, or would reasonably be expected, to cause or result in, or which constitutes, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or to result in a violation of Regulation M under the Exchange Act ("**Regulation M**"). Neither the Company, nor any of its Subsidiaries, nor any person acting on its or their behalf (save for the Agent, in respect of whom no representation is provided) will take, directly or indirectly, any action designed to cause or to result in, or that has constituted or that might reasonably be expected to cause or result in, the stabilization of the Shares in violation of applicable European Union or English laws or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(nn) No Public Offering in European Economic Area or the United Kingdom. The Company has not made and will not make an offer to the public of the Shares under applicable securities laws in any member state of the European Economic Area or the United Kingdom other than in reliance of an exemption to the requirements to prepare a prospectus as set out in article 1 of Regulation (EU) 2017/1129 of 14 June 2017 (the "Prospectus Regulation") and or section 85 of the Financial Services and Markets Act 2000 (the "FSMA").

(oo) Anti-Corruption Laws. None of the Company, its Subsidiaries or to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or its Subsidiaries (i) has used any corporate funds for any unlawful contribution, gift, entertainment, or other unlawful expense relating to political activity; (ii) is aware of or has taken any action, directly or indirectly, in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any foreign or domestic government official or employee, including of any government-owned or controlled entity or public international organization, or any political party or official thereof, or any candidate for political office; (iii) has violated or is in violation of the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law; and (iv) made, offered, authorized, requested, or taken an act in furtherance of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment or benefit. The Company and its subsidiaries have conducted their business in compliance with applicable anti-corruption laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(pp) Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"); and no action, suit or proceeding by or before any Governmental Entity involving the Company or its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(qq) Sanctions. None of the Company, its Subsidiaries or to the knowledge of the Company, any director, officer, agent, employee, affiliate or representative is a Person that is currently the subject or target of any sanctions administered or enforced by the United States Government (including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control, or the U.S. Department of State), the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), nor is the Company or any of its Subsidiaries located, organized or resident in a country or territory that is the subject or target of Sanctions including, without limitation, Crimea, Cuba, Iran, North Korea, and Syria; and the Company will not directly or indirectly use the

proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partners or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject or target of Sanctions or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as agent, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any Person, or with any country or territory, that at the time of the dealing or transaction is or was the subject or target of Sanctions.

(rr) Lending Relationship. Except as disclosed in the Registration Statement and the Prospectus, the Company (i) does not have any material lending or other material relationship with any banking or lending affiliate of the Agent and (ii) does not intend to use any of the proceeds from the sale of the Shares to repay any outstanding debt owed to any affiliate of any Agent.

(ss) Statistical and Market-Related Data. Any statistical and market-related data included in the Registration Statement or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate in all material respects and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(tt) No Rated Securities. The Company has no debt securities or preferred stock that is rated by any "nationally recognized statistical rating organization" (as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act).

(uu) Privacy and Data Protection. The Company and its Subsidiaries have operated their business in a manner compliant in all material respects with all U.S. federal, state, local and non-U.S. privacy, data security and data protection laws and regulations applicable to the Company's collection, use, transfer, protection, disposal, disclosure, handling, storage and analysis of personal data and the Company and its subsidiaries have taken commercially reasonable actions to prepare to comply with, and since May 25, 2018, have been and currently are compliant in all material aspects with, the European Union General Data Protection Regulation ("**GDPR**") (EU 2016/679) including the GDPR as incorporated into the law of the United Kingdom and as amended, and as implemented and supplemented by the Data Protection Act 2018. The Company and its Subsidiaries have been and are in compliance in all material respects with internal policies and procedures designed to ensure the integrity and security of the data collected, handled or stored in connection with its business and all external privacy policies; the Company and its Subsidiaries have been and are in compliance in all material respects with internal policies and procedures designed to ensure compliance with the Health Care Laws that govern privacy and data security and take, and have taken commercially reasonable steps designed to assure compliance with such policies and procedures. The Company, its Subsidiaries, and, to the their knowledge, any third parties processing information on behalf of the Company have taken commercially reasonable steps to maintain the confidentiality of its personally identifiable information, protected health information, consumer information and other confidential information of the Company, its Subsidiaries and any third parties in its possession ("**Sensitive Company Data**"). The tangible or digital information technology systems (including computers, screens, servers, workstations, routers, hubs, switches, networks, data communications lines, technical data and hardware),

software and telecommunications systems used or held for use by the Company and its Subsidiaries (the "**Company IT Assets**") are adequate and operational for, in accordance with their documentation and functional specifications, the business of the Company and its Subsidiaries as now operated and as currently proposed to be conducted as described in the Registration Statement and the Prospectus. The Company, its Subsidiaries, and, to the their knowledge, any third-parties processing information on behalf of the Company have used commercially reasonable efforts to establish, and have established, commercially reasonable disaster recovery and security plans, procedures and facilities for the business consistent with industry standards and practices in all material respects, including, without limitation, for the Company IT Assets and data held or used by or for the Company and its Subsidiaries. The Company and its Subsidiaries have not suffered or incurred any security breaches, compromises or incidents with respect to any Company IT Asset or Sensitive Company Data, except where such breaches, compromises or incidents would not reasonably be expected to, singly or in the aggregate, result in a Material Adverse Effect; and, there has been no unauthorized or illegal use of or access to any Company IT Asset or Sensitive Company Data by any unauthorized third party. The Company and its Subsidiaries have not been required to notify any individual of any information security breach, compromise or incident involving Sensitive Company Data.

(vv) No Broker Fees. Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any Person that would give rise to a valid claim against the Company or the Agent for a brokerage commission, finder's fee or other like payment in connection with the offering of the Securities contemplated hereby.

(ww) Valid Choice of Laws. The choice of the laws of the State of New York as the governing law of this Agreement is a valid choice of law under the laws of England and Wales and will be recognized by courts in England and Wales except as may be limited by general principles of equity and except where to do so would be inconsistent with or overridden by the Regulation (EC) No 593/2008 on the Law Applicable to Contractual Obligations (Rome I) (as it forms part of English domestic law pursuant to European Union (Withdrawal) Act 2018). The Company has the corporate power to submit, and pursuant to Section 8(g) of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each New York State and United States federal court sitting in The City of New York, New York (each, a "**New York Court**") and has validly and irrevocably waived any objection to the laying of venue of any suit, action or proceeding brought in any such court; and the Company has the power to designate, appoint and empower an authorized agent for service of process in any action arising out of or relating to this Agreement, the Registration Statement, the Prospectus or the offering of the Shares in any New York Court and service of process effected on such authorized agent will be effective to notify the Company of any action under this Agreement.

(xx) No Sovereign Immunity. Neither the Company nor any of its Subsidiaries nor any of their respective properties, assets or revenues enjoy any rights of immunity from legal proceedings or the execution of judgement or other attachment in England and Wales, pursuant to the State Immunity Act 1978, or the United States, pursuant to the Foreign Sovereign Immunities Act 1976, with respect to this Agreement, the Deposit Agreement or the Shares.

(yy) Proper Form. This Agreement and the Deposit Agreement are each in proper form to be enforceable in England and Wales in accordance with its terms; to ensure the legality, validity, enforceability or admissibility into evidence in England and Wales of this Agreement or the Deposit Agreement it is not necessary that this Agreement or the Deposit Agreement, respectively, be filed or recorded with any court or other authority in England and Wales (other than court filings in the ordinary course of proceedings).

(zz) Enforceability of Judgment. Any final judgment for a fixed or readily calculable sum of money rendered by a New York Court having jurisdiction under its own domestic laws and recognized by the English courts as having jurisdiction (according to English conflicts of laws principles and rules of English private international law at the time when proceedings were initiated) to give such final judgment in respect of any suit, action or proceeding against the Company based upon this Agreement or the Deposit Agreement and any instruments or agreements entered into for the consummation of the transactions contemplated herein and therein would generally be enforceable against the Company, without re-examination or review of the merits of the cause of action in respect of which the original judgment was given or re-litigation of the matters adjudicated upon, by the courts of England and Wales; provided, however, that the Company may have defenses open to it and enforcement may not be permitted if, among other things, (a) the judgment was obtained by fraud, or in proceedings contrary to natural or substantial justice, or contravenes public policy in England or the Human Rights Act 1998 (or any subordinate legislation made thereunder, to the extent applicable); (b) the judgment is for a sum payable in respect of taxes, or other charges of a like nature or is in respect of a fine or other penalty or otherwise based on a foreign law that an English court considers to relate to a penal, revenue or other public law; (c) the judgment amounts to judgment on a matter previously determined by an English court or conflicts with a judgment on the same matter given by a court other than a New York Court or was obtained in breach of a jurisdiction or arbitration clause except with the agreement of the defendant or the defendant's subsequent submission to the jurisdiction of the court; (d) the judgment is given in proceedings brought in breach of an agreement for the settlement of disputes; (e) the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained, or is a judgment that is otherwise specified in section 5 of the Protection of Trading Interests Act 1980, or is a judgment based on measures designated by the Secretary of State under section 1 of that Act; and (f) enforcement proceedings are not commenced within six years of the date of such judgment.

(aaa) No Immunity from Suit. Except as provided by laws or statutes generally applicable to transactions of the type described in this Agreement, neither the Company nor any of its respective properties, assets or revenues has any right of immunity under United Kingdom, New York or United States law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any law of the United Kingdom, New York or United States federal court, from service of process, attachment upon or prior judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement or the Deposit Agreement. To the extent that the Company or any of its respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company waives or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 8(g) of this Agreement.

(bbb) Other Underwriting Agreements. The Company is not a party to any agreement with an agent or underwriter for any other "at the market" or continuous equity transaction.

(ccc) PFIC Status. The Company does not believe it was a "passive foreign investment company," or PFIC, as defined in Section 1297 of the Internal Revenue Code of 1986, as amended, for the Company's taxable year ended December 31, 2020. For the avoidance of doubt, the Company makes no representation with respect to its PFIC status for the Company's current taxable year or any particular taxable year in the future.

Any certificate signed by any officer or representative of the Company or any Subsidiary and delivered to the Agent or counsel for the Agent in connection with an issuance of Shares shall be deemed a representation and warranty by the Company to the Agent as to the matters covered thereby on the date of such certificate.

The Company acknowledges that the Agent and, for purposes of the opinions to be delivered pursuant to Section 4(o) hereof, counsel to the Company and counsel to the Agent, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

Section 3. ISSUANCE AND SALE OF SHARES

(a) Sale of Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company and the Agent agree that the Company may from time to time seek to sell Shares through the Agent, acting as sales agent, or directly to the Agent, acting as principal, as follows, with an aggregate Sales Price of up to the Maximum Program Amount, based on and in accordance with Issuance Notices as the Company may deliver, during the Agency Period.

(b) Mechanics of Issuances.

(i) Issuance Notice. Upon the terms and subject to the conditions set forth herein, on any Trading Day during the Agency Period on which the conditions set forth in Section 5(a) and Section 5(b) shall have been satisfied, the Company may exercise its right to request an issuance of Shares by delivering to the Agent an Issuance Notice; provided, however, that (A) in no event may the Company deliver an Issuance Notice to the extent that (I) the sum of (x) the aggregate Sales Price of the requested Issuance Amount, plus (y) the aggregate Sales Price of all Shares issued under all previous Issuance Notices effected pursuant to this Agreement, would exceed the Maximum Program Amount; and (B) prior to delivery of any Issuance Notice, the period set forth for any previous Issuance Notice shall have expired or been terminated. An Issuance Notice shall be considered delivered on the Trading Day that it is received by email to the persons set forth in Schedule A hereto and confirmed by the Company by telephone (including a voicemail message to the persons so identified), with the understanding that, with adequate prior written notice, the Agent may modify the list of such persons from time to time.

(ii) Agent Efforts. Upon the terms and subject to the conditions set forth in this Agreement, upon the receipt of an Issuance Notice, the Agent will use its commercially reasonable efforts consistent with its normal sales and trading practices to place the Shares with respect to which the Agent has agreed to act as sales agent, subject to, and in accordance with the information specified in, the Issuance Notice, unless the sale of the Shares described therein has been suspended, cancelled or otherwise terminated in accordance with the terms of this Agreement. For the avoidance of doubt, the parties to this Agreement may modify an Issuance Notice at any time provided they both agree in writing to any such modification.

(iii) Method of Offer and Sale. The Shares may be offered and sold (A) in negotiated transactions with the consent of the Company or (B) by any other method permitted by law deemed to be an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act, including block transactions, sales made directly on the Principal Market or sales made into any other existing trading market of the ADSs. Nothing in this Agreement shall be deemed to require either party to agree to the method of offer and sale specified in the preceding sentence, and (except as specified in clause (A) above) the method of placement of any Shares by the Agent shall be at the Agent's discretion.

(iv) Confirmation to the Company. If acting as sales agent hereunder, the Agent will provide written confirmation to the Company no later than the opening of the Trading Day next following the Trading Day on which it has placed Shares hereunder setting forth the number of shares sold on such Trading Day, the corresponding Sales Price and the Issuance Price payable to the Company in respect thereof.

(v) Settlement. Each issuance of Shares will be settled on the applicable Settlement Date for such issuance of Shares and, subject to the provisions of Section 5, on or before each Settlement Date, the Company will, or will cause its transfer agent to, electronically transfer the Shares being sold against the prior deposit with the Custodian of the corresponding number of Underlying Shares necessary for the issuance of the Shares following payment by the Agent of the purchase price therefor by wire transfer of immediately available funds delivered to an account designated by the Company, by crediting the Agent or its designee's account at The Depository Trust Company through its Deposit/Withdrawal At Custodian (DWAC) System, or by such other means of delivery as may be mutually agreed upon by the parties hereto. Such Shares shall be freely tradable, transferable and registered shares. The Company may sell Shares to the Agent as principal at a price agreed upon at each relevant time Shares are sold pursuant to this Agreement (each, a "**Time of Sale**").

(vi) Suspension or Termination of Sales. Consistent with standard market settlement practices, the Company or the Agent may, upon notice to the other party hereto in writing or by telephone (confirmed immediately by verifiable email), suspend any sale of Shares, and the period set forth in an Issuance Notice shall immediately terminate; provided, however, that (A) such suspension and termination shall not affect or impair either party's obligations with respect to any Shares placed or sold hereunder prior to the receipt of such notice; (B) if the Company suspends or terminates any sale of Shares after the Agent confirms such sale to the

Company, the Company shall still be obligated to comply with Section 3(b)(v) with respect to such Shares; and (C) if the Company defaults in its obligation to deliver Shares on a Settlement Date, the Company agrees that it will hold the Agent harmless against any loss, claim, damage or expense (including, without limitation, penalties, interest and reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company. The parties hereto acknowledge and agree that, in performing its obligations under this Agreement, the Agent may borrow ADSs from stock lenders in the event that the Company has not delivered Shares to settle sales as required by subsection (v) above, and may use the Shares to settle or close out such borrowings. The Company agrees that no such notice shall be effective against the Agent unless it is made to the persons identified in writing by the Agent pursuant to Section 3(b)(i).

(vii) No Guarantee of Placement, Etc. The Company acknowledges and agrees that (A) there can be no assurance that the Agent will be successful in placing Shares; (B) the Agent will incur no liability or obligation to the Company or any other Person if it does not sell Shares; and (C) the Agent shall be under no obligation to purchase Shares on a principal basis pursuant to this Agreement, except as otherwise specifically agreed by the Agent and the Company.

(viii) Material Non-Public Information. Notwithstanding any other provision of this Agreement, the Company and the Agent agree that the Company shall not deliver any Issuance Notice to the Agent, and the Agent shall not be obligated to place any Shares, during any period in which the Company is in possession of material non-public information.

(c) Fees. As compensation for services rendered, the Company shall pay to the Agent, on the applicable Settlement Date, the Selling Commission for the applicable Issuance Amount (including with respect to any suspended or terminated sale pursuant to Section 3(b)(vi)) by the Agent deducting the Selling Commission from the applicable Issuance Amount.

(d) Transfer Taxes. The Company shall pay, and shall indemnify and hold the Agent harmless against, any Transfer Taxes, and any interest and penalties, which are payable in connection with: (i) the allotment, creation, issuance and/or delivery of the Underlying Shares and/or the Shares (or ADRs representing the Shares) in accordance with the terms of the Deposit Agreement; (ii) the sale (including the agreement for sale) of the Shares (or ADRs representing the Shares) to or for the account of the Agent in the manner contemplated by this Agreement and the Deposit Agreement; (iii) the sale (including the agreement for sale) or delivery by the Agent of the Shares (or ADRs representing the Shares) to or for the account of the initial purchasers thereof in the manner contemplated by this Agreement and the Deposit Agreement; or (iv) the execution and delivery of this Agreement or the Deposit Agreement.

(e) Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Shares (including all printing and engraving costs); (ii) all fees and expenses of the registrar and transfer agent of the Shares; (iii) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors; (iv) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules,

consents and certificates of experts), the Prospectus, any Free Writing Prospectus (as defined below) prepared by or on behalf of, used by, or referred to by the Company, and all amendments and supplements thereto, and this Agreement; (v) all filing fees, attorneys' fees and expenses incurred by the Company or the Agent in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Shares for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Agent, preparing and printing a "**Blue Sky Survey**" or memorandum and a "Canadian wrapper", and any supplements thereto, advising the Agent of such qualifications, registrations, determinations and exemptions; (vi) the reasonable fees and disbursements of the Agent's counsel, including the reasonable fees and expenses of counsel for the Agent in connection with, FINRA review, if any, and approval of the Agent's participation in the offering and distribution of the Shares; (vii) the filing fees incident to FINRA review, if any; (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives, employees and officers of the Company and of the Agent and any such consultants, and the cost of any aircraft chartered in connection with the road show; and (ix) the fees and expenses associated with listing the Shares on the Principal Market. The fees and disbursements of Agent's counsel pursuant to subsections (vi) and (vii) above shall not exceed (A) $125,000 in connection with execution of this Agreement and (B) $15,000 in connection with each Triggering Event Date (as defined below) on which the Company is required to provide a certificate pursuant to Section 4(o). In respect of any sale of Shares to the Agent as principal, expenses shall be paid in accordance with the terms of this Agreement and any applicable terms that may be agreed between the Company and the Agent, in each case to the extent not unlawful under applicable law (including the laws of England and Wales).

Section 4. ADDITIONAL COVENANTS

The Company covenants and agrees with the Agent as follows, in addition to any other covenants and agreements made elsewhere in this Agreement:

(a) Exchange Act Compliance. During the Agency Period, the Company shall (i) file, on a timely basis, with the Commission all reports and documents required to be filed under Section 13, 14 or 15 of the Exchange Act in the manner and within the time periods required by the Exchange Act; and (ii) either (A) include in its quarterly reports on Form 6-K that include the Company's quarterly financial statements or financial information and its annual reports on Form 20-F, a summary detailing, for the relevant reporting period, (1) the number of Shares sold through the Agent pursuant to this Agreement and (2) the net proceeds received by the Company from such sales or (B) prepare a prospectus supplement containing, or include in such other filing permitted by the Securities Act or Exchange Act (each an "**Interim Prospectus Supplement**"), such summary information and, at least once a quarter and subject to this Section 4, file such Interim Prospectus Supplement pursuant to Rule 424(b) under the Securities Act (and within the time periods required by Rule 424(b) and Rule 430B under the Securities Act)).

(b) Securities Act Compliance. After the date of this Agreement, the Company shall promptly advise the Agent in writing (i) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission; (ii) of the time and date of any filing of any post-effective amendment to the Registration Statement, the ADS Registration

Statement, any Rule 462(b) Registration Statement or any amendment or supplement to the Prospectus, any Free Writing Prospectus; (iii) of the time and date that any post-effective amendment to the Registration Statement, the ADS Registration Statement or any Rule 462(b) Registration Statement becomes effective; and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, the ADS Registration Statement or any post-effective amendment thereto, any Rule 462(b) Registration Statement or any amendment or supplement to the Prospectus or of any order preventing or suspending the use of any Free Writing Prospectus or the Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the ADSs from any securities exchange upon which they are listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order as soon as practicable. Additionally, the Company agrees that it shall comply with the provisions of Rule 424(b) and Rule 433, as applicable, under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under such Rule 424(b) or Rule 433 were received in a timely manner by the Commission.

(c) Amendments and Supplements to the Prospectus and Other Securities Act Matters. If any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus so that the Prospectus does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if in the opinion of the Agent or counsel for the Agent it is otherwise necessary to amend or supplement the Prospectus to comply with applicable law, including the Securities Act, the Company agrees (subject to Section 4(d) and Section 4(f)) to promptly prepare, file with the Commission and furnish at its own expense to the Agent, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law including the Securities Act. Neither the Agent's consent to, or delivery of, any such amendment or supplement shall constitute a waiver of any of the Company's obligations under Section 4(d) and Section 4(f).

(d) Agent's Review of Proposed Amendments and Supplements. Prior to amending or supplementing the Registration Statement (including any registration statement filed under Rule 462(b) under the Securities Act, but excluding any amendment or supplement relating solely to an offering of securities other than the ADSs), the ADS Registration Statement or the Prospectus (excluding any amendment or supplement through incorporation of any report filed under the Exchange Act), the Company shall furnish to the Agent for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of each such proposed amendment or supplement, and the Company shall not file or use any such proposed amendment or supplement without the Agent's prior consent, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(e) Use of Free Writing Prospectus. Neither the Company nor the Agent has prepared, used, referred to or distributed, or will prepare, use, refer to or distribute, without the other party's prior written consent, any "written communication" that constitutes a "free writing prospectus" as such terms are defined in Rule 405 under the Securities Act with respect to the offering contemplated by this Agreement (any such free writing prospectus being referred to herein as a "**Free Writing Prospectus**").

(f) Free Writing Prospectuses. The Company shall furnish to the Agent for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of each proposed free writing prospectus or any amendment or supplement thereto to be prepared by or on behalf of, used by, or referred to by the Company and the Company shall not file, use or refer to any proposed free writing prospectus or any amendment or supplement thereto without the Agent's consent. The Company shall furnish to the Agent, without charge, as many copies of any free writing prospectus prepared by or on behalf of, or used by the Company, as the Agent may reasonably request. If at any time when a prospectus is required by the Securities Act (including, without limitation, pursuant to Rule 173(d)) to be delivered in connection with sales of the Shares (but in any event if at any time through and including the date of this Agreement) there occurred or occurs an event or development as a result of which any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company conflicted or would conflict with the information contained in the Registration Statement, the ADS Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company shall promptly amend or supplement such free writing prospectus to eliminate or correct such conflict or so that the statements in such free writing prospectus as so amended or supplemented will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at such subsequent time, not misleading, as the case may be; provided, however, that prior to amending or supplementing any such free writing prospectus, the Company shall furnish to the Agent for review, a reasonable amount of time prior to the proposed time of filing or use thereof, a copy of such proposed amended or supplemented free writing prospectus and the Company shall not file, use or refer to any such amended or supplemented free writing prospectus without the Agent's consent.

(g) Filing of Agent Free Writing Prospectuses. The Company shall not take any action that would result in the Agent or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Agent that the Agent otherwise would not have been required to file thereunder.

(h) Copies of Registration Statement and Prospectus. After the date of this Agreement through the last time that a prospectus is required by the Securities Act (including, without limitation, pursuant to Rule 173(d)) to be delivered in connection with sales of the Shares, the Company agrees to furnish the Agent with copies (which may be electronic copies) of the Registration Statement and each amendment thereto, and with copies of the Prospectus and each amendment or supplement thereto in the form in which it is filed with the Commission pursuant to the Securities Act or Rule 424(b) under the Securities Act, both in such quantities as the Agent may reasonably request from time to time; and, if the delivery of a prospectus is required under the Securities Act or under the blue sky or securities laws of any jurisdiction at any time on or

prior to the applicable Settlement Date for any period set forth in an Issuance Notice in connection with the offering or sale of the Shares and if at such time any event has occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it is necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, to notify the Agent and to request that the Agent suspend offers to sell Shares (and, if so notified, the Agent shall cease such offers as soon as practicable); and if the Company decides to amend or supplement the Registration Statement, the ADS Registration Statement or the Prospectus as then amended or supplemented, to advise the Agent promptly by telephone (with confirmation in writing) and to prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement, the ADS Registration Statement or the Prospectus as then amended or supplemented that will correct such statement or omission or effect such compliance; provided, however, that if during such same period the Agent is required to deliver a prospectus in respect of transactions in the Shares, the Company shall promptly prepare and file with the Commission such an amendment or supplement.

(i) Blue Sky Compliance. The Company shall cooperate with the Agent and counsel for the Agent to qualify or register the Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial securities laws of those jurisdictions designated by the Agent, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Agent promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof as soon as practicable.

(j) Earnings Statement. As soon as practicable, the Company will make generally available to its security holders and to the Agent an earnings statement (which need not be audited) covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act.

(k) Listing; Reservation of Ordinary Shares. The Company will (a) maintain the listing of the Shares on the Principal Market; (b) reserve and keep available at all times, free of preemptive rights, a sufficient number of Ordinary Shares for the purpose of enabling the Company to satisfy its obligations under this Agreement; and (c) keep registered with the Commission a sufficient number of Shares for the purpose of enabling the Company to satisfy its obligations under this Agreement.

(l) Transfer Agent. The Company shall engage and maintain, at its expense, a registrar and transfer agent for the Shares.

(m) Due Diligence. During the term of this Agreement, the Company will reasonably cooperate with any reasonable due diligence review conducted by the Agent in connection with the transactions contemplated hereby, including, without limitation, providing information and making available documents and senior corporate officers, during normal business hours and at the Company's principal offices, as the Agent may reasonably request from time to time.

(n) Representations and Warranties. The Company acknowledges that each delivery of an Issuance Notice and each delivery of Shares on a Settlement Date shall be deemed to be (i) an affirmation to the Agent that the representations and warranties of the Company contained in or made pursuant to this Agreement are true and correct as of the date of such Issuance Notice or of such Settlement Date, as the case may be, as though made at and as of each such date, except as may be disclosed in the Prospectus (including any documents incorporated by reference therein and any supplements thereto); and (ii) an undertaking that the Company will advise the Agent if any of such representations and warranties will not be true and correct as of the Settlement Date for the Shares relating to such Issuance Notice, as though made at and as of each such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares).

(o) Deliverables at Triggering Event Dates; Certificates. The Company agrees that on or prior to the date of the first Issuance Notice and, during the term of this Agreement after the date of the first Issuance Notice, upon:

(A) the filing of the Prospectus or the amendment or supplement of any Registration Statement or Prospectus (other than a prospectus supplement relating solely to an offering of securities other than the Shares or a prospectus filed pursuant to Section 4(a)(ii)(B)), by means of a post-effective amendment, sticker or supplement, but not by means of incorporation of documents by reference into the Registration Statement or Prospectus;

(B) the filing with the Commission of an annual report on Form 20-F of the Company (including any Form 20-F/A containing amended financial information or a material amendment to the previously filed annual report on Form 20-F);

(C) the furnishing to the Commission of a report on Form 6-K containing quarterly financial statements or financial inforamtion of the Company (including any Form 6-K/A containing amended financial information); or

(D) the furnishing to the Commission of a report on Form 6-K containing amended financial information that is material to the offering of the Shares in the Agent's reasonable discretion;

(any such event, a "**Triggering Event Date**"), the Company shall furnish the Agent (but in the case of clause (C) above only if the Agent reasonably determines that the information contained in such report on Form 6-K of the Company is material) with a certificate as of the Triggering Event Date, in the form and substance satisfactory to the Agent and its counsel, substantially

similar to the form previously provided to the Agent and its counsel, modified, as necessary, to relate to the Registration Statement and the Prospectus as amended or supplemented, (A) confirming that the representations and warranties of the Company contained in this Agreement are true and correct, (B) confirming that the Company has performed all of its obligations hereunder to be performed on or prior to the date of such certificate and as to the matters set forth in Section 5(a)(iii) hereof, and (C) containing any other certification that the Agent shall reasonably request. The requirement to provide a certificate under this Section 4(o) shall be waived for any Triggering Event Date occurring at a time when no Issuance Notice is pending or a suspension is in effect, which waiver shall continue until the earlier to occur of the date the Company delivers instructions for the sale of Shares hereunder (which for such calendar quarter shall be considered a Triggering Event Date) and the next occurring Triggering Event Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Triggering Event Date when a suspension was in effect and did not provide the Agent with a certificate under this Section 4(o), then before the Company delivers the instructions for the sale of Shares or the Agent sells any Shares pursuant to such instructions, the Company shall provide the Agent with a certificate in conformity with this Section 4(o) dated as of the date that the instructions for the sale of Shares are issued.

(p) Legal Opinions. On or prior to the date of the first Issuance Notice and on or prior to each Triggering Event Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(o) for which no waiver is applicable and excluding the date of this Agreement,

(A) a negative assurance letter and the written legal opinion of Mayer Brown LLP, U.S. counsel to the Company, and a written legal opinion of Mayer Brown International LLP, English counsel to the Company, each dated the date of delivery, in form and substance reasonably satisfactory to Agent and its counsel, substantially similar to the form previously provided to the Agent and its counsel, modified, as necessary, to relate to the Registration Statement and the Prospectus as then amended or supplemented; and

(B) the written legal opinions of each of Carpmaels & Ransford (Specialities) LLP, Gill Jennings & Every LLP and Wolff IP, P.C., intellectual property counsel to the Company, each dated the date of delivery, in form and substance reasonably satisfactory to Agent and its counsel, substantially similar to the form previously provided to the Agent and its counsel, modified, as necessary, to relate to the Registration Statement and the Prospectus as then amended or supplemented.

In lieu of such opinions for subsequent periodic filings, in the discretion of the Agent, the Company may furnish a reliance letter from such counsel to the Agent, permitting the Agent to rely on a previously delivered opinion letter, modified as appropriate for any passage of time or Triggering Event Date (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented as of such Triggering Event Date).

(q) Comfort Letter. On or prior to the date of the first Issuance Notice and on or prior to each Triggering Event Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(o) for which no waiver is applicable and excluding the date of this Agreement, the Company shall cause Ernst & Young LLP and BDO LLP the independent registered public accounting firms who have audited the financial statements included or incorporated by reference in the Registration Statement or assisted in the review of the Registration Statement, as the case may be, to furnish the Agent a comfort letter, dated the date of delivery, in form and substance reasonably satisfactory to the Agent and its counsel, substantially similar to the form previously provided to the Agent and its counsel; provided, however, that any such comfort letter will only be required on the Triggering Event Date specified to the extent that it contains financial statements filed with the Commission under the Exchange Act and incorporated or deemed to be incorporated by reference into a Prospectus. If requested by the Agent, the Company shall also cause a comfort letter to be furnished to the Agent within ten (10) Trading Days of the date of occurrence of any material transaction or event requiring the filing of a report on Form 6-K containing material amended financial information of the Company, including the restatement of the Company's financial statements. The Company shall be required to furnish no more than one comfort letter hereunder per each filing of an annual report on Form 20-F or a quarterly report on Form 6-K containing quarterly or half-year financial information.

(r) Secretary's Certificate. On or prior to the date of the first Issuance Notice and on or prior to each Triggering Event Date, the Company shall furnish the Agent a certificate executed by the Secretary of the Company, signing in such capacity, dated the date of delivery (i) certifying that attached thereto are true and complete copies of the resolutions duly adopted by the Board of Directors of the Company authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (including, without limitation, the issuance of the Shares pursuant to this Agreement), which authorization shall be in full force and effect on and as of the date of such certificate, (ii) certifying and attesting to the office, incumbency, due authority and specimen signatures of each Person who executed this Agreement for or on behalf of the Company, and (iii) containing any other certification that the Agent shall reasonably request.

(s) Agent's Own Account; Clients' Account. The Company consents to the Agent trading, in compliance with applicable law, in the ADSs for the Agent's own account and for the account of its clients at the same time as sales of the Shares occur pursuant to this Agreement.

(t) Investment Limitation. The Company shall not invest, or otherwise use the proceeds received by the Company from its sale of the Shares in such a manner as would require the Company or any of its subsidiaries to register as an investment company under the Investment Company Act.

(u) Market Activities. The Company will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Shares or any other reference security, whether to facilitate the sale or resale of the Shares or otherwise, and the Company will, and shall cause each of its affiliates to, comply with all applicable provisions of Regulation M. If the limitations of Rule 102 of Regulation M ("**Rule 102**") do not apply with respect to the Shares or any other reference security pursuant to any exception set forth in Section (d) of Rule 102, then promptly upon notice from the Agent (or, if later, at the time stated in the notice), the Company will, and shall cause each of its affiliates to, comply with Rule 102 as though such exception were not available but the other provisions of Rule 102 (as interpreted by the Commission) did apply. The Company shall promptly notify the Agent if it no longer meets the requirements set forth in Section (d) of Rule 102.

(v) Notice of Other Sale. Without the written consent of the Agent, the Company will not, directly or indirectly, offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of any Ordinary Shares, ADSs or securities convertible into or exchangeable for Ordinary Shares or ADSs (other than Shares hereunder), warrants or any rights to purchase or acquire Ordinary Shares or ADSs, or effect a reverse stock split, recapitalization, share consolidation, reclassification or similar transaction affecting the outstanding Ordinary Shares or ADSs, during the period beginning on the third Trading Day immediately prior to the date on which any Issuance Notice is delivered to the Agent hereunder and ending on the third Trading Day immediately following the Settlement Date with respect to Shares sold pursuant to such Issuance Notice; and will not directly or indirectly enter into any other "at the market" or continuous equity transaction offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of any Ordinary Shares or ADSs (other than the Shares offered pursuant to this Agreement) or securities convertible into or exchangeable for Ordinary Shares or ADSs, warrants or any rights to purchase or acquire, Ordinary Shares or ADSs prior to the termination of this Agreement; provided, however, that such restrictions will not be required in connection with the Company's (i) issuance or sale of Ordinary Shares or ADSs, options to purchase Ordinary Shares or ADSs or Ordinary Shares or ADSs issuable upon the exercise of options or other equity awards pursuant to any employee or director share option, incentive or benefit plan, share purchase or ownership plan, long-term incentive plan, dividend reinvestment plan, inducement award under rules of the Principal Market or other compensation plan of the Company or its subsidiaries, as in effect on the date of this Agreement, (ii) issuance or sale of Ordinary Shares or ADSs issuable upon exchange, conversion or redemption of securities or the exercise or vesting of warrants, options or other equity awards outstanding at the date of this Agreement, and (iii) modification of any outstanding options, warrants of any rights to purchase or acquire Ordinary Shares or ADSs.

Section 5. CONDITIONS TO DELIVERY OF ISSUANCE NOTICES AND TO SETTLEMENT

(a) Conditions Precedent to the Right of the Company to Deliver an Issuance Notice and the Obligation of the Agent to Sell Shares. The right of the Company to deliver an Issuance Notice hereunder is subject to the satisfaction, on the date of delivery of such Issuance Notice, and the obligation of the Agent to use its commercially reasonable efforts to place Shares during the applicable period set forth in the Issuance Notice is subject to the satisfaction, on each Trading Day during the applicable period set forth in the Issuance Notice, of each of the following conditions:

(i) Accuracy of the Company's Representations and Warranties; Performance by the Company. The Company shall have delivered the certificate required to be delivered pursuant to Section 4(o) on or before the date on which delivery of such certificate is required pursuant to Section 4(o). The Company shall have performed, satisfied and complied with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to such date, including, but not limited to, the covenants contained in Section 4(p), Section 4(q) and Section 4(r).

(ii) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby that prohibits or directly and materially adversely affects any of the transactions contemplated by this Agreement, and no proceeding shall have been commenced that may have the effect of prohibiting or materially adversely affecting any of the transactions contemplated by this Agreement.

(iii) Material Adverse Effects. Except as disclosed in the Prospectus and the Time of Sale Information, (a) in the judgment of the Agent there shall not have occurred any Material Adverse Effect; and (b) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" as such term is defined for purposes of Section 3(a)(62) of the Exchange Act.

(iv) No Suspension of Trading in or Delisting of ADSs; Other Events. The trading of the ADSs (including without limitation the Shares) shall not have been suspended by the Commission, the Principal Market or FINRA and the ADSs (including without limitation the Shares) shall have been approved for listing or quotation on and shall not have been delisted from the Nasdaq Stock Market, the New York Stock Exchange or any of their constituent markets. There shall not have occurred (and be continuing in the case of occurrences under clauses (i) and (ii) below) any of the following: (i) trading or quotation in any of the Company's securities shall have been suspended or limited by the Commission or by the Principal Market or trading in securities generally on either the Principal Market shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges by the Commission or the FINRA; (ii) a general banking moratorium shall have been declared by any of federal or New York, authorities; or (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Agent is material and adverse and makes it impracticable to market the Shares in the manner and on the terms described in the Prospectus or to enforce contracts for the sale of securities.

(b) Documents Required to be Delivered on each Issuance Notice Date. The Agent's obligation to use its commercially reasonable efforts to place Shares hereunder shall additionally be conditioned upon the delivery to the Agent on or before the Issuance Notice Date of a certificate in form and substance reasonably satisfactory to the Agent, executed by the Chief Executive Officer, President or Chief Financial Officer of the Company, to the effect that all conditions to the delivery of such Issuance Notice shall have been satisfied as at the date of such certificate (which certificate shall not be required if the foregoing representations shall be set forth in the Issuance Notice).

(c) No Misstatement or Material Omission. Agent shall not have advised the Company that the Registration Statement, the Prospectus or the Time of Sale Information, or any amendment or supplement thereto, contains an untrue statement of fact that in the Agent's reasonable opinion is material, or omits to state a fact that in the Agent's reasonable opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(d) Agent Counsel Legal Opinion. Agent shall have received from Cooley LLP, counsel for Agent, such opinion or opinions, on or before the date on which the delivery of the Company counsel legal opinion is required pursuant to Section 4(p), with respect to such matters as Agent may reasonably require, and the Company shall have furnished to such counsel such documents as they request for enabling them to pass upon such matters.

(e) Agent Depositary's Counsel Legal Opinion. Agent shall have received from Patterson Belknap Webb & Tyler LLP, counsel for the Depositary, an opinion, on or prior to the first Settlement Date, dated as of such date, in form and substance satisfactory to the Agent and its counsel.

(f) Company Counsel Legal Opinion. On each Issuance Notice Date, the Company shall cause to be furnished to the Agent a written opinion of Mayer Brown International LLP, English counsel to the Company or other counsel satisfactory to the Agent, in form and substance reasonably satisfactory to the Agent and its counsel, dated as of such Issuance Notice Date, stating that, subject to customary and appropriate assumptions and qualifications, (i) the directors of the Company have been duly and validly authorized to allot the Underlying Shares to be issued pursuant to each sale contemplated under such Issuance Notice and empowered pursuant to s570(1) of the UK Companies Act 2006 to allot those Underlying Shares as if s561(1) of that Act did not apply to that allotment and (ii) upon receipt by the Company of the issue and sale proceeds of those Shares to be issued under the Issuance Notice and the names of the holder(s) of the relevant Ordinary Shares being entered in the register of members of the Company in respect of those Ordinary Shares, those Ordinary Shares (A) will be validly allotted, issued and fully paid such that the member(s) will have paid all amounts on account of the nominal value and share premium in respect of such shares, (B) will conform to the description of the Ordinary Shares under the heading "Description of Share Capital — Shares and Rights Attaching to Them" in the Prospectus and (C) will rank *pari passu* with the then existing ordinary shares of the Company.

Section 6. INDEMNIFICATION AND CONTRIBUTION

(a) Indemnification of the Agent. The Company agrees to indemnify and hold harmless the Agent, its officers and employees, and each person, if any, who controls the Agent within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which the Agent or such officer, employee or controlling person may become subject, under the Securities Act, the Exchange Act, other federal or state statutory law or regulation, or the laws or regulations of foreign jurisdictions where Shares have been offered or sold or at common law or otherwise (including in settlement of any litigation), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, including any information deemed to be a part thereof pursuant to Rule 430B under the Securities Act, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Free Writing Prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433(d) of the Securities Act or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and to reimburse the Agent and each such officer, employee and controlling person for any and all expenses (including the fees and disbursements of counsel chosen by the Agent) as such expenses are reasonably incurred by the Agent or such officer, employee or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by the Agent expressly for use in the Registration Statement, any such Free Writing Prospectus or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information furnished by the Agent to the Company consists of the information described in subsection (b) below. The indemnity agreement set forth in this Section 6(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) Indemnification of the Company, its Directors and Officers. The Agent agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which the Company or any such director, officer or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or the laws or regulations of foreign jurisdictions where Shares have been offered or sold or at common law or otherwise (including in settlement of any litigation), arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, including any information deemed to be a part thereof pursuant to Rule 430B under the Securities Act, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Free Writing Prospectus that the Company has used, referred to or filed, or is required to file, pursuant to Rule 433(d) of the Securities Act or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; but, for each of (i) and (ii) above, only to the extent arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by the Agent expressly for use in the Registration Statement, any such Free Writing Prospectus or the Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information furnished by the Agent to the Company consists of the information set forth in the first sentence in the ninth paragraph under the caption “Plan of Distribution” in the Prospectus, and to reimburse the Company and each such director, officer and controlling person for any and all expenses (including the fees and disbursements of one counsel chosen by the Company) as such expenses are reasonably incurred by the Company or such officer, director or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. The indemnity agreement set forth in this Section 6(b) shall be in addition to any liabilities that the Agent or the Company may otherwise have.

(c) Notifications and Other Indemnification Procedures. Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise than under the indemnity agreement contained in this Section 6 or to the extent it is not prejudiced as a proximate result of such failure. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties

shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 6 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the fees and expenses of more than one separate counsel (together with local counsel), representing the indemnified parties who are parties to such action), which counsel (together with any local counsel) for the indemnified parties shall be selected by the indemnified party (in the case of counsel for the indemnified parties referred to in Section 6(a) and Section 6(b) above), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party and shall be paid as they are incurred.

(d) Settlements. The indemnifying party under this Section 6 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 6(c) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request; and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding.

(e) Contribution. If the indemnification provided for in this Section 6 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Agent, on the other hand, from the offering of the Shares pursuant to this Agreement; or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Agent, on the other

hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Agent, on the other hand, in connection with the offering of the Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total gross proceeds from the offering of the Shares (before deducting expenses) received by the Company bear to the total commissions received by the Agent. The relative fault of the Company, on the one hand, and the Agent, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Agent, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 6(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 6(c) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 6(e); provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 6(c) for purposes of indemnification.

The Company and the Agent agree that it would not be just and equitable if contribution pursuant to this Section 6(e) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 6(e).

Notwithstanding the provisions of this Section 6(e), the Agent shall not be required to contribute any amount in excess of the Selling Commission received by the Agent in connection with the offering contemplated hereby. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 6(e), each officer and employee of the Agent and each person, if any, who controls the Agent within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Agent, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company.

Section 7. TERMINATION & SURVIVAL

(a) Term. Subject to the provisions of this Section 7, the term of this Agreement shall continue from the date of this Agreement until the end of the Agency Period, unless earlier terminated by the parties to this Agreement pursuant to this Section 7.

(b) Termination; Survival Following Termination.

(i) Either party may terminate this Agreement prior to the end of the Agency Period, by giving written notice as required by this Agreement, upon ten (10) Trading Days' notice to the other party; provided that, (A) if the Company terminates this Agreement after the Agent confirms to the Company any sale of Shares, the Company shall remain obligated to comply with Section 3(b)(v) with respect to such Shares and (B) Section 2, Section 3(d), Section 6, Section 7 and Section 8 shall survive termination of this Agreement. If termination shall occur prior to the Settlement Date for any sale of Shares, such sale shall nevertheless settle in accordance with the terms of this Agreement.

(ii) In addition to the survival provision of Section 7(b)(i), the respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers and of the Agent set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of the Agent or the Company or any of its or their partners, officers or directors or any controlling person, as the case may be, and, anything herein to the contrary notwithstanding, will survive delivery of and payment for the Shares sold hereunder and any termination of this Agreement.

Section 8. MISCELLANEOUS

(a) Press Releases and Disclosure. The Company may issue a press release describing the material terms of the transactions contemplated hereby as soon as practicable following the date of this Agreement, and may file with the Commission a Report on Form 6-K, with this Agreement attached as an exhibit thereto, describing the material terms of the transactions contemplated hereby, and the Company shall consult with the Agent prior to making such disclosures, and the parties hereto shall use all commercially reasonable efforts, acting in good faith, to agree upon a text for such disclosures that is reasonably satisfactory to all parties hereto. No party hereto shall issue thereafter any press release or like public statement (including, without limitation, any disclosure required in reports filed with the Commission pursuant to the Exchange Act) related to this Agreement or any of the transactions contemplated hereby without the prior written approval of the other party hereto, except as may be necessary or appropriate in the reasonable opinion of the party seeking to make disclosure to comply with the requirements of applicable law or stock exchange rules. If any such press release or like public statement is so required, the party making such disclosure shall consult with the other party prior to making such disclosure, and the parties shall use all commercially reasonable efforts, acting in good faith, to agree upon a text for such disclosure that is reasonably satisfactory to all parties hereto.

(b) No Advisory or Fiduciary Relationship. The Company acknowledges and agrees that (i) the transactions contemplated by this Agreement, including the determination of any fees, are arm's-length commercial transactions between the Company and the Agent, (ii) when acting as a principal under this Agreement, the Agent is and has been acting solely as a principal is not the agent or fiduciary of the Company, or its stockholders, creditors, employees or any other party, (iii) the Agent has not assumed nor will assume an advisory or fiduciary responsibility in favor of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Agent has advised or is currently advising the Company on other matters) and the Agent does not have any obligation to the Company with respect to the transactions contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Agent and its affiliates may be engaged in a broad range of transactions that involve interests

that differ from those of the Company, and (v) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

(c) Research Analyst Independence. The Company acknowledges that the Agent's research analysts and research departments are required to and should be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and as such the Agent's research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company or the offering that differ from the views of their respective investment banking divisions. The Company understands that the Agent is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

(d) Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Agent:

Jefferies LLC
520 Madison Avenue
New York, NY 10022
Attention: General Counsel
Facsimile: (646) 786-5719

with a copy (which shall not constitute notice) to:

Cooley LLP
55 Hudson Yards
New York, NY 10001
Attention: Daniel I. Goldberg, Esq.
Facsimile: (212) 479-6275

If to the Company:

Mereo BioPharma Group plc
One Cavendish Place, 4th Floor
London W1G 0QF United Kingdom
Attention: Charles Sermon
E-mail: cs@mereobiopharma.com

with a copy (which shall not constitute notice) to:

Mayer Brown LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: David Bakst
E-mail: dbakst@mayerbrown.com

Any party hereto may change the address for receipt of communications by giving written notice to the others in accordance with this Section 8(d).

(e) Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, and to the benefit of the employees, officers and directors and controlling persons referred to in Section 6, and in each case their respective successors, and no other person will have any right or obligation hereunder. The term "successors" shall not include any purchaser of the Shares as such from the Agent merely by reason of such purchase.

(f) Partial Unenforceability. The invalidity or unenforceability of any Article, Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Article, Section, paragraph or provision hereof. If any Article, Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

(g) Governing Law Provisions. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in such state. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("**Related Proceedings**") may be instituted in the federal courts of the United States of America located in the City of New York, and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "**Related Judgment**"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the New York Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum. The Company irrevocably appoints Mereo BioPharma 5, Inc., which currently maintains a New York City office at 800 Chesapeake Dr, Redwood City, CA 94063, United States of America, as its agent to receive service of process or other legal summons for purposes of any such suit, action or proceeding that may be instituted in any New York Court. With respect to any Related Proceeding, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled in the New York Courts, and with respect to any Related Judgment, each party waives any such immunity in the New York Courts or any other court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such Related Proceeding or Related Judgment, including, without limitation, any immunity pursuant to the United States Foreign Sovereign Immunities Act of 1976, as amended.

(h) Judgment Currency. The obligations of the Company pursuant to this Agreement in respect of any sum due to the Agent shall, notwithstanding any judgment in a currency other than U.S. dollars, not be discharged until the first business day following receipt by the Agent of any sum adjudged to be so due in such other currency on which (and only to the extent that) the Agent may in accordance with normal banking procedures purchase U.S. dollars with such other currency. If the U.S. dollars so purchased are less than the sum originally due to the Agent hereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent against such loss. If the U.S. dollars so purchased are greater than the sum originally due to the Agent hereunder, the Agent agrees to pay to the Company an amount equal to the excess of the dollars so purchased over the sum originally due to the Agent hereunder.

(i) Payments. All payments made by the Company under this Agreement will be made without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, fees, assessments or governmental charges of whatever nature (other than taxes on net income) unless the Company is or becomes required by law to withhold or deduct such taxes, duties, levies, imposts, fees, assessments or other governmental charges. In such event, the Company will pay such additional amounts as will result, after such withholding or deduction, in the receipt by the Agent of the amounts that would otherwise have been receivable in respect thereof, except to the extent of withholding or deduction for (i) any income, capital gains or franchise taxes that would not have been imposed but for a present or former connection between the Agent and the jurisdiction imposing such taxes or duties, other than as a result of this Agreement and the transactions contemplated hereunder, or (ii) taxes that would not have been imposed but for a failure to comply with a reasonable request in writing for identification, documentation or certification required in order to reduce or eliminate such withholding or deduction, other than as a result of any binding confidentially or other legal obligations of the Agent.

(j) VAT. If the performance by the Agent of any of its obligations under this Agreement shall represent for VAT purposes under any applicable law the making by the Agent of any supply of goods or services to the Company (to the extent applicable), the Company shall pay to the Agent, in addition to the amounts otherwise payable by the Company pursuant to this Agreement, an amount equal to the VAT chargeable on any such supply of goods and services provided that the Agent has issued the Company with an appropriate VAT invoice in respect of the supply to which the payment relates. Where a sum (a "**Relevant Sum**") is paid or reimbursed to the Agent pursuant to this Agreement in respect of any cost, expense or other amount and that cost, expense or other amount includes an amount in respect of irrecoverable VAT (the "**VAT Element**"), then the Company, to the extent applicable, shall, in addition, pay an amount equal to the VAT Element to the Agent. For the purposes of this Agreement, "**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 ("**VATA**") and subordinate legislation made under VATA as amended, modified or re-enacted (whether before or after the date of this Agreement) and any similar value added, sales, goods and services, consumption, use or turnover tax whether within the United Kingdom or elsewhere in the world

(k) General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and may be delivered by facsimile transmission or by electronic delivery of a portable document format (PDF) file (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com). This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The Article and Section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

[*Signature Page Immediately Follows*]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms

Very truly yours,

MEREO BIOPHARMA GROUP PLC

By: /s/ Denise Scots-Knight
Name: Denise Scots-Knight
Title: Chief Executive Officer

The foregoing Agreement is hereby confirmed and accepted by the Agent in New York, New York as of the date first above written.

JEFFERIES LLC

By: /s/ Michael Magarro
Name: Michael Magarro
Title: Managing Director

EXHIBIT A

ISSUANCE NOTICE

[Date]

Jefferies LLC
520 Madison Avenue
New York, New York 10022

Attn: [_____]

Reference is made to the Open Market Sale Agreement[SM] between Mereo BioPharma Group plc (the "**Company**") and Jefferies LLC (the "**Agent**") dated as of August 5, 2021. The Company confirms that all conditions to the delivery of this Issuance Notice are satisfied as of the date hereof.

Date of Delivery of Issuance Notice (determined pursuant to Section 3(b)(i)):

_____

Issuance Amount (equal to the total Sales Price for such Shares):

$ _____

Number of days in selling period: _____

First date of selling period: _____

Last date of selling period: _____

Settlement Date(s) if other than standard T+2 settlement: _____

Floor Price Limitation (in no event less than $1.00 without the prior written consent of the Agent, which consent may be withheld in the Agent's sole discretion): $ ____ per share

Comments: _____

By: _____
Name:
Title:

Schedule A

Notice Parties

The Company

Christine Fox (christine.fox@mereobiopharma.com)
Charles Sermon (cs@mereobiopharma.com)

The Agent

Michael Magarro (mmagarro@jefferies.com)
Donald Lynaugh (dlynaugh@jefferies.com)

Exhibit 4.3

EXECUTION VERSION

May 21, 2021

ASTRAZENECA AB

and

MEREO BIOPHARMA GROUP PLC

DEED OF AMENDMENT AND RESTATEMENT

relating to a Subscription Deed

LATHAM&WATKINS

99 Bishopsgate

London

EC2M 3XF

www.lw.com

Contact: James Inness / Anna Ngo

This Deed (the "**Deed**") is made on May 21, 2021 **between**:

(1) **ASTRAZENECA AB**, a company incorporated in Sweden under no. 566011-7482 with its registered office at SE-151 85 Sodertalje, Sweden ("**AstraZeneca**"); and

(2) **MEREO BIOPHARMA GROUP PLC**, a company incorporated in England and Wales with the registered number 09481161 and registered address at 4th Floor, One Cavendish Place, London, England, W1G 0QF (the "**Company**").

Whereas:

(A) AstraZeneca and the Company entered into the Original Subscription Deed on October 28, 2017.

(B) AstraZeneca and the Company now wish to amend and restate the Original Subscription Deed in the form of the Amended and Restated Subscription Deed.

It is agreed as follows:

1 DEFINITIONS AND INTERPRETATION

In this Deed, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Incorporation of defined terms

Unless otherwise stated, terms defined in the Original Subscription Deed shall have the same meaning in this Deed.

1.2 Definitions

"**Amended and Restated Subscription Deed**" means the Original Subscription Deed, as amended and restated in the form set out in the Schedule to this Deed;

"**Effective Date**" means May 21, 2021.

"**Original Subscription Deed**" means the Subscription Deed entered into between AstraZeneca and the Company on October 28, 2017; and

"**Party**" means a party to this Deed.

1.3 Interpretation clauses

1.3.1 The principles of interpretation set out in Clause 1 of the Original Subscription Deed shall have effect as if set out in this Deed, save that references to "this Agreement" shall be construed as references to "this Deed".

1.3.2 References to this Deed include its Schedule.

2 AMENDMENT

2.1 The Parties agree that the Original Subscription Deed shall be amended and restated in the form set out in the Schedule to this Deed.

2.2 The amendment and restatement of the Original Subscription Deed pursuant to Clause 2.1 shall take effect from the Effective Date.

2.3 Upon this Deed being entered into, the Amended and Restated Subscription Deed shall supersede the Original Subscription Deed in its entirety.

3 INCORPORATION OF TERMS

The provisions of clauses 9, 10, 12, and 13 of the Amended and Restated Subscription Deed shall apply to this Deed as if set out in full in this Deed and as if references in those clauses to “this Agreement” are references to this Deed and references to “party” or “parties” are references to parties to this Deed.

In witness whereof this Deed has been delivered on the date first stated above.

EXECUTED and delivered as a DEED by
MEREO BIOPHARMA GROUP PLC
acting by Denise Scots-Knight, a director,
and Charles Sermon, its secretary

Director

Secretary

EXECUTED and delivered as a DEED by
ASTRAZENECA AB (publ)
acting by two authorised signatories

Name:
Title:

Name:
Title:

ASTRAZENECA AB

and

MEREO BIOPHARMA GROUP PLC

SUBSCRIPTION DEED

LATHAM&WATKINS

99 Bishopsgate

London

EC2M 3XF

www.lw.com

Contact: James Inness / Anna Ngo

TABLE OF CONTENTS

THIS DEED was made on 28 October 2017 and is amended and restated by an amendment deed dated May 21, 2021 (as amended and restated, this "**Agreement**")

BETWEEN

(1) **ASTRAZENECA AB**, a company incorporated in Sweden under no. 566011-7482 with its registered office at SE-151 85 Sodertalje, Sweden ("**AstraZeneca**"); and

(2) **MEREO BIOPHARMA GROUP PLC**, a company incorporated in England and Wales with the registered number 09481161 and registered address at 4th Floor, One Cavendish Place, London, England, W1G 0QF (the "**Company**").

WHEREAS

A. AstraZeneca owns and controls certain intellectual property rights and assets relating to a compound designated AZD9668, which is an orally delivered form of a neutrophil elastase inhibitor that has been the subject of Phase II clinical trials in respiratory diseases, and to a compound designated as AZD9819, which is a neutrophil elastase inhibitor delivered by inhalation that has been the subject of Phase I clinical trials.

B. AstraZeneca wishes to grant, and Mereo wishes to obtain, the License pursuant to the terms set forth in the License Agreement.

C. The Company has agreed to allot and issue the Subscription Shares, credited as fully paid, to AstraZeneca in consideration for Mereo issuing the Loan Notes to the Company subject to the terms and conditions set out in the Transaction Documents.

IT IS AGREED THAT:

1 DEFINITIONS AND INTERPRETATION

1.1 Words and expressions not otherwise defined in this Agreement shall have the meanings given to them in the License Agreement.

1.2 In this Agreement, the following words and expressions shall have the meanings set out below.

"**Acceleration Event**" means any of the following:

(a) a Change of Control; or

(b) a Mereo Sale Event;

"**Adjustment Event**" has the meaning given in paragraph 2.1 of Schedule 1;

"**ADSs**" means American Depositary Shares, each representing Ordinary Shares, of the Company;

"**Business Day**" means any day other than a Saturday or Sunday or a day on which banking institutions in London or Stockholm, Sweden are permitted or required to be closed;

"**Calculation Agent**" means the auditors (from time to time) of the Company or, if they are unwilling or unable to act, an independent firm of chartered accountants (of international repute) as the parties shall agree (or, if they are unable to reach agreement within ten (10) Business Days of a notice to agree being served by either party on the other, as nominated by the President of the Institute of Chartered Accountants in England and Wales on the application of either party);

"**Change of Control**" means the occurrence of:

(a) an offer (as such term is defined the Takeover Code) being made by a person or group of persons acting in concert (as such term is defined in the Takeover Code), other than AstraZeneca or any person acting in concert with AstraZeneca, to all holders of Ordinary Shares (other than the offeror and/or any associate (as defined in section 988 of the Companies Act) of the offeror, and any person to whom the offer is not made (i) pursuant to a dispensation granted by the Panel on Takeovers and Mergers; and/or (ii) in reliance on any exception to Rule 30.4 provided in the Takeover Code (including the note on Rule 30.4)) to acquire the whole of the issued ordinary share capital of the Company (other than that held by the offeror and/or any associate (as defined in section 988 of the Companies Act) of the offeror) and such offer being declared unconditional in all respects; or

(b) a proposal being made by a person or group of persons acting in concert, other than AstraZeneca or any person acting in concert with AstraZeneca, to undertake a scheme of arrangement pursuant to Part 26 of the Companies Act as a means of effecting an acquisition of the whole of the issued ordinary share capital of the Company (other than that held by the offeror and/or any associate (as defined in section 988 of the Companies Act) of the offeror) and such scheme becoming effective;

"**Closing Date**" means the First Closing Date, the Second Closing Date, and Third Closing Date, as relevant;

"**Companies Act**" means the Companies Act 2006;

"**Deposit Agreement**" means the deposit agreement dated 23 April 2019 among the Company, Citibank, N.A. (as depositary) and all Holders (as defined therein) and Beneficial Owners (as defined therein) of ADSs issued thereunder;

"**Depositary**" has the meaning given in the Deposit Agreement;

"**Disposal**" means directly or indirectly, offer, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell, issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Subscription Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into the Subscription Shares or agree to do any of the foregoing;

"**Effective Date**" means 28 October 2017;

"**Encumbrance**" means any mortgage, charge (fixed or floating), pledge, lien, hypothecation trust, right of set-off or other third party right or interest (legal or equitable) including any right of pre-emption, assignment by way of security, reservation of title or any other security interest of any kind however created or arising or any other agreement or arrangement (including a sale and repurchase arrangement);

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**FCA**" means the UK Financial Conduct Authority and any successor to its functions from time to time;

"**First Closing Date**" means the date on which the Subscription Shares comprised in the First Equity Tranche were allotted and issued to AstraZeneca pursuant to clause 2.1;

"**First Equity Tranche**" means 490,798 Ordinary Shares;

"**Guarantee"** means the parent company guarantee entered into between AstraZeneca and the Company on or around the Effective Date;

"**License**" means the license granted by AstraZeneca to Mereo pursuant to the License Agreement;

"**License Agreement**" means the exclusive license and option agreement entered into between AstraZeneca and Mereo on or around the Effective Date;

"**Loan Note 1**" means the loan note issued by Mereo to the Company for the principal amount of $2.0 million pursuant to clause 8.2.1(a) of the License Agreement;

"**Loan Note 2**" means the loan note to be issued by Mereo to the Company for the principal amount of $1.75 million pursuant to clause 8.2.1(b) of the License Agreement;

"**Loan Note 3**" means the loan note to be issued by Mereo to the Company for the principal amount of $3.75 million pursuant to clause 8.2.1.(c) of the License Agreement;

"**Loan Notes**" means Loan Note 1, Loan Note 2, and Loan Note 3;

"**MAR**" means the Market Abuse Regulation (Regulation 596/2014);

"**Mereo**" means Mereo BioPharma 4 Limited, a company incorporated in England and Wales with the registered number 11029583 and registered address at 4th Floor, One Cavendish Place, London, England, W1G 0QF;

"**Mereo Group**" means the Company and its Affiliates from time to time;

"**Mereo Sale Event**" means, directly or indirectly:

(a) the effecting of any transaction as a result of which the Company is no longer the ultimate holding company of Mereo (except for a transaction to which clause 8.1 applies); or

(b) the completion of a sale of all, or substantially all, of Mereo's business, assets or undertakings to which the License Agreement relates at the time of such a sale (including, for clarity, any sale, transfer or assignment of all, or substantially all, of the intellectual property rights owned by Mereo at the relevant time if that constitutes all, or substantially all, of Mereo's business, assets or undertakings to which the License Agreement relates at such time);

"**Ordinary Shares**" means the ordinary shares each with a nominal value of £0.003 in the capital of the Company (and, if there is a sub-division, consolidation or reclassification of those shares, the shares resulting from the sub-division, consolidation or reclassification);

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended;

"**Registrars**" means Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL;

"**Registration Statement**" means a registration statement on Form F-3 (or Form S-3, as applicable) or, if the Company is not eligible to use such form, on Form F-1 (or Form S-1, as applicable), or any successor forms thereto;

"**Regulation S**" means Regulation S under the Securities Act;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Second Closing Date**" means the date on which the ADSs representing the Subscription Shares comprised in the Second Equity Tranche are issued to AstraZeneca pursuant to clause 2.2;

"**Second Equity Tranche**" means such number of ADSs that represent a number of Ordinary Shares (rounded down to the nearest whole Ordinary Share) as results from the following calculation:

$$\text{No. of Ordinary Shares} = \frac{\$1.75 \text{ million}}{\text{Subscription Price}}$$

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Subscription Price**" means $4.075, subject to adjustment from time to time pursuant to clause 4;

"**Subscription Shares**" means the Ordinary Shares subscribed for by AstraZeneca, and allotted and issued by the Company, pursuant to this Agreement, comprised of the First Equity Tranche, together with, to the extent applicable, the Ordinary Shares to be allotted to AstraZeneca by the Company as part of the Second Equity Tranche and the Third Equity Tranche;

"**Takeover Code**" means The City Code on Takeovers and Mergers;

"**Third Closing Date**" means the date on which the ADSs representing the Subscription Shares comprised in the Third Equity Tranche are issued to AstraZeneca pursuant to clause 2.3;

"**Third Equity Tranche**" means such number of ADSs that represent a number of Ordinary Shares (rounded down to the nearest whole Ordinary Share) as results from the following calculation:

$$\text{No. of Ordinary Shares} = \frac{\$3.75 \text{ million}}{\text{Subscription Price}}$$

"**Tranche**" refers to the First Equity Tranche, and to the extent applicable, each of the Second Equity Tranche and Third Equity Tranche, as relevant;

"**Transaction Documents**" means this Agreement, the License Agreement and the Guarantee;

"**UK MAR**" means MAR as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;

"**UK Prospectus Regulation**" means the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and

"**U.S. Stock Exchange**" means the Nasdaq Global Market or such other U.S. market on which the ADSs are listed.

1.3 References in this Agreement to any act, statute or statutory provision include references to any such provision as amended, re-enacted or replaced from time to time and any former statutory provision replaced (with or without modification) by the provision referred to.

1.4 References in this Agreement to the singular include references to the plural and vice versa and references to the masculine gender shall include references to the feminine and neuter gender and vice versa.

1.5 Headings in this Agreement are inserted for convenience only and shall not affect the interpretation of this Agreement or any part thereof.

1.6 The ejusdem generis rule shall not apply, and the expression "including" shall be deemed to be followed by "without limitation".

1.7 The expressions "**subsidiary**" and "**holding company**" shall have the meanings given by the Companies Act and the expression "**subsidiary**" shall be deemed to include "**subsidiary undertakings**" as defined by the Companies Act.

1.8 References to USD or "**$**" are to the lawful currency of the United States.

1.9 References to GBP or "**£**" are to the lawful currency of the United Kingdom.

1.10 References to a party or parties mean a party or parties to this Agreement.

1.11 Reference to agreements are to those agreements as amended, varied, novated, restated or supplemented from time to time.

2 SUBSCRIPTION

2.1 The Company has allotted and issued to AstraZeneca the Subscription Shares comprised in the First Equity Tranche. The Subscription Shares comprised in the First Equity Tranche were issued credited as fully paid up in consideration for the issue by Mereo of Loan Note 1 to the Company.

2.2 The Company agrees to allot the Subscription Shares and issue ADSs representing such Subscription Shares to AstraZeneca comprised in the Second Equity Tranche no later than the earlier of: (i) the POC Full Enrollment Fee becoming due and payable pursuant to clause 8.3.1 of the License Agreement; and (ii) any Acceleration Event occurring. The Subscription Shares comprised in the Second Equity Tranche shall be allotted and the ADSs representing such Subscription Shares shall be issued credited as fully paid up in consideration for the issue by Mereo of Loan Note 2 to the Company. The Company's obligations under this clause 2.2 and clause 4.3 shall terminate automatically on any termination of the License Agreement by Mereo becoming effective pursuant to clause 14.2 of the License Agreement.

2.3 The Company agrees to allot the Subscription Shares and issue ADSs representing such Subscription Shares to AstraZeneca comprised in the Third Equity Tranche no later than the earlier of: (i) the Pivotal Success Fee becoming due and payable pursuant to clause 8.3.3 of the

License Agreement; and (ii) any Acceleration Event occurring. The Subscription Shares comprised in the Third Equity Tranche shall be allotted and the ADSs representing such Subscription Shares shall be issued credited as fully paid up in consideration for the issue by Mereo of Loan Note 3 to the Company. The Company's obligations under this clause 2.3 and clause 4.3 shall terminate automatically on any termination of the License Agreement by Mereo becoming effective pursuant to clause 14.2 of the License Agreement.

2.4 Any Subscription Shares that have been issued or will be allotted and any ADSs to be issued to AstraZeneca pursuant to this clause 2 were or shall be, as applicable, allotted or issued free from all Encumbrances and in accordance with (and subject to) the Company's articles of association then in force and, in the case of ADSs, the Deposit Agreement. Any Subscription Shares that have been issued or will be allotted to AstraZeneca pursuant to this clause 2 rank or shall rank, as applicable, *pari passu* with all other Ordinary Shares then in issue provided that the right to receive dividends and other distributions shall only apply to the extent that the record date therefor falls on or after the relevant Closing Date. AstraZeneca hereby applies for and consents to the entry of its name in the Company's register of members as the holder of all Subscription Shares issued to it credited as fully paid pursuant to this clause 2.

2.5 For clarity, references in the License Agreement to Subscription Shares issued to AstraZeneca pursuant to clause 2.2 or clause 2.3 above shall be deemed references to the ADSs issued to AstraZeneca pursuant to such clause.

3 CERTIFICATES, ADSs AND U.S. SECURITIES AND EXCHANGE COMMISSION REGISTRATION

3.1 [NOT USED]

3.2 Subject to clause 3.3, the Company undertakes to AstraZeneca that it shall:

(a) procure that the Registrars register AstraZeneca, or such entity as AstraZeneca has confirmed in writing, as the holder of each Tranche of the Subscription Shares; and

(b) issue the Subscription Shares in certificated form and deliver to AstraZeneca a duly executed share certificate in respect of each Tranche of Subscription Shares in accordance with the Company's articles of association,

in each case, as soon as reasonably practicable following their issuance.

3.3 The Company shall deliver ADSs representing the Subscription Shares in lieu of delivering Subscription Shares at the Second Closing and the Third Closing, and such Subscription Shares shall be issued to, and deposited with (and otherwise registered in the name of) the custodian (or its nominee) of the Depositary. Following such issuance and deposit, the Company undertakes to AstraZeneca that it shall direct the Depositary to issue an amount of ADSs to AstraZeneca comprising the Second Equity Tranche (in respect of the Second Closing) or the Third Equity Tranche (in respect of the Third Closing), in each case, in book-entry form. The Company and AstraZeneca shall complete (as applicable), execute and deliver to the Depositary an instruction in the Form of Schedule 4 in connection with the Second Closing and the Third Closing.

3.4 AstraZeneca's entitlement to ADSs shall be calculated using the ratio applicable to the exchange of Ordinary Shares for ADSs at the time of such delivery of ADSs, being at the date of this Agreement a ratio of five Ordinary Shares to each ADS. No fractional ADSs or scrip representing fractional ADSs will be issued and any number of balancing Ordinary Shares will be issued to AstraZeneca in certificated form.

3.5 The Company undertakes to AstraZeneca that, prior to the Second Closing, at its own expense it will prepare and file a Registration Statement with the SEC covering the resale of each Tranche of the Subscription Shares allotted and issued by the Company pursuant to the Transaction Documents in the form of ADSs (or any subsequent security of the Company listed on a U.S. Stock Exchange), and use reasonable endeavours to have such Registration Statement declared effective by the SEC as promptly as reasonably practicable thereafter.

3.6 The Company shall maintain the continuous effectiveness of the Registration Statement until the earlier of (i) the date on which the ADSs issued to AstraZeneca hereunder may be resold without volume or manner of sale limitations pursuant to Rule 144 promulgated under the Securities Act and without the requirement for the Company to be in compliance with the current public information required under Rule 144, and (ii) the date on which all such ADSs have actually been sold by AstraZeneca.

3.7 The Company shall indemnify and hold harmless AstraZeneca, its officers, directors and agents, and each person who controls AstraZeneca (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, that arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any prospectus included in the Registration Statement or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent that such untrue statements or alleged untrue statements, omissions or alleged omissions are based upon information regarding AstraZeneca furnished in writing to the Company by AstraZeneca expressly for use therein.

3.8 AstraZeneca shall indemnify and hold harmless the Company, its officers, directors and agents, and each person who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) to the fullest extent permitted by applicable law, from and against any and all Losses, as incurred, that arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any prospectus included in the Registration Statement or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, but only to the extent that such untrue statements or alleged untrue statements, omissions or alleged omissions are based upon information regarding AstraZeneca furnished in writing to the Company by AstraZeneca expressly for use therein.

3.9 To the extent the indemnification provided for in clause 3.7 or clause 3.8 is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such Losses, as well

as any other relevant equitable considerations. The relative fault of the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or parties on the one hand or the indemnified party or parties on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to above in this clause 3.9 shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the foregoing provisions of this clause 3.9, AstraZeneca shall not be required to contribute any amount in excess of the aggregate public offering price of the ADSs offered and sold pursuant to the Registration Statement, and no person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

4 ADJUSTMENTS AND ACCELERATION EVENTS

4.1 If an Adjustment Event occurs, the Subscription Price shall be subject to adjustment in accordance with the provisions of Schedule 1.

4.2 Whenever an adjustment is to be made under this clause 4, the Company shall, subject to compliance with applicable law (including the Takeover Code, MAR, UK MAR, U.S. securities laws and U.S. Stock Exchange rules, as applicable) and the requirements of the FCA and the Panel on Takeovers and Mergers, as soon as reasonably practicable, give notice to AstraZeneca setting forth in reasonable detail the nature of the adjustment, the event giving rise to the adjustment and the effective date of the adjustment.

4.3 Subject to compliance with applicable law (including the Takeover Code, MAR, UK MAR, U.S. securities laws and U.S. Stock Exchange rules, as applicable) and the requirements of the FCA and the Panel on Takeovers and Mergers, the Company will give AstraZeneca not fewer than 10 Business Days written notice prior to the date on which any Acceleration Event takes effect, and the Company will procure that no Acceleration Event takes effect until: (i) Mereo has issued all Loan Notes required to be issued to the Company pursuant to clause 8.2 of the License Agreement; and (ii) all Subscription Shares (or ADSs representing such Subscription Shares) have been issued (credited as fully paid up in consideration for the issue of the Loan Notes to the Company) and the Company's register of members has been updated, in each case in accordance with clause 3, such that AstraZeneca is entitled to participate in any payment, dividend, distribution or other transfer of value made to the holders of Ordinary Shares (whether by the Company or another person) in connection with the Acceleration Event.

5 WARRANTIES

5.1 AstraZeneca hereby warrants to the Company on the Effective Date, and on each Closing Date (provided that the warranty in clause 5.3(e) below shall not be given on the Second Closing Date and the Third Closing Date), that:

(a) this Agreement has been duly authorised, executed and delivered by AstraZeneca and constitutes a valid and legally binding agreement of AstraZeneca enforceable against AstraZeneca in accordance with its terms, subject to mandatory rules of law relating to insolvency, and general equitable principles;

(b) by reason of its, or of its management's, business and financial experience, AstraZeneca has the capacity to evaluate the merits and risks of its investment in the Subscription Shares (and any ADSs representing the Subscription Shares) and to protect its own interests in connection with the transaction contemplated in this Agreement;

(c) it is a qualified investor within the meaning of the Prospectus Regulation and the UK Prospectus Regulation and any relevant implementing measures and falls within Article 49(2) ("High Net Worth Companies, Unincorporated Association, etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;

(d) it is authorised and entitled to subscribe for the Subscription Shares (and any ADSs representing the Subscription Shares) under the laws of all relevant jurisdictions that apply to it, has complied with all such laws relating to the subscription of the Subscription Shares (and any ADSs representing the Subscription Shares) (including, where applicable, the Criminal Justice Act 1993, MAR, UK MAR, the Proceeds of Crime Act 2002, U.S. securities laws and U.S. Stock Exchange rules, as applicable) and has obtained all applicable consents required to be obtained by it in relation to the subscription of the Subscription Shares (and any ADSs representing the Subscription Shares);

(e) it is incorporated and located outside the United States; and

(f) it has not subscribed for the Subscription Shares (or any ADSs representing the Subscription Shares) for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Subscription Shares (or any ADSs representing the Subscription Shares) or any economic interest therein to any person in the United States.

5.2 The Company hereby warrants to AstraZeneca on the Effective Date, that:

(a) the information given in Part 1 of Schedule 2 in relation to the issued share capital of the Company is true and accurate in all respects and is not misleading in any respect because of any omission;

(b) all sums due in respect of the issued share capital of the Company have been paid up in full and received by the Company and, save as disclosed in Part 2 of Schedule 2, there are no outstanding options or other rights to subscribe for or call for the allotment of any share or loan capital of the Company; and

(c) none of the owners or holders of shares in the Company will, following issue of such shares, have any rights, in their capacity as such, in relation to the Company granted by the Company other than as set out in the articles of association of the Company or as has been publicly disclosed by the Company including in an admission document, in the Company's statutory annual report or via an RNS announcement.

5.3 The Company hereby warrants to AstraZeneca on the Effective Date, and on each Closing Date (provided that (i) the warranty in clause 5.3(e) below shall not be given on any Closing Date; and (ii) the warranty in clause 5.3(h) below shall be given on each Closing Date subject to the proviso referenced therein), that:

(a) the Company is duly incorporated and validly existing under the laws of England and Wales;

(b) the Company has power under its articles of association and has obtained all necessary corporate authorities (including without limitation relevant members' resolutions) to create, allot and issue the Subscription Shares (or ADSs representing the Subscription Shares), to effect the subscription in the manner proposed and to enter into and perform this Agreement without any further sanction or consent by members of the Company or any class of them and there are no consents or third party approvals, authorisations or orders of a government or regulatory nature or otherwise required under the laws of England and Wales for the creation, allotment and issue of the Subscription Shares (or ADSs representing the Subscription Shares), to effect the subscription or to enter into and perform this Agreement, in each case which have not been obtained;

(c) neither the entering into and performance of this Agreement nor the issue of the Subscription Shares (or any ADSs representing the Subscription Shares) will: (i) result in a breach of any material agreements to which any member of the Mereo Group is a party or by which any such member or any of their respective properties or assets is bound; or (ii) violate any requirement of any applicable laws, regulations or rules;

(d) this Agreement has been duly authorised, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, subject to mandatory rules of law relating to insolvency, and to general equitable principles;

(e) the Company is a "foreign private issuer" as defined in Regulation S and the Company reasonably believes that there is no "substantial U.S. market interest" (as defined in Regulation S) in the Subscription Shares or any other securities of the Company of the same class as the Subscription Shares;

(f) neither the Company nor any of its Affiliates, nor any person acting on its or their behalf, has, directly or indirectly, made or will make offers or sales of any security, or has solicited offers to buy, or has otherwise negotiated in respect of any security, under circumstances that would require registration of the Subscription Shares (or any ADSs representing the Subscription Shares) under the Securities Act except as set forth in clause 3 of this Agreement;

(g) neither the Company nor any of its Affiliates, nor any person acting on its or their behalf, has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Subscription Shares (or any ADSs representing the Subscription Shares);

(h) so far as the Company is aware, the Company is not, other than in connection with the transactions contemplated by the Transaction Documents, in possession of any unpublished price sensitive information which the Company is required to make public in accordance with Article 17 of MAR or Article 17 of UK MAR (provided that when this warranty is given on a Closing Date, this is subject to any information that the Company is permitted to delay disclosure of pursuant to MAR or UK MAR, respectively); and the Company is not, as of each Closing Date, in possession of any material nonpublic information (within the meaning of the U.S. securities laws) regarding the Company;

(i) no order has been made, no petition has been presented (so far as the Company is aware) and no meeting has been convened to consider a resolution and no resolution has been passed for the winding up of any member of the Mereo Group;

(j) no administration order has been made, no petition has been presented or application made (in each case, so far as the Company is aware) for such an order, and no administrator has been appointed in respect of any member of the Mereo Group;

(k) no receiver (which expression shall include an administrative receiver) or liquidator has been appointed in respect of any member of the Mereo Group or all or any of its assets;

(l) no composition or similar arrangement with creditors (including a voluntary arrangement under Part 1 Insolvency Act 1986) has been proposed by or in respect of any member of the Mereo Group; and

(m) the Deposit Agreement is a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as rights to indemnification thereunder may be limited by applicable law and public policy considerations, and subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles. Neither the Company nor, to the Company's knowledge, the Depositary is in default under the Deposit Agreement and the Company has not given or received any written notice purporting to terminate the Deposit Agreement.

6 ACKNOWLEDGEMENTS

6.1 AstraZeneca hereby acknowledges that:

(a) in connection with the execution of this Agreement, it is not relying on any information or representation or warranty in relation to the Company, its subsidiaries or the Subscription Shares (or any ADSs representing the Subscription Shares) other than: (i) currently publicly available information in relation to the Company; and (ii) warranties of the Company set forth in clauses 5.2 and 5.3 above and the representations of Mereo set forth in the License Agreement;

(b) none of the Company or its Affiliates has made any representation or warranty to it, express or implied, with respect to the completeness, accuracy or adequacy of any publicly available information in respect of the Mereo Group;

(c) its subscription of the Subscription Shares (and any ADSs representing the Subscription Shares) shall be on the terms and subject to the conditions of this Agreement, the License Agreement and the articles of association of the Company in force at each Closing Date and that it shall be bound by such articles of association; and

(d) in respect of the First Closing Date only, (i) the Subscription Shares (and any ADSs representing the Subscription Shares) have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and will be issued, offered, sold and allotted only outside the United States in offshore transactions in compliance with Regulation S; (ii) it is not an affiliate of the Company or a person acting on behalf of such affiliate; and (iii) the Subscription Shares (and any ADSs representing the Subscription Shares) have not been offered to it by means of any directed selling efforts (as defined in Regulation S).

7 [NOT USED]

8 REORGANISATION OF THE MEREO GROUP

8.1 If there is any transaction (not being a Change of Control) as a result of which holders of Ordinary Shares (as a class) receive shares or securities in another entity ("**New Shares**") in exchange for (or in consideration for the cancellation or transfer of) their Ordinary Shares, whereby the New Shares are to be held in the same proportion as the existing Ordinary Shares, then the Company will procure that such entity executes an agreement supplemental to this Agreement, providing AstraZeneca with subscription rights over New Shares (that when issued, will be credited as fully paid) in exchange for (or in consideration for the cancellation or transfer of) its outstanding subscription rights over Subscription Shares (and any ADSs representing the Subscription Shares) under this Agreement at the time of such transaction. The number of New Shares over which AstraZeneca shall have subscription rights shall represent the same proportion of the total number of issued New Shares (calculated inclusive of any New Shares to be issued on the exercise of any outstanding options, warrants or other rights to subscribe for or call for the allotment of New Shares) as the Subscription Shares that are yet to be allotted under this Agreement at the time of such transaction represent of the total number of Ordinary Shares (calculated on the same basis), as determined immediately prior to the completion of the transaction.

8.2 Subject to clause 8.1, the subscription rights for the allotment and issue of any New Shares to AstraZeneca will be subject to the terms and conditions of this Agreement and the License Agreement, *mutatis mutandis*, as if Ordinary Shares, when used in this Agreement and the License Agreement, were references to New Shares (in particular and without limitation, in clause 2 of this Agreement).

8.3 It is agreed that where the Company's shares (or instruments or securities representing such shares, including ADSs) are listed or admitted to trading on any stock exchange (including a U.S. Stock Exchange), the Subscription Shares (as and when issued) shall receive no less favourable treatment than the Ordinary Shares held by any other shareholder in connection with such listing or admission to trading on a stock exchange, including as regards registration rights and any associated expenses.

9 THIRD PARTY RIGHTS

No person who is not a party to this Agreement may enforce any term of this Agreement. The parties agree that the Contracts (Rights of Third Parties) Act 1999 shall not apply to this agreement or to any agreement or document entered into pursuant to this Agreement.

10 NOTICES

10.1 Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by email transmission (with transmission confirmed) or by internationally recognised overnight delivery service that maintains records of delivery, addressed to the parties at their respective addresses specified in clause 10.2 or to such other address as the party to whom notice is to be given may have provided to the other party in accordance with this clause 10.1. Such notice shall be deemed to have been given as of the date delivered by hand or transmitted by email (with transmission confirmed) or on the second Business Day (at the place of delivery) after deposit with an internationally recognized overnight delivery service. Any notice delivered by email shall be confirmed by a hard copy delivered as soon as practicable thereafter.

10.2 The addresses referred to in clause 10.1 are:

in respect of the Company:

Mereo BioPharma Group plc
4th Floor, 1 Cavendish Place
London W1G 0QF
United Kingdom
Attention: General Counsel
Email: legal@mereobiopharma.com

with copies (which shall not constitute notice) to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
United States of America
Attention: Judith Hasko
Email: Judith.Hasko@lw.com

and

Latham & Watkins LLP
99 Bishopsgate
London, EC2M 3XF
United Kingdom
Attention: James Inness
Email: James.Inness@lw.com

in respect of AstraZeneca:

AstraZeneca AB
SE-151 85 Sodertalje, Sweden
Attention: Deputy General Counsel
Email: legalnotices@astrazeneca.com

with a copy (which shall not constitute notice) to:

Covington & Burling LLP
One City Center, 850 Tenth Street NW
Washington, DC 20001-4956
United States
Attention: Michael J. Riella
Email: mriella@cov.com

10.3 AstraZeneca shall at all times maintain an agent for the service of process and any other documents and proceedings in England or any other proceedings in connection with this Agreement. Such agent shall be AstraZeneca UK Limited, and any writ, judgment or other notice of legal process shall be sufficiently served on AstraZeneca if delivered to such agent at its registered address for the time being marked for the attention of the Deputy General Counsel.

10.4 If for any reason, AstraZeneca UK Limited ceases to act as agent for service, AstraZeneca shall immediately appoint a new agent for service of process in England and shall immediately notify the Company in writing of such appointment and the name and address of the new agent.

11 FURTHER ASSURANCE

Each party shall promptly execute and deliver such documents and perform such acts as may be reasonably required for the purpose of giving full effect to this Agreement.

12 ENTIRE AGREEMENT

12.1 This Agreement, the License Agreement, the Guarantee and any other agreement entered into in connection with this Agreement constitute the entire and only agreements between the parties relating to the subject matter of this Agreement.

12.2 If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, such provision or relevant part shall be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

13 APPLICABLE LAW

13.1 This Agreement (and any dispute or claim relating to it or its subject matter, including contractual and non-contractual claims) shall be governed by and construed in accordance with the laws of England.

13.2 Each of the parties hereby submits to the non-exclusive jurisdiction of the courts of England in relation to any matters (including non-contractual claims) arising out of this Agreement. This clause shall be without prejudice to the right of any party to bring proceedings in any other jurisdiction for the purpose of enforcement or execution of any judgment or other settlement in any other court.

SCHEDULE 1
ADJUSTMENTS

1 Adjustments to be Made

If there is an Adjustment Event, the Subscription Price (and, consequently, the number and/or nominal value of any Subscription Shares that AstraZeneca subsequently becomes entitled to be allotted in accordance with the terms of the Transaction Documents) will be adjusted in the manner set out in this Schedule 1.

2 Adjustment of Subscription Price

2.1 If and whenever the nominal value of the Ordinary Shares is altered as a result of consolidation or subdivision of the share capital of the Company (an "**Adjustment Event**"), the Subscription Price shall be adjusted by multiplying the Subscription Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Ordinary Share immediately after such alteration; and

B is the nominal amount of one Ordinary Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

2.2 In the case of any dispute as to the manner of any adjustment pursuant to this Schedule 1, the auditors (from time to time) of the Company or, if they are unwilling or unable to act, the Calculation Agent shall determine the same. The costs of the auditors or the Calculation Agent (as the case may be) shall be borne jointly by the Company and AstraZeneca.

2.3 The auditors or the Calculation Agent shall act as expert and not as arbitrator and their/its good faith determinations and calculations shall be binding on the Company and AstraZeneca in the absence of manifest error. If any doubt arises as to the appropriate adjustment to the Subscription Price a certificate of the auditors or the Calculation Agent (as the case may be) shall be conclusive and binding on all concerned.

2.4 The Subscription Price may not be reduced so that, on the subscription of any Subscription Shares, Ordinary Shares would be issued at a discount to their nominal value.

2.5 On any adjustment, the resultant Subscription Price shall be rounded down to the nearest $0.001 so that any amount under $0.0005 shall be rounded down and any amount of $0.0005 or more shall be rounded up). Any amount by which the Subscription Price is rounded down shall be carried forward and taken into account in any subsequent adjustment.

SCHEDULE 2
SHARE CAPITAL

PART 1 – ISSUED SHARE CAPITAL AT THE EFFECTIVE DATE

Ordinary Shares: 70,604,176

PART 2 – OUTSTANDING WARRANTS, OPTIONS, BONUS SHARES AND CONVERTIBLE DEBT AT THE EFFECTIVE DATE

Warrants: 363,156 Ordinary Shares

Share options: 11,705,469 Ordinary Shares

Convertible debt: 1,031,408 Ordinary Shares

Bonus shares: 864,988 Ordinary Shares

SCHEDULE 3
[NOT USED]

EXECUTION PAGE TO SUBSCRIPTION DEED

SCHEDULE 4
ADS ISSUANCE AND DELIVERY INSTRUCTION

Date: 20[●]

To: Citibank, N.A., as Depositary
388 Greenwich Street
New York, New York 10013
Attn.: Mr. Brian M. Teitelbaum (brian.m.teitelbaum@citi.com)
Mr. Keith Galfo (keith.galfo@citi.com)
Mr. Leslie Deluca (leslie.deluca@citi.com)
DR Broker Services (drbrokerservices@citi.com)

With a copy simultaneously delivered to:

Citibank, N.A., London Branch
25 Canada Square
Canary Wharf
London E14 5LB, England
Attn.: UK Custody Settlements
Custody Team (uksettlements@citi.com)

Re: Issuance and Delivery Instruction – Mereo BioPharma Group plc (CUSIP No.: 589492107) – Deposit & Hold

Dear Sirs:

Reference is made to the Deposit Agreement, dated as of April 23, 2019, as amended and supplemented from time to time (the "**Deposit Agreement**"), by and among Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales and its successors (the "**Company**"), Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, as Depositary (the "**Depositary**"), and all Holders and Beneficial Owners of American Depositary Shares (the "**ADSs**") issued thereunder. All capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Deposit Agreement.

In accordance with the terms and subject to the limitations set forth in the Deposit Agreement, promptly following the Depositary's receipt of confirmation from the Custodian that the Custodian has received a deposit of the number of Shares specified below made by the Company for the benefit of the undersigned holder (the "**Holder**" and together with the Company, the "**Undersigned**"), the Undersigned hereby jointly instruct the Depositary, and the Depositary hereby agrees to promptly accept for deposit the number of Shares and issue the number of ADSs as specified below to the Holder.

Number of Shares deposited:	[●] Shares
Number of ADSs (CUSIP No.: 589492107; each ADS representing five (5) Shares) to be issued:	[●] ADSs

Further, the Undersigned hereby jointly instruct the Depositary, and the Depositary hereby agrees to promptly deliver such ADSs, as follows:

Name of DTC Participant to which the ADSs are to be delivered:
DTC Participant Account No.:
Account No. for recipient of ADSs at DTC Participant (f/b/o information):
Name on whose behalf the above number of ADSs are to be issued and delivered:
Contact person at DTC Participant:
Daytime telephone number of contact person at DTC Participant:

The Company hereby confirms and certifies that (i) the registration statement on Form [S/F]-[1/3] (File No. [●]-[●]) (the "Registration Statement"), filed with the U.S. Securities and Exchange Commission (the "Commission") on [●], [●], registers the resale of the above ADSs, such ADSs will be freely transferable following the issuance thereof by the Depositary, and there are no legal restrictions on subsequent transfers of the ADSs to be issued hereunder under the laws of England and Wales or the United States, (ii) the Registration Statement is effective under the Securities Act of 1933, as amended (the "Securities Act"), and (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

The Holder hereby represents and covenants to, and for the benefit of, the Depositary and Citibank, N.A. – London Branch (the "**Custodian**"), that (i) the Holder is not an "affiliate" of the Company as that term is defined in Rule 405 promulgated by the U.S. Securities and Exchange Commission under the Securities Act and has not been an affiliate for at least three months prior to the date hereof, and (ii) all stamp duty taxes, including, without limitation, the U.K. Stamp Duty Reserve Tax ("**SDRT**"), will be paid in full and on a timely basis to the extent such taxes are payable in respect of the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein.

Each of the Holder and, to the extent it is not unlawful for the Company to do so under the applicable laws of England and Wales, the Company agrees to indemnify the Depositary and the Custodian for, and to hold the Depositary and the Custodian harmless against, all losses, liabilities, taxes, charges, penalties or expenses (including reasonable legal fees and disbursements), incurred by the Depositary and/or by the Custodian or to which the Depositary and/or the Custodian may become subject to and arising directly or indirectly from the failure by any person to pay (or discharge) any applicable stamp duty taxes, including, without limitation, SDRT, or any other similar duty or tax in connection with the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein, save to the extent that such losses, liabilities, taxes, charges, penalties or expenses are due to the negligence or bad faith of the Custodian or the Depositary.

ASTRAZENECA AB

By:
Name:
Title:

MEREO BIOPHARMA GROUP PLC

By:
Name:
Title:

This Subscription Deed has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED and delivered as a DEED by
ASTRAZENECA AB (publ)
acting by an authorised signatory

)
)
)
)
)

_____
Authorised signatory

EXECUTED and delivered as a DEED by
MEREO BIOPHARMA GROUP PLC
acting by

)
)
)

_____
Director

a director, in the presence of:

)

_____
Signature of Witness

_____
Name of Witness

_____
Address of Witness

_____

_____

_____
Occupation of Witness

Exhibit 4.4

EXECUTION VERSION

DEED OF CONSENT AND AMENDMENT TO WARRANT INSTRUMENTS

THIS DEED is dated December 2020 (such date being the "**Effective Date**")

BETWEEN:

(1) **MEREO BIOPHARMA GROUP PLC**, a public limited company incorporated in England and Wales with company number 04206001 whose registered office is at 4th Floor, One Cavendish Place, London, England W1G 0QF (the "**Company**");

(2) **KREOS CAPITAL V (UK) LIMITED**, a private limited company incorporated in England and Wales with company number 09728300, whose registered office is at 25 Old Burlington Street, London W1S 3AN ("**Kreos**"); and

(2) **SILICON VALLEY BANK**, a California corporation with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054, United States of America, and registered in England and Wales under numbers BR014561 and FC029579 with its UK branch at Alphabeta, 14-18 Finsbury Square, London, EC2A 1BR ("**SVB**").

WHEREAS

(A) The Company adopted a warrant instrument on 21 August 2017, a copy of which is appended hereto as Appendix 1 (the "**2017 Warrant Instrument**") and another warrant instrument on substantively similar terms on 1 October 2018 (the "**2018 Warrant Instrument**"), a copy of which is appended hereto as Appendix 2, each of the 2017 Warrant Instrument and the 2018 Warrant Instrument constituting certain warrants to subscribe for Ordinary Shares in the capital of the Company. The 2017 Warrant Instrument and the 2018 Warrant Instrument are collectively referred to herein as the "**Warrant Instruments**".

(B) Pursuant to the Warrant Instruments, initial allocations of Warrants were issued to SVB and Kreos, with further issues following adjustment of the Warrants from time to time, resulting in SVB and Kreos each holding 621,954 Warrants as of 11 December 2020 (as set out below, each such Warrant being exercisable at a Subscription Price of GBP 2.95, such price representing the weighted average of the Warrants issued by the Company in favour of SVB and Kreos on 21 August 2017, 29 December 2017 and 1 October 2018).

(C) In 2020, the Company completed certain equity and debt financing transactions, including:

(i). a commercial transaction with Aspire Capital Fund, LLC on 10 February 2020 that resulted in the issuance of Equity Securities to Aspire (the "**Aspire Transaction**");

(ii). a convertible loan note to Novartis Pharma AG ("**Novartis**") on 10 February 2020 in the amount of £3,841,479 (the "**Novartis Convertible Note**") and also issued a warrant to Novartis on 10 February 2020 to subscribe for ordinary shares in the Company (the "**Novartis Warrant**");

(iii). a securities purchase agreement with Boxer Capital, LLC ("**Boxer**") on 19 February 2020 pursuant to which Boxer agreed to make an investment of $3 million to purchase 12,252,715 of the Company's ordinary shares (the "**Boxer Transaction**"); and

(iv). certain financing transactions on 3 June 2020, pursuant to which OrbiMed Partners Master Fund Limited, OrbiMed Genesis Master Fund L.P. and OrbiMed Private Investments VII, LP and certain other investors subscribed for certain Equity Securities, including (i) Ordinary Shares, (ii) warrants to subscribe for Ordinary Shares, and (iii) loan notes convertible into Ordinary Shares ((i), (ii) and (iii) together, the "**PIPE Transaction**")

(the Aspire Transaction, Novartis Convertible Note, Novartis Warrant, Boxer Transaction and PIPE Transaction together, the "**2020 Adjustment Events**").

(D) Prior to the Effective Date, the Company, SVB and Kreos had not been able to reach agreement as to the appropriate manner in which the Warrants should be adjusted to reflect the 2020 Adjustment Events.

(E) The Company is intending to cancel the admission to trading of its Ordinary Shares from the Alternative Investment Market ("**AIM**") operated by the London Stock Exchange, with effect from 18 December 2020 (the "**Delisting**"). Following the Delisting, the only listing maintained by the Company will be that of American depositary receipts on NASDAQ, the tradeable entitlement representing American Depositary Shares ("**ADSs**"), each of which such ADSs represents five Ordinary Shares.

(F) The parties are entering into this Deed to (i) confirm how the Warrants will be adjusted in respect of the 2020 Adjustment Events; (ii) amend certain terms of the Warrant Instruments so as to limit the instances of future Adjustments; (iii) make appropriate changes to the Warrant Instruments to accommodate the Delisting; and (iv) amend certain additional terms of the Warrant Instruments to add a mechanism for delivery of ADSs to a Warrantholder following a valid exercise of subscription rights and remove provisions relating to AIM-listed status which will cease to be relevant after the Delisting.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

Terms defined in each of the Warrant Instruments shall have the same meanings as given therein when used in this Deed unless otherwise defined herein.

2. TREATMENT OF TRANSACTIONS

Each of the parties hereto:

(a) agrees and confirms that as at the Effective Date, no adjustment of the Warrants has been made in respect of the 2020 Adjustment Events;

(b) agrees that, in full and final settlement of any adjustments that might have been required pursuant to the 2020 Adjustment Events under the terms of the Warrant Instruments prior to their amendment by the terms of this Deed and in consideration for the further changes to the Warrant Instruments as set out herein, the Company shall issue to each of SVB and Kreos 621,954 further Warrants (such Warrants constituting an adjustment for the purposes of the Warrant Instruments, and to be apportioned between the 2017 Warrant Instrument and 2018 Warrant Instrument in the amounts of 469,575 and 152,379 Warrants respectively), which shall have a subscription price attached thereto of USD 0.4144 per Warrant Share (such price being the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Effective Date converted into USD at an exchange rate of 1 GBP = 1.3226 USD (being the GBP-USD opening exchange rate published in the Wall Street Journal on the business day (being a day on which banks are open for commercial business in New York) immediately preceding the Effective Date); and

(c) agrees that from the Effective Date, each of the Warrant Instruments shall be amended in the manner provided in clause 3 of this Deed, including, for the avoidance of doubt:

(i) so as to restrict the Company's obligation to adjust the Warrants issued thereunder to such events as set out in the revised definition of "*Adjustment*" in the forms of amended 2017 Warrant Instrument and 2018 Warrant instrument appended to this Deed; and

(ii) so as to amend the Subscription Price for all Warrants issued pursuant to the 2017 Warrant Instrument or 2018 Warrant Instrument prior to the Effective Date to GBP 2.95 (such amount representing the weighted average exercise price of the warrants issued thereunder on 21 August 2017, 29 December 2017 and 1 October 2018) as set out in the revised definition of "*Subscription Price*" in the forms of amended 2017 Warrant Instrument and 2018 Warrant instrument appended to this Deed.

3. AMENDMENTS AND CONSENT

With effect from the Effective Date:

(a) the 2017 Warrant Instrument shall be amended so as to include all the changes marked within the version of the 2017 Warrant Instrument as set out at Schedule 1 (*Amended 2017 Warrant Instrument*). For the avoidance of doubt and for the future reference of the Warrantholders, the Company, their successors in title and any other persons with an interest in the Warrants or the terms of the 2017 Warrant Instrument (if any), Schedule 2 attaches a complete and clean copy of the amended Note Instrument which incorporates the changes implemented pursuant to this Deed; and

(b) the 2018 Warrant Instrument shall be amended so as to include all the changes marked within the version of the 2018 Warrant Instrument as set out at Schedule 3 (*Amended 2018 Warrant Instrument*). For the avoidance of doubt and for the future reference of the Warrantholders, the Company, their successors in title and any other persons with an interest in the Warrants or the terms of the 2017 Warrant Instrument (if any), Schedule 4 attaches a complete and clean copy of the Amended Note Instrument which incorporates the changes implemented pursuant to this Deed.

3.2 For the purposes of clause 10.1 of each of the Warrant Instruments, by their execution of this Deed, SVB and Kreos hereby grant Consent to the amendments herein and the provisions of this Deed (including the transactions contemplated herein).

4. MISCELLANEOUS

4.1 This Deed shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English courts.

4.2 This Deed may be executed in counterparts which together shall constitute one document.

Schedule 1

2017 Warrant Instrument (marked changes)

EXECUTION VERSION

~~EXECUTION VERSION~~

DATED DECEMBER 2020 ~~2017~~

MEREO BIOPHARMA GROUP PLC

AMENDED WARRANT INSTRUMENT DATED 21 AUGUS T 2017

relating to the issue of warrants entitling the holders to subscribe for Warrant Shares in the capital of

MEREO BIOPHARMA GROUP PLC

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5 Fleet Place London EC4M 7RD
Tel: +44 (0)20 7203 5000 ● **Fax:** +44 (0)20 7203 0200 ● **DX:** 19 London/Chancery Lane
www.charlesrussellspeechlys.com

CONTENTS

THIS WARRANT INSTRUMENT is made on ~~2017~~21 August 2017, as amended on December 2020

(0) BY:

(1) MEREO BIOPHARMA GROUP PLC, a company incorporated in England and Wales with number 09481161 whose registered office is at 4th Floor, 1 Cavendish Place, London, England, W1G 0QF ("**Company**").

BACKGROUND:

(A) The Company, by resolution of its directors, has agreed to issue Warrants to subscribe for Warrant Shares in the capital of the Company on the terms set out in this instrument, subject to adjustment as set out in this instrument.

(B) Either all of the registered holders of shares in the Company have irrevocably waived all pre-emption rights conferred on them (whether by the Companies Act, the Articles or otherwise) or such pre-emption rights have been validly disapplied in relation to the number of Warrants and shares in the Company issued pursuant to this instrument.

(C) This instrument has been executed by the Company as a deed in favour of the Warrantholder.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 In this instrument the following words and expressions shall (unless the context requires otherwise) have the following meanings:

2020 Warrants	means any warrants issued on the Amendment Date, by way of adjustment to the Initial Warrants;
Adjustment	means any sub-division or ~~all~~consolidation of Equity Securities by the ~~following~~Company, at any time, after issue of the relevant Warrant, or by reference to any record date, while the Warrants remain exercisable~~:~~ ~~(a) any allotment or issue of Equity Securities by the Company by way of capitalisation of profits or reserves;~~ ~~(b) any cancellation, purchase or redemption of Equity Securities, or any reduction or repayment of Equity Securities, by the Company;~~ ~~(c) any sub-division or consolidation of Equity Securities by the Company; and~~ ~~(d) any issue of securities or other instruments convertible into shares in, or Equity Securities of, the Company or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue of, shares in, or Equity Securities of, the Company;~~

	~~but excluding any issue of Equity Securities of the Company pursuant to (i) the exercise of any options granted to employees, consultants or directors of the Company, or (ii) the loan notes in the Company currently held by Novartis Pharma AG pursuant to a convertible loan note instrument dated 3 June 2016, as amended;~~
~~AIM~~ADS	~~the AIM market operated by the London Stock Exchange~~means American Depositary Shares representing interests in the Ordinary Shares pursuant to a sponsored American Depositary Receipt facility with the Depositary;
~~AIM Rules~~ADS Exchange Ratio	~~the AIM Rules for Companies published by the London Stock Exchange~~means the ratio applicable to the exchange of Ordinary Shares for ADSs from time to time, currently being a ratio of 5 Ordinary Shares for each ADS;
Amendment Date	means 15 December 2020;
Articles	the articles of association of the Company for the time being;
Auditors	the Company's auditors;
Business	means the research, development, production, trading and licensing of rights, intellectual property and/or products within the life sciences industry (or any of the foregoing or any activities connected thereto);
Business Day	a day (which for these purposes ends at 5.30 pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;
Companies Act	the Companies Act 2006;
Competitor	means any entity (other than a reputable financial institution) whose business directly competes with the Business carried out by a Group Company;
Conditions	the terms and conditions set out in Schedule 2 (subject to any alterations made in accordance with the provisions of this instrument);

Consent either:

(a) a resolution passed at a meeting of the Warrantholders duly convened and held and carried by a majority consisting of not less than 75 per cent. of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent of the votes cast on a poll; or

(b) the consent in writing of Warrantholders entitled to the right to subscribe for at least 75 per cent of the Warrant Shares in respect of which Subscription Rights are granted pursuant to this instrument;

~~**CREST**~~ ~~the system of paperless settlement of trades and the holding of uncertificated shares administered by Euroclear UK & Ireland Limited or any other relevant paperless settlement system used in relation to the holding of uncertificated shares in the Company;~~

Directors the board of directors of the Company (and/or, where relevant, a Group Company) for the time being;

Equity Securities has the meaning given ~~n~~in section 560(1) of the Companies Act;

Exercise Date the date of delivery to the registered office of the Company of the items specified in clause 6.2 (and the date of such delivery shall be the date on which such items are received at the Company's registered office);

Fair Market Value either:

(a) if the Ordinary Shares are then traded on a Recognised Investment Exchange the fair market value of a Warrant Share shall be the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Exercise Date; or

(b) if the Ordinary Shares are not traded on a Recognised Investment Exchange~~, the fair~~ but ADSs are listed on Nasdaq, the implied price of One Ordinary Share in pounds sterling, which shall be determined as follows:

(i) dividing (x) being the volume weighted average price of one ADS during the ten (10) consecutive trading day period immediately preceding the Exercise Date by (y) being the number of Ordinary Shares currently represented by a single ADS in accordance with the ADS Exchange Ratio in effect on such date (**Implied USD Price**); and

(ii) converting the Implied USD Price to pounds sterling at the Exchange Rate on the trading day immediately preceding the Exercise Date; or

(c) if the Ordinary Shares are not traded on a Recognised Investment Exchange and ADSs are not listed on Nasdaq, the fair market value a Warrant Share shall be the Fair Price;

Fair Price unless otherwise agreed by the board of Directors and the Warrantholder(s) prior to service of the Notice of Subscription, the price per Warrant Share which the Auditors (acting as an expert (the **Expert**)) shall certify to be in its opinion a fair price for the Warrant Shares. In arriving at his opinion the Expert will value the Warrant Shares as at the date the Notice of Subscription is to be given on the basis that the Company operates as a going concern, as between a willing seller and a willing buyer,subject always to the provisions of the Articles. The decision of the Expert as to the fair price for the Warrant Shares shall be final and binding and his costs shall be borne by the Company;

Final Date subject to clause 5, 10 years from the date of this instrument (which, for the avoidance of doubt, shall be 21 August 2027);

~~**London Stock Exchange**~~ ~~London Stock Exchange plc;~~

Group (i) the Company and its subsidiaries (if any), (ii) any holding company of the Company, and (iii) any subsidiaries of such holding companies from time to time and **Group Company** means any member of the Group;

~~Loan~~**Initial ~~Agreement~~Warrants**	~~the loan agreement dated on or around the same date as this instrument between, amongst others, the Company, Kreos Capital V (UK) Limited and Silicon Valley Bank~~means the warrants of the Company constituted by this Instrument on 27 August 2017 and 29 December 2017 and any further warrants issued prior to the Amendment Date as an adjustment thereto;
~~**Market Abuse Regulation**~~**Issuance and Delivery Instruction**	~~Market Abuse Regulation (Regulation 596/2014/EU)~~means an issuance and delivery instruction in such form as notified from the Company to the Warrantholders from time to time, the current form of which is attached hereto at Schedule 3;
Marketable Securities	means securities in the acquiring entity traded on a Recognised Investment Exchange where the Warrantolder(s) (were it to receive such securities on completion of an Offer having exercised this Warrant) would not be subject to any restrictions on re-sale of such securities;
Member of the same Fund Group	is if the Warrantholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "**Investment Fund**") or a nominee of that person: (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund but only in connection with the dissolution of Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business, (b) any Investment Fund managed or exclusively advised by that Fund Manager, (c) a parent undertaking or subsidiary undertaking of that Investment Fund or Fund Manager, or any subsidiary undertaking of any parent undertaking of that Investment Fund or Fund Manager, or (d) any trustee, nominee or custodian of such Investment Fund and vice versa;
Notice of Subscription	the notice addressed to the Company by a Warrantholder exercising its Subscription Rights in the form, or substantially in the form, set out in the schedule to the Warrant Certificate;

Ordinary Shares	ordinary shares in the capital of the Company and having the rights and privileges set out in the Articles;
Permitted Transferee	are: (a) a nominee of the Warrantholders; (b) a regulated, reputable financial institution; (c) a member of the SVB Financial Group of companies; and/or (d) a Member of the same Fund Group;
Recognised Investment Exchange	a recognised investment exchange or overseas investment exchange (within the meaning thereof given for the purposes of section 285 of the Financial Services and Markets Act 2000, and shall include, without limitation, AIM or NASDAQ;
Register	the register of persons for the time being entitled to the benefit of the Warrants to be maintained pursuant to the Conditions;
Registrars	the registrars of the Company for the time being;
Subscription Price	the subscription price per Warrant Share such price being equal to: (a) in respect of the Initial Warrants ~~to be issued on the First Issue Date, such price being equal to~~, £~~**3.0290**~~2.95; and (b) in respect of the 2020 Warrants ~~to be issued on the Further Issue Dates, such price~~ , $0.4144 (being ~~equal to~~ the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period ~~prior to the relevant Issue Date~~immediately preceding the Amendment Date converted into USD at an exchange rate of 1 GBP = 1.3226 USD (being the GBP-USD opening exchange rate published in the Wall Street Journal on the business day (being a day on which banks are open for commercial business in New York) immediately preceding the Amendment Date);

Subscription Rights	the rights of the Warrantholder(s) to subscribe for Warrant Shares under clause 6;
~~**Takeover Code**~~	~~the UK City Code on Takeovers and Mergers (as amended from time to time);~~
~~**UKLA**~~	~~the United Kingdom Listing Authority;~~
~~**Warrant Amount**~~	~~**£1,100,000;**~~
Warrant Certificate	a certificate evidencing a Warrantholder's entitlement to Warrants in the form set out in Schedule 1;
Warrant Shares	Ordinary Shares to be issued pursuant to the terms of the Warrants;
Warrantholder	in relation to a Warrant, the person whose name appears in the Register as the holder of the Warrant; and
Warrants	the ~~warrants of the Company constituted by this instrument~~Initial Warrants and the 2020 Warrants and all rights conferred by ~~it~~this Instrument relating thereto (including the Subscription Rights).

1.2 In this instrument, unless the context otherwise requires:

1.2.1 words and expressions defined in the Companies Act or the Articles shall have the same meanings in this instrument (unless otherwise expressly defined in this instrument);

1.2.2 headings are used for convenience only and shall be ignored in interpreting this instrument;

1.2.3 reference to a clause or schedule is a reference to a clause of, or schedule to, this instrument;

1.2.4 reference to (or to any specific provision of) this instrument or any other document or instrument shall be construed as a reference to this instrument, that provision or that document or instrument as in force for the time being and as amended from time to time in accordance with its terms and the prior sanction of a Consent (where consent is required by the terms of this instrument as a condition to such amendment being made);

1.2.5 reference to any gender includes all genders, references to the singular includes the plural (and vice versa) and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of the same have a separate legal personality);

1.2.6 reference to a statutory provision includes reference to:

(a) the statute or statutory provision as modified or re-enacted from time to time; and

(b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out in clause 1.2.6(a) above);

1.2.7 any words following the terms 'including', 'include', 'in particular', 'for example' or any other similar expression shall be construed as illustrative and shall not limit the sense of the words, description, phrase or term preceding those words; and

1.2.8 references to statutory obligations include obligations arising under articles of the Treaty establishing the European Community, and regulations, directives and decisions of the European Union as well as United Kingdom Acts of Parliament and subordinate legislation.

1.3 Unless otherwise specifically provided, where any notice, resolution or document is required by this instrument to be signed by any person, the reproduction of the signature of such person by fax or email shall suffice, provided that confirmation by first class letter is despatched by close of business on the next following Business Day, in which case the effective notice, resolution or document shall be that sent by fax or email (served in accordance with paragraphs 11 and 12 of Schedule 2), not the confirmatory letter.

1.4 This instrument incorporates the schedules to it.

2 CONSTITUTION AND FORM OF WARRANTS

2.1 This instrument constitutes the Warrants, which in aggregate give the Warrantholder(s) the right, upon the terms and subject to the conditions set out in this instrument, to subscribe in cash (subject to clause 6.3.2) at a price per share equal to the Subscription Price for such number of Warrant Shares calculated in accordance with clause 3.

2.2 Subject to clause 6.3.2, each Warrantholder shall be entitled to subscribe in cash at the Subscription Price for that number of Warrant Shares in respect of which it is entitled to be recorded as the holder in the Register on the terms set out in this instrument.

2.3 The Warrants shall be in registered form.

2.4 The Warrants are issued subject to the Articles and otherwise on the terms of this instrument (including the Conditions).

2.5 The Company agrees with the Warrantholder(s) and, in consideration of being issued a Warrant Certificate, each Warrantholder agrees with the Company that the Articles (insofar as they relate to the Warrants) and the terms of this instrument shall be binding upon the Company and each Warrantholder and all persons claiming through or under either of them.

2.6 No application will be made for the Warrants to be listed or dealt on any Recognised Investment Exchange (as that term is defined in the Financial Services and Markets Act 2000 (as amended)).

3 CALCULATION OF NUMBER OF WARRANT SHARES

3.1 The number of Warrant Shares over which the Initial Warrants ~~will be~~have been issued is ~~as follows:~~939,150 Warrant Shares.

~~**3.1.1** At the date of this instrument (the **First Issue Date**), the Company shall issue Warrants over **363,156**~~

3.2 The number of Warrant Shares over which the 2020 Warrants will be issued is 939,150 Warrant Shares~~, such~~.

3.3 The 2020 Warrants shall be issued to ~~be issued to~~ Silicon Valley Bank and Kreos Capital V (Expert Fund) LP in equal proportions~~; and~~

~~3.1.2 In addition to the Warrants issued pursuant to clause 3.1.1 above, on each draw down pursuant to the Loan Agreement, the Company shall issue within five (5) Business Days of the date of each such drawdown further Warrants over such number of Warrant Shares as is equal to 11% of the amount of each such drawdown divided by the Subscription Price such Warrants to be issued to Silicon Valley Bank and Kreos Capital V (Expert Fund) LP in equal proportions (the **Further Issue Date(s)** together with the **First Issue Date,** the **Issue Dates**).~~.

4 CERTIFICATES

4.1 The Company shall issue to each Warrantholder a Warrant Certificate in respect of that number of Warrants to which it is entitled as soon as reasonably practicable following a Warrantholder becoming entitled to such Warrants in accordance with clause 3.1.1 and/or 3.1.2.

4.2 If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, the Company will replace it on such terms as to evidence and indemnity as the Company may reasonably require and subject to the Warrantholder who is seeking the replacement paying the Company's reasonable costs (if any) in connection with the issue of the replacement.

4.3 Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

5 TIMING FOR EXERCISE OF SUBSCRIPTION RIGHTS

5.1 The Subscription Rights may be exercised at any time from the date of this instrument until 17:00 GMT on the Final Date and shall be exercised in accordance with clause 6.

5.2 Subject to clause 7, a failure by any Warrantholder to exercise its Subscription Rights ahead of such time on the Final Date shall mean that such Warrantholder's outstanding Warrants shall immediately lapse and be cancelled and such Warrantholder shall have no further rights under this instrument.

5.3 Without prejudice to clauses 12, 13 and 14, if the Final Date is likely to occur before the last date for approval of or acceptance of a liquidation, share buyback, takeover or reorganisation event (that is in each case subject to an existing proposal) such as described in the said clauses, the Final Date shall be extended until such last date for approval or acceptance of such event as aforesaid.

6 EXERCISE OF SUBSCRIPTION RIGHTS

6.1 The Subscription Rights may be exercised in whole or in part. If exercised in part, the Subscription Rights must be exercised in tranches of 50,000 Warrants, or in respect of the last tranche of Warrants attached to the outstanding Subscription Rights held by the Warrantholder concerned, such lesser balancing number of Warrants as may be outstanding.

6.2 In order to exercise its Subscription Rights validly, a Warrantholder must deliver the following items to the registered office of the Company:

6.2.1 the Warrant Certificate for the Warrants in respect of which Subscription Rights are being exercised, together with the Notice of Subscription duly completed;

6.2.2 if required pursuant to clause 6.3.1, a remittance by banker's draft, drawn on a UK clearing bank, (or such other mode of payment as the Company and the Warrantholder shall agree); ~~and~~

6.2.3 the name and address of the Warrantholder to which the Warrant Shares arising on exercise of Subscription Rights are to be issued; and

6.2.4 if and to the extent that the Ordinary Shares issued are to be delivered as ADSs, a completed Issuance and Delivery Instruction in the form set out at Schedule 3 hereto (as such form may be amended from time to time by notice to the Warrantholder) duly completed and executed by the Warrantholder.

6.3 The Subscription Price for each of the Warrant Shares shall, at the absolute discretion of the Warrantholder, be satisfied by any of the following:

6.3.1 the payment by banker's draft for each of the Warrant Shares at the Subscription Price; or

6.3.2 in lieu of a cash payment in respect of the aggregate Subscription Price for the Warrant Shares, the Warrantholder may elect ~~to receive~~for a reduced number of Warrant Shares (as calculated below) ("**Reduced Warrant Shares**") to be issued than the number to which it would be entitled on exercise of the Subscription ~~Right~~Rights in full, payment for such Reduced

Warrant Shares being satisfied by waiver by the Warrantholder of the right to receive the balance of Warrant Shares to which the Warrantholder is entitled over and above the Reduced Warrant Shares ("**Balance Warrant Shares**"). In doing so, the Company agrees and acknowledges that, subject to the payment of the par value of the Reduced Warrant Shares pursuant to this clause ~~6.3.2~~,6.3.2, the Reduced Warrant Shares to be issued to the Warrantholder ~~shall be issued~~(or, in the case of a Warrantholder which has specified in the Notice of Subscription in respect of such Reduced Warrant Shares that it requires to have such Reduced Warrant Shares delivered as ADSs and has delivered a duly completed Issuance and Delivery Instruction to the Company in respect of the same, issued to, deposited with (and otherwise registered in the name of) the custodian of the Depositary (or its nominee)) as fully paid up at the Subscription Price, and the Warrantholder agrees and acknowledges that it waives its Subscription Rights to the Balance Warrant Shares used as consideration for ~~the~~ payment of the aggregate Subscription Price. The number of Reduced Warrant Shares the Warrantholder (or Depositary, as applicable) will receive shall be determined as follows: $X = Y\,(A - B)/A$

$$X = Y\,(A - B)\,/\,A$$

where:

X = the number of Reduced Warrant Shares to be issued to the Warrantholder or Depositary (as applicable).

Y = the number of Warrant Shares with respect to which the Warrant is being exercised by the Warrantholder (without application of the reduction).

A = the Fair Market Value of one Warrant Share

B = the Subscription Price~~.~~ (provided that, where the relevant Warrants being exercised have a Subscription Price denominated in USD, the Company shall convert such Subscription Price to pounds sterling for the purpose of calculating the aggregate nominal value of such Reduced Warrant Shares using the Exchange Rate on the trading day prior to service of the Notice of Subscription or Automatic Exercise Notice, as the case may be)

Provided always that the Warrantholder shall nevertheless be required to subscribe in cash for the par value of the Reduced Warrant Shares to the extent that if it did not do so the Reduced Warrant Shares would be issued at a discount to the Warrantholder. It being understood that if Warrant Shares are issued pursuant to this clause 6.3.2, notwithstanding that such Warrant Shares are issued at nominal value, the Warrantholder shall be deemed to have paid the relevant Subscription Price per Warrant Share for the purposes of calculating any distribution or share of sale proceeds in each case attributable to the Warrant Shares and to other issued shares of the class for the purposes of the Articles and for all other purposes.

6.4 Delivery of the items specified in clause 6.2 to the Company shall, unless the Company expressly consents otherwise, be an irrevocable election by the Warrantholder to exercise the relevant Subscription Rights.

7 AUTOMATIC EXERCISE OF SUBSCRIPTION RIGHTS

7.1 If, on the Final Date, the Fair Market Value of one Warrant Share is greater than the Subscription Price on such date, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights, on a conditional basis, in respect of all unexercised Warrants on such date on a net issuance basis as set out in ~~clause~~Clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall (subject at all times to the Company's obligations under ~~the Takeover Code, the AIM Rules, and~~ all applicable law and any other regulations ~~including the Market Abuse Regulation)~~, send a notice to the Warrantholder(s) within ten (10) Business Days of the Final Date (such notice being the "Automatic Exercise Notice" for the purposes of this clause 7) requiring them to pay up a cash amount equal to the aggregate nominal value of the Warrant Shares (such payment being the "**Nominal Value Payment**") to be issued pursuant to clause 6.3.2 ("**Exercise of Subscription Rights**") and this clause ~~7.1.~~ 7.1, and to specify whether such Warrantholder requires any such Warrant Shares to be delivered as ADSs.

7.2 The Warrantholder shall, within ten (10) Business Days of receipt of the Automatic Exercise Notice (the "**Nominal Value Payment Period**"), provide the Company with the Nominal Value Payment, to an account notified by the Company to the ~~Warrantholder.~~ Warrantholder, and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed Issuance and Delivery Instruction in respect of such Warrant Shares. Upon receipt of such ~~the~~ Nominal Value Payment~~,~~ (and, if applicable, such Issuance and Delivery Instruction) the Warrant Shares to be issued to the Warrantholder ~~on a net issuance basis pursuant to clause 6.3.2~~(or in the case of a Warrantholder who has delivered an Issuance and Delivery Instruction, the custodian of the Depositary) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, as applicable) credited as fully paid up in accordance with clause 6.3.2 (Exercise of Subscription Rights) and clause 8.3.1 (Completion). Any failure by a Warrantholder to pay the Nominal ~~Value Payment~~ValuePayment (or deliver a duly completed Issuance and Delivery Instruction, if applicable) within the Nominal Value Payment Period shall result in the automatic lapse of any Warrants over Warrant Shares for which the Nominal Value Payment was not made or Issuance and Delivery Instruction not delivered.

8 COMPLETION

8.1 Following a valid exercise of Subscription Rights by a Warrantholder or an automatic exercise of Subscription Rights pursuant to clause 7 or clause 13.2.2, the Company shall in accordance with clause 8.3:

8.1.1 allot and issue credited as fully paid to the Warrantholder; ~~(or to its nominee or trustee as notified to the Company in the Notice of Subscription) the Warrant Shares to which the Warrantholder is entitled by exercising the Subscription Rights ("**Allotted Shares**")~~or in the event that the Warrantholder has required pursuant to clause 6.2 that Ordinary Shares to be issued from the Exercise of Subscription Rights are to be delivered as ADSs, delivered a duly completed Issuance and Delivery Instruction, and there is an effective registration statement covering the Ordinary Shares to be issued on such exercise, issue to, deposit with (and otherwise register in the name of) the custodian of the Depositary (or its nominee) ("**Allotted Shares**") and following such issuance and deposit the Company will direct the Depositary to issue an amount of ADSs via DTC (with such ADSs being eligible for listing on Nasdaq) in accordance with the corresponding Issuance and Delivery Instruction;

8.1.2 immediately following allotment and issue in accordance with clause ~~8.1.1,~~8.1.1, enter, or procure that the Company's Registrars enter the Warrantholder's name (or (i) its nominee's or trustee's name, ~~as appropriate~~or (ii) in the case of any Ordinary Shares to be delivered as ADSs, the custodian of the Depositary's name) in the register of members of the Company as the holder of the Allotted Shares;

8.1.3 immediately following registration in accordance with clause ~~8.1.2,~~8.1.2, either: send to the person identified by the Warrantholder pursuant to clause ~~8.1.1,~~8.1.1, free of charge, share certificate(s) in respect of the Allotted Shares ~~or credit such aggregate number of Allotted Shares to the Warrantholder's (or its nominee's or trustee's) CREST stock account~~; and

8.1.4 apply for the admission of the Warrant Shares to trading on ~~(i) AIM, insofar as the Warrant Shares are listed on AIM or, (ii) on any other~~any recognised investment exchange on which the Warrant Shares are listed, at the time of the allotment and issue pursuant to clause 8.1.1, and shall use its reasonable endeavours to secure such admission to trading no later than ten (10) Business Days after such application.

8.2 The obligations of the Company under clause 8.1 shall be fulfilled within ten (10) days after the Notice of Subscription is lodged at the registered office of the Company.

8.3 The Allotted Shares shall:

8.3.1 be allotted and issued fully paid;

8.3.2 rank pari passu with the relevant class of fully paid Warrant Shares then in issue;

8.3.3 rank for any dividend or other distribution which has previously been announced or declared if the date by which the holder of Warrant Shares must be registered to participate in such dividend or other distribution is after the Exercise Date pursuant to which the Subscription Rights have been exercised; and

8.3.4 be free from all claims, liens, charges, encumbrances, equities and third party rights.

8.4 If following allotment of shares pursuant to the exercise of some of the Subscription Rights, some Subscription Rights remain, the Company shall issue a Warrant Certificate to the Warrantholder within 15 Business Days for the balance of the Warrantholder's Subscription Rights.

9 TRANSFER OF WARRANTS

9.1 Subject to clause 9.2, the Warrants may be transferred in whole or in part by any Warrantholder to any person, provided that the Company has given its prior written consent to such transfer.

9.2 A Warrantholder has the right, with prior written notice, but without the consent of the ~~Borrower~~Company, to transfer the Warrants in whole or in part to a Permitted Transferee, subject to compliance with the provisions of Schedule 2 hereto.

9.3 Notwithstanding any other provisions of this instrument, no transfer shall be made to any person which is a Competitor of the Company or any other Group Company.

9.4 The provisions of Schedule 2 to this instrument shall regulate any transfer of a Warrant.

10 MODIFICATION AND CESSATION OF RIGHTS

10.1 This instrument may be modified only with the prior sanction of Consent.

10.2 This instrument ceases to have effect on the earlier of:

10.2.1 the date upon which all Subscription Rights have been exercised in full; and

10.2.2 the Final Date.

11 ADJUSTMENT OF WARRANT

11.1 Upon the occurrence of an Adjustment after the date of this Instrument but prior to the Final Date, the number and/or nominal value of Warrant Shares to be, or capable of being subscribed on any subsequent exercise of the Subscription Rights conferred by each issued Warrant and/or the Subscription Price will be adjusted in such manner as the Auditors shall certify to be fair and reasonable so that the Warrants shall, after such adjustment, entitle the Warrantholder(s) on exercise to receive the same percentage of the share capital of the Company in issue or capable of being issued following the implementation of the Adjustment, carrying the same proportion of votes exercisable at a general meeting of shareholders, for the same ~~price~~Aggregate Subscription Price, in each case as nearly as practicable, as would have been the case if no Adjustment had occurred, provided that the Subscription Price shall not in any event be reduced so that, upon exercise of the Subscription Rights, Warrant Shares would fall to be issued at a discount to their nominal value.

11.2 Within ten (10) days after days after an Adjustment, or, if later, within 10 days after the response of the auditors to any certification required by clause 11.1, notice of such adjustments will be given to the Warrantholder(s) detailing the number of Warrant Shares for which the Warrantholder(s) are entitled to subscribe in consequence of any such adjustment. Replacement Warrant Certificates shall be issued accordingly.

12 LIQUIDATION

12.1 If an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected whilst any Subscription Rights remain exercisable, then the provisions of clause 12.2 or, as the case may be, clause 12.3 shall apply.

12.2 If the winding-up or dissolution is for the purpose of a reconstruction, amalgamation or merger the Warrantholder shall be entitled to be granted by the reconstructed, amalgamated or merged company a substituted warrant of the value of the Warrant immediately prior to such reconstruction, amalgamation or merger.

12.3 If clause 12.2 does not apply, the Company shall immediately notify the Warrantholder(s) in writing that such an order has been made or resolution has been passed or other dissolution is to be effected. The Warrantholder(s) shall be entitled at any time within three (3) months after the date such notice is given to elect by notice in writing to the Company to be treated as if they had, immediately before the date of the making of the order or passing of the resolution or other dissolution, exercised the Subscription Rights and they shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Warrant Shares, such a sum, if any, as they would have received had they been the holders of and paid for the Warrant Shares to which they would have become entitled by virtue of such exercise, after deducting from such sum the amount which would have been payable by them in respect of the Warrant Shares if they had exercised the Subscription Rights. Nothing contained in this clause 12.3 shall have the effect of requiring the Warrantholder(s) to make any actual payment to the Company.

13 TAKEOVERS

13.1 Subject to clause 13.6, if at any time an offer or invitation is made by the Company to the holders of the Ordinary Shares for the purchase by the Company of any of its Ordinary Shares, the Company shall promptly and without delay give notice thereof to each Warrantholder who shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise its Subscription Rights to the extent that such rights have not been exercised or lapsed prior to the record date of such offer or invitation so as to take effect, in so far as is reasonably practicable, as if it had exercised its rights immediately prior to the record date of such offer or invitation.

13.2 Subject to clause 13.6, if at any time an offer is made to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company may, if such offer becomes unconditional in all respects, become vested in the offeror and/or such persons or companies (the "**Buyer**") as aforesaid (the "**Offer**"):

13.2.1 The Company shall, ~~subject to compliance with the Takeover Code,~~ give notice to each Warrantholder within ten (10) Business Days of its becoming so aware, and each Warrantholder shall be entitled to exercise its Subscription Rights, conditional upon the Offer being declared unconditional in all respects, within thirty (30) days of such notice having been given by the Company (to the extent that such rights have not lapsed or been exercised prior to the record date of such Offer), and to accept or otherwise participate in such Offer on the same terms as made to all holders of Ordinary Shares.

13.2.2 If the Company fails to give notice as required by clause 13.2.1 (subject at all times to the Company's obligations under ~~the Takeover Code, the AIM Rules, and all~~ applicable law and any other regulations ~~including the Market Abuse Regulation~~) then, provided that immediately prior to the date that the Offer is made the offer price under the Offer is greater than the Subscription Price on such date and conditional upon the Offer being declared or becoming unconditional in all respects, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights in respect of all unexercised Warrants on such date at the Subscription Price on a net issuance basis as set out in clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall send a notice to the Warrantholder(s) promptly and without delay (such notice being the "**Exercise Notice**" for the purposes of this clause 13.2.2) upon either a Warrantholder notifying the Company of its failure to give notice as required by clause 13.2.1 or the Company or the Buyer becoming aware of the Company~~'~~'s failure to give such notice requiring the Warrantholder(s) to ~~pay the Nominal Value Payment. The Warrantholder shall, within ten (10) Business Days of receipt of the Exercise Notice,~~ provide the Company with the Nominal Value Payment, to an account notified by the Company to the Warrantholder~~.~~ , and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed issuance and delivery instruction in respect of such Warrant Shares. Upon receipt of such ~~the~~ Nominal Value Payment and Issuance and Delivery Instruction (if applicable), subject to clause 13.3 the Warrant Shares to be issued to the Warrantholder (or to the custodian of the Depositary, if applicable) on a net issuance basis pursuant to clause 6.3.2 (Exercise of Subscription Rights) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, if applicable) credited as fully paid up in accordance with clause 6.3.2 (*Exercise of Subscription Rights*) and clause ~~8.3.1.~~ 8.3.1.

13.2.3 Nothing in this clause 13.2 shall oblige the Warrantholder(s) to accept any Offer made hereunder, save to the extent that such Offer, whether by court order or otherwise, shall have become binding on all shareholders and the offer price under such Offer is greater than the Subscription Price, in which case the Warrantholder(s) shall be deemed to have accepted it on the terms set out herein.

13.3 ~~The Company undertakes to the Warrantholders that in the event of an exercise of Subscription Rights during the course of an Offer (or before the date of an Offer if the Directors of the Company have reason to believe that a bona fide offer might be imminent) it will consult with the Panel on Takeover and Mergers without delay to get confirmation that the issue of shares represents the exercise of the Subscription Rights pursuant to a pre-existing contractual obligation. In the event that the Panel of Takeover and Mergers does not give such confirmation, the Company will undertake without delay to call a general meeting of the Company to approve the issue of shares pursuant to the Subscription Rights.~~ [*Not used*]

13.4 ~~The Company shall use reasonable endeavours to procure that any Buyer extends the Offer to the Warrantholders in accordance with Rule 15 and Practice Statement 24 of the Takeover Code.~~[*Not used*]

13.5 For the avoidance of doubt, publication of a compromise or scheme of arrangement under the Companies Act providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an Offer for the purposes of this clause 13.

13.6 If, for whatever reason, a Warrantholder fails, refuses or declines to exercise its Subscription Rights within sixty (60) days of an Offer having become unconditional in all respects, the Warrants held by such Warrantor shall automatically lapse and no Warrant Shares shall be issued to the Warrantholder thereunder.

14 COMPANY REORGANISATIONS – EXCHANGE OF WARRANTS

14.1 A company reorganisation occurs if the Company merges with or transfers all or substantially all of its assets and undertaking to a new company ("**Newco**") and the shareholders of Newco are substantially the same as the shareholders of the Company immediately before the Company reorganisation, with shares having the same rights as those of the Company.

14.2 If there is a company reorganisation, the Company shall, save to the extent proposed by the Company and sanctioned by a Consent, use reasonable endeavours to procure that new warrants over the share capital of the Newco are granted with equivalent rights and on terms applying in this instrument mutatis mutandis and on such grant the existing Warrants shall lapse.

15 INFORMATION AND RIGHTS OF WARRANTHOLDER(S)

15.1 The Company shall:

15.1.1 send to each Warrantholder a copy of its annual reports and audited accounts together with all documents required by law to be annexed to that report at the same time they are provided to the holders of the Ordinary Shares;

15.1.2 send to each Warrantholder copies of any statements, notices or circulars sent to the holders of the Ordinary Shares; and

15.1.3 give to each Warrantholder not less than 30 days' prior written notice of its intention to declare or pay a dividend or other distribution on the Ordinary Shares.

15.2 The Warrantholder(s) may attend all general meetings of members of the Company and meetings of the holders of Ordinary Shares but may not vote at those meetings by virtue of or in respect of their holdings of Warrants.

15.3 Each Warrantholder shall keep confidential any information received by it in its capacity as a Warrantholder which is of a confidential nature except:

15.3.1 as required by law or any applicable regulations;

15.3.2 to the extent the information is in the public domain through no default of the Warrantholder; and

15.3.3 each Warrantholder will be entitled to divulge such information to any other Warrantholder and any proposed transferee of Warrants on the same terms as to confidentiality.

16 RESTRICTIONS ON AND UNDERTAKINGS OF THE COMPANY

16.1 For so long as the Warrants are outstanding, the Company will:

16.1.1 to the extent that the Company has a limit on its authorised share capital, keep available for issue and free from pre-emptive rights, out of its authorised but unissued share capital, such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full;

16.1.2 ensure that the Directors have all necessary authorisations and disapplications of pre-emption (including under the Companies Act) to allot such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full at any time;

16.1.3 ~~maintain the admission to trading of the Ordinary Shares on AIM, or any other Recognised Investment Exchange on which the Ordinary Shares are traded from time to time;~~ [*Not used*]

16.1.4 not make any issue, grant or distribution or take any other action the effect of which would be that on exercise of any of the Subscription Rights it would be required to issue Warrant Shares at a discount to their nominal value; and

16.1.5 not buy any Warrants unless it offers to buy Warrants from all Warrantholders in proportion to their respective holdings of Warrants.

17 WARRANTIES

17.1 The Company warrants to the Warrantholder(s) that:

17.1.1 it has the power to execute and to perform its obligations under this instrument;

17.1.2 it has taken all action necessary to authorise the execution of, and the performance of its obligations under this instrument;

17.1.3 all Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will be, upon issuance, be duly authorised, validly issued and fully paid and free of any liens and encumbrances;

17.1.4 it and the Directors have, and have obtained all necessary shareholder and third party consents (which consents are subsisting and remain sufficient and have not been revoked at the Issue ~~Dates~~Date), to grant the Warrant to the Warrantholder(s) on the Issue ~~Dates~~Date on the terms of this Warrant; and

17.1.5 ~~the Ordinary Shares are duly admitted to trading on AIM or on another Recognised Investment Exchange and no circumstances exist which may cause the suspension or cancellation of such admission.~~ [*Not used*]

18 NOTICES

Any notice to the Warrantholder(s) required for the purposes of any provision of this instrument shall be given in accordance with the provisions of paragraphs 10 to 13 (inclusive) of Schedule 2.

19 COSTS AND EXPENSES

19.1 The ~~Borrower~~Company shall promptly pay to the Warrantholder(s) on the Warrantholder's demand, the reasonable legal expenses plus applicable VAT and disbursements incurred by the Warrantholder in connection with:

19.1.1 any amendment or supplement to this instrument, or any proposal for such an amendment to be made, provided such amendment or supplement has been requested or necessitated by the Company; and

19.1.2 any consent or waiver by the Warrantholder(s) concerned under or in connection with this instrument or any request for such a consent or waiver, provided that such consent or waiver has been requested or necessitated by the Company; and

19.1.3 any step taken reasonably and properly by the Warrantholder with a view to the protection, exercise or enforcement of any right or interest created by this instrument.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this instrument shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

21 FURTHER ASSURANCE

The Company shall, at its own cost and expense, execute all such deeds and documents and do all such acts and things as may reasonably be required in order to give effect to this instrument, including vesting on issue the full legal and beneficial title to the Warrant Shares in the Warrantholder.

22 SEVERABILITY

Each of the provisions of this instrument is distinct and severable from the others and if at any time one or more of such provisions is or becomes valid, unlawful or unenforceable (whether wholly or to any extent), the validity, lawfulness and enforceability of the remaining provisions (or the same provision to any other extent) of this instrument shall not in any way be affected or impaired.

23 GOVERNING LAW

The provisions of this instrument and the Conditions and any dispute or claim arising out of or in connection with them (including any dispute or claim relating to non-contractual obligations) shall be subject to and governed by English law and the Company and the Warrantholder(s) submit to the exclusive jurisdiction of the English Courts in relation to any such dispute or claim.

The Company intends this instrument to be a deed poll and accordingly it or its duly authorised representatives execute and deliver it as such.

SCHEDULE 1
Form Of Warrant Certificate

MEREO BIOPHARMA GROUP PLC ("COMPANY")

A company registered in England and Wales

under Company number 09481161

WARRANT CERTIFICATE

This certificate is issued pursuant to the warrant instrument issued by the Company on _____ 2017 ("**Warrant Instrument**"). Words and expressions used in this certificate which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

Certificate number: [•]

Date of issue: _____ 2017

Name and address of Warrantholder: [**Silicon Valley Bank** of 3003 Tasman Drive, Santa Clara, California 95054 US (UK branch at Alphabeta 14-18 Finsbury Square, London EC2A 1BR)]

[**Kreos Capital V (Expert Fund) LP** of 47 Esplanade, St. Helier, Jersey JE1 0BD]

Number of [Initial/2020] Warrant Shares for which the Warrantholder may subscribe ~~such number as is calculated by dividing [•] *[NB: In respect of the First Issue Date, £550,000 for each of SVB and Kreos; in respect of the Further Issue Date(s), each of SVB and Kreos will receive an equal share of the aggregate amount of the Warrants issued pursuant to clause 3.1.2.]* (being the relevant proportion of the Warrant Amount held by the Warrantholder) by the Subscription Price, as adjusted in accordance with terms of the Warrant Instrument, if appropriate.~~[•]

Subscription price: [£2.95/$0.4316]

This is to certify that the Warrantholder named above is the registered holder of the right to subscribe in cash for Warrant Shares at the subscription price set out above subject to the Articles and otherwise on the terms and conditions set out in the Warrant Instrument (a copy of which is available for inspection at the registered office of the Company).

EXECUTED as a **DEED** by

MEREO BIOPHARMA GROUP PLC

_____ Signature of Director

_____ Name of Director

Signature of Secretary

Name of Secretary

~~EXECUTED as a deed, but not delivered until) the date specified on this certificate, by)~~
~~)~~
~~**MEREO BIOPHARMA GROUP PLC)**~~
~~by a director in the presence of a witness:~~

~~*Director*~~

~~Witness Signature:~~
~~Witness Name (block capitals):~~
~~Witness Address:~~
~~Witness Occupation:~~

Schedule to the Warrant Certificate

Notice of Subscription

To: The Directors

MEREO BIOPHARMA GROUP PLC ("Company")

This notice is issued pursuant to the warrant instrument issued by the Company on ~~2017~~ _____ ("**Warrant Instrument**"). Words and expressions used in this notice which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

~~By this notice we exercise the Subscription Rights appertaining to [all] [*number*] of the Warrants evidenced by this certificate.~~

We hereby irrevocably elect to exercise [*number*] [Initial/2020]Warrants issued to us by the Company pursuant to the Warrant Instrument and purchase thereunder (and surrender herewith the relevant warrant certificate) as follows:

(1)

(A) Warrant Shares to be issued to the Warrantholder (or its nominee or trustee) as Ordinary Shares pursuant to the Warrant Instrument;

(B) Warrant Shares to be issued to the custodian of the Depositary for delivery to the Warrantholder as ADSs pursuant to the Warrant Instrument.

(2) We wish to satisfy the aggregate Subscription Price for the Warrant Shares in respect of the Subscription Rights we are exercising as follows [*delete options as necessary*]:

~~1~~(A) [by payment by banker's draft, we attach a banker's draft to this notice];

(B) [by cash payment by wire transfer of immediately available funds to the following account of the Company:

[*Use in case of an aggregate Subscription Price denominated in GBP:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150636

Sort Code: 62-10-00

BIC/SWIFT: SVBKGB2L

IBAN: GB18 SVBK62 1000 2015 0636]

[*Use in case of an aggregate Subscription Price denominated in USD:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150644

Sort Code: 62-10-00

IBAN: GB93SVBK62100020150644]]

~~2~~ (C) [by satisfying the aggregate Subscription Price by electing to receive a reduced number of Warrant Shares, in accordance with clause 6.3.2].

~~[~~We direct the Company ~~to allot conditional only on the above the~~:

[*use for a request under option (1)(A) above*] to issue [*number*] of Ordinary Shares to be issued pursuant to this exercise in the following numbers to the following proposed allottees, each of which is either a Warrantholder, a nominee or trustee of a Warrantholder, or a transferee of one of those persons approved in accordance with clause 9.1 of the Warrant Instrument~~.~~]

Number/percentage of shares	Name of proposed allottee	Address of proposed allottee	~~CREST Details~~
~~1~~			~~Participant ID: [•]~~ ~~Member account ID: [•]~~ ~~INSP Custodian Client Ref: [•]~~ ~~Custodian Name: [•]~~
~~2~~ 1			~~Participant ID: [•]~~ ~~Member account ID: [•]~~ ~~INSP Custodian Client Ref: [•]~~ ~~Custodian Name: [•]~~

~~We request that certificate(s) for such Ordinary Shares be sent by post at our risk to us at the first address shown above or to the agent lodging this certificate as mentioned below.~~

~~OR~~

~~We hereby request that you register our Warrant Shares in uncertificated form to the CREST account detailed [below][above]:~~

~~CREST Details~~	~~Participant ID~~
	~~Member Account ID~~
	~~INSP Custodian Client Ref:~~
	~~Custodian Name~~

~~We agree that such shares are issued and accepted subject to the memorandum and articles of association of the Company.~~

~~Signature of Warrantholder:~~ -

~~Full name:~~ -

~~Address:~~ _____

~~Lodged by: (agent to whom certificate(s) should be sent)~~

[*OR*] *use for a request under option (1)(B) above*] to issue, allot, and deposit [*number*] of Ordinary Shares to be issued pursuant to this exercise to the custodian (or its nominee) of the Depositary and that following such issuance and deposit, to direct the Depositary to issue an amount of ADSs via DTC in accordance with the Issuance and Delivery Instruction corresponding to this Notice of Subscription.

The Warrantholder represents and warrants that this Notice of Subscription has been duly signed and constitutes a valid and binding act to exercise the said Warrants.

Place and date:

Name of Warrantholder:

_____

By:
Title:

The above exercise is acknowledged and accepted. Place and date:

MEREO BIOPHARMA GROUP PLC

By:

~~Name of agent:~~ -

~~Address:~~

SCHEDULE 2
Conditions

1 An accurate Register will be kept and maintained at all times by the Company at its registered office and there shall be entered in the Register:

1.1 the names and addresses of the persons for the time being entitled to be registered as the holders of the Warrants;

1.2 the number of Warrants held for the time being by every registered holder; and

1.3 the date on which the name of every registered holder is entered in the Register in respect of the Warrants in its name.

2 Any change in the name or address of any Warrantholder shall promptly be notified to the Company which shall cause the Register to be altered accordingly. The Warrantholders or any of them and any person authorised by any Warrantholder shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.

3 The Company shall be entitled to treat each Warrantholder as the absolute owner of a Warrant and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in a Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.

4 Each Warrantholder will be recognised by the Company as entitled to the Warrants free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Warrants.

5 Each transfer of a Warrant shall be made by an instrument of transfer in the usual or common form or in any other form which may be approved for the time being by the Directors.

6 The instrument of transfer of a Warrant shall be executed by or on behalf of the transferor but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Warrant until the name of the transferee is entered in the Register in respect of the Warrant being transferred.

7 The Directors may decline to recognise any instrument of transfer of a Warrant unless the instrument is deposited at the registered office of the Company accompanied by the Warrant Certificate for the Warrant to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may waive production of any Warrant Certificate upon production to them of satisfactory evidence of the loss or destruction of the Warrant Certificate together with such indemnity as they may require.

8 No fee shall be charged for any registration of a transfer of a Warrant or for the registration of any other documents which in the opinion of the Directors require registration.

9 The registration of a transfer shall be conclusive evidence of the approval by the Directors of such a transfer.

10 Each Warrantholder shall register with the Company an address in the United Kingdom to which notices can be sent. If any Warrantholder fails to register an address with the Company, notice may be given to that Warrantholder by sending it by any of the methods referred to in paragraph 11 of this Schedule 2 to that Warrantholder's last known place of business or residence or, if none, by exhibiting it for three days at the registered office for the time being of the Company.

11 Notices and other communications to Warrantholders may be given by personal delivery, prepaid letter by first class post or, subject to clause 1.3 of this instrument, fax or email. In proving service of any notice or other communication sent by post, it shall be sufficient to prove that the envelope containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.

12 A notice or other communication given pursuant to the provisions of paragraph 11 of this Schedule 2 shall be deemed to have been served:

12.1 at the time of delivery, if delivered personally to the registered address;

12.2 on the second Business Day following its posting, if sent by prepaid letter by first class post to an address in the United Kingdom; and

12.3 at 09:00 hours on the Business Day following the despatch of the fax, if sent by fax.

13 All notices and other communications with respect to Warrants standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Warrants.

14 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Warrant, shall be bound by every notice in respect of such Warrant which, prior to its name and address being entered on the Register, shall have been duly given to the person from which it derives its title to such Warrant.

15 When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be included but the day upon which such notice will expire shall not be included in such number of days or other period. The signature to any notice to be given by the Company may be written or printed.

16 Meetings of Warrantholders shall be convened and conducted in the same way as meeting of shareholders of the Company are convened and conducted. Accordingly, the provisions of Articles shall apply to meetings of the Warrantholders mutatis mutandis.

SCHEDULE 3

ADS Issuance and Delivery Instruction

[DATE]

Citibank, N.A., as Depositary

388 Greenwich Street

New York, New York 10013

Attn.: Mr. Brian M. Teitelbaum (brian.m.teitelbaum@citi.com)

With a copy simultaneously delivered to:

Citibank, N.A., London Branch

25 Canada Square

Canary Wharf

London E14 5LB, England

Attn.: UK Custody Settlements

Custody Team (uksettlements@citi.com)

Re: Issuance and Delivery Instruction - Mereo BioPharma Group plc (CUSIP No.: 589492107) – Deposit & Hold

Dear Sirs:

Reference is made to the Deposit Agreement, dated as of April 23, 2018, as amended and supplemented from time to time (the "Deposit Agreement"), by and among Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales and its successors (the "Company"), Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, as Depositary (the "Depositary"), and all Holders and Beneficial Owners of American Depositary Shares (the "ADSs") issued thereunder. All capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Deposit Agreement.

In accordance with the terms and subject to the limitations set forth in the Deposit Agreement, promptly following the Depositary's receipt of confirmation from the Custodian that the Custodian has received a deposit of the number of Shares specified below made by the Company for the benefit of the undersigned holder thereof (the "Holder" and together with the Company, the "Undersigned"), the Undersigned hereby jointly instruct the Depositary, and the Depositary hereby agrees:

_____ (i) to promptly accept for deposit the number of Shares and issue the number of ADSs as specified below:

Number of Shares deposited: _____ Shares

Number of ADSs (CUSIP No.: 589492107; each ADS representing five (5) Shares to be issued: _____ ADSs

and (ii) to promptly deliver such Program ADSs, as follows:

Name of DTC Participant to which the ADSs are to be delivered: _____

DTC Participant Account No.: _____

Account No. for recipient of ADSs at DTC Participant (f/b/o/ information):

Name on whose behalf the above number of ADSs are to be issued and delivered: _____

Contact person at DTC Participant:

Daytime telephone number of contact person at DTC: _____

The Company hereby confirms and certifies that (i) the registration statement on Form F-3 (File No. 333-239708) (the "Registration Statement"), filed with the U.S. Securities and Exchange Commission (the "Commission") on July 6, 2020, registers the resale of the above Shares represented by ADSs, such ADSs will be freely transferable following the issuance thereof by the Depositary, and there are no legal restrictions on subsequent transfers of the ADSs to be issued hereunder under the laws of England and Wales or the United States, (ii) the Registration Statement is effective under the Securities Act of 1933, as amended (the "Securities Act"), and (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

The Holder hereby represents and covenants to, and for the benefit of, the Depositary and Citibank, N.A.—London Branch (the "Custodian"), that (i) the Holder is not an "affiliate" of the Company as that term is defined in Rule 144 promulgated by the Commission under the Securities Act and has not been an affiliate at any time during the 90 days immediately preceding the date hereof, and (ii) all stamp duty taxes, including, without limitation, the U.K. Stamp Duty Reserve Tax ("SDRT"), will be paid in full and on a timely basis to the extent such taxes are payable in respect of the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein.

Each of the Holder and, to the extent it is not unlawful for the Company to do so under the applicable laws of England and Wales, the Company agrees to indemnify the Depositary and the Custodian for, and to hold the Depositary and the Custodian harmless against, all losses, liabilities, taxes, charges, penalties or expenses (including reasonable legal fees and disbursements), incurred by the Depositary and/or by the Custodian or to which the Depositary and/or the Custodian may become subject to and arising directly or indirectly from the failure by any person to pay (or discharge) any applicable stamp duty taxes, including, without limitation, SDRT, or any other similar duty or tax in connection with the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein, save to the extent that such losses, liabilities, taxes, charges, penalties or expenses are due to the negligence or bad faith of the Custodian or the Depositary.

[HOLDER]	MEREO BIOPHARMA GROUP PLC
By: _____	By: _____
Name:	Name:
Title:	Title:

EXECUTED and delivered as a **DEED** by
MEREO BIOPHARMA GROUP PLC

_____ Signature of Director

_____ Name of Director

~~EXECUTED as a deed, but not delivered until)~~
~~the date specified on this instrument, by~~)
)
~~**MEREO BIOPHARMA GROUP PLC**~~)
~~by a director in the presence of a witness:~~

_____
~~*Director*~~

~~Witness Signature:~~ _____
~~Witness Name (block capitals):~~ _____
~~Witness Address:~~ _____
_____
~~Witness Occupation:~~ _____

_____ Signature of Secretary
_____ Name of Secretary

Schedule 2

2017 Warrant Instrument (clean copy)

EXECUTION VERSION

DATED_____ DECEMBER 2020

MEREO BIOPHARMA GROUP PLC

AMENDED WARRANT INSTRUMENT DATED 21 AUGUST 2017
relating to the issue of warrants entitling the holders to subscribe for Warrant Shares in the capital of
MEREO BIOPHARMA GROUP PLC

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Tel: +44 (0)20 7203 5000 • **Fax:** +44 (0)20 7203 0200 • **DX:** 19 London/Chancery Lane
www.charlesrussellspeechlys.com

CONTENTS

THIS WARRANT INSTRUMENT is made on 21 August 2017, as amended on ____ December 2020

BY:

(1) **MEREO BIOPHARMA GROUP PLC,** a company incorporated in England and Wales with number 09481161 whose registered office is at 4th Floor, 1 Cavendish Place, London, England, W1G 0QF ("**Company**").

BACKGROUND:

(A) The Company, by resolution of its directors, has agreed to issue Warrants to subscribe for Warrant Shares in the capital of the Company on the terms set out in this instrument, subject to adjustment as set out in this instrument.

(B) Either all of the registered holders of shares in the Company have irrevocably waived all pre-emption rights conferred on them (whether by the Companies Act, the Articles or otherwise) or such pre-emption rights have been validly disapplied in relation to the number of Warrants and shares in the Company issued pursuant to this instrument.

(C) This instrument has been executed by the Company as a deed in favour of the Warrantholder.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 In this instrument the following words and expressions shall (unless the context requires otherwise) have the following meanings:

2020 Warrants	means any warrants issued on the Amendment Date, by way of adjustment to the Initial Warrants;
Adjustment	means any sub-division or consolidation of Equity Securities by the Company, at any time, after issue of the relevant Warrant, or by reference to any record date, while the Warrants remain exercisable;
ADS	means American Depositary Shares representing interests in the Ordinary Shares pursuant to a sponsored American Depositary Receipt facility with the Depositary;
ADS Exchange Ratio	means the ratio applicable to the exchange of Ordinary Shares for ADSs from time to time, currently being a ratio of 5 Ordinary Shares for each ADS;
Amendment Date	means 15 December 2020;
Articles	the articles of association of the Company for the time being;

Auditors	the Company's auditors;
Business	means the research, development, production, trading and licensing of rights, intellectual property and/or products within the life sciences industry (or any of the foregoing or any activities connected thereto);
Business Day	a day (which for these purposes ends at 5.30 pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;
Companies Act	the Companies Act 2006;
Competitor	means any entity (other than a reputable financial institution) whose business directly competes with the Business carried out by a Group Company;
Conditions	the terms and conditions set out in Schedule 2 (subject to any alterations made in accordance with the provisions of this instrument);
Consent	either: (a) a resolution passed at a meeting of the Warrantholders duly convened and held and carried by a majority consisting of not less than 75 per cent. of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent of the votes cast on a poll; or (b) the consent in writing of Warrantholders entitled to the right to subscribe for at least 75 per cent of the Warrant Shares in respect of which Subscription Rights are granted pursuant to this instrument;
Directors	the board of directors of the Company (and/or, where relevant, a Group Company) for the time being;
Equity Securities	has the meaning given in section 560(1) of the Companies Act;
Exercise Date	the date of delivery to the registered office of the Company of the items specified in clause 6.2 (and the date of such delivery shall be the date on which such items are received at the Company's registered office);

Fair Market Value	either: (a) if the Ordinary Shares are then traded on a Recognised Investment Exchange the fair market value of a Warrant Share shall be the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Exercise Date; or (b) if the Ordinary Shares are not traded on a Recognised Investment Exchange but ADSs are listed on Nasdaq, the implied price of One Ordinary Share in pounds sterling, which shall be determined as follows: (i) dividing (x) being the volume weighted average price of one ADS during the ten (10) consecutive trading day period immediately preceding the Exercise Date by (y) being the number of Ordinary Shares currently represented by a single ADS in accordance with the ADS Exchange Ratio in effect on such date (**Implied USD Price**); and (ii) converting the Implied USD Price to pounds sterling at the Exchange Rate on the trading day immediately preceding the Exercise Date; or (c) if the Ordinary Shares are not traded on a Recognised Investment Exchange and ADSs are not listed on Nasdaq, the fair market value a Warrant Share shall be the Fair Price;
Fair Price	unless otherwise agreed by the board of Directors and the Warrantholder(s) prior to service of the Notice of Subscription, the price per Warrant Share which the Auditors (acting as an expert (the Expert)) shall certify to be in its opinion a fair price for the Warrant Shares. In arriving at his opinion the Expert will value the Warrant Shares as at the date the Notice of Subscription is to be given on the basis that the Company operates as a going concern, as between a willing seller and a willing buyer, subject always to the provisions of the Articles. The decision of the Expert as to the fair price for the Warrant Shares shall be final and binding and his costs shall be borne by the Company;
Final Date	subject to clause 5, 10 years from the date of this instrument (which, for the avoidance of doubt, shall be 21 August 2027);

Group	(i) the Company and its subsidiaries (if any), (ii) any holding company of the Company, and (iii) any subsidiaries of such holding companies from time to time and **Group Company** means any member of the Group;
Initial Warrants	means the warrants of the Company constituted by this Instrument on 27 August 2017 and 29 December 2017 and any further warrants issued prior to the Amendment Date as an adjustment thereto;
Issuance and Delivery Instruction	means an issuance and delivery instruction in such form as notified from the Company to the Warrantholders from time to time, the current form of which is attached hereto at Schedule 3;
Marketable Securities	means securities in the acquiring entity traded on a Recognised Investment Exchange where the Warrantolder(s) (were it to receive such securities on completion of an Offer having exercised this Warrant) would not be subject to any restrictions on re-sale of such securities;
Member of the same Fund Group	is if the Warrantholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "**Investment Fund**") or a nominee of that person: (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund but only in connection with the dissolution of Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business, (b) any Investment Fund managed or exclusively advised by that Fund Manager, (c) a parent undertaking or subsidiary undertaking of that Investment Fund or Fund Manager, or any subsidiary undertaking of any parent undertaking of that Investment Fund or Fund Manager, or (d) any trustee, nominee or custodian of such Investment Fund and vice versa;

Notice of Subscription	the notice addressed to the Company by a Warrantholder exercising its Subscription Rights in the form, or substantially in the form, set out in the schedule to the Warrant Certificate;
Ordinary Shares	ordinary shares in the capital of the Company and having the rights and privileges set out in the Articles;
Permitted Transferee are:	
	(a) a nominee of the Warrantholders;
	(b) a regulated, reputable financial institution;
	(c) a member of the SVB Financial Group of companies; and/or
	(d) a Member of the same Fund Group;
Recognised Investment Exchange	a recognised investment exchange or overseas investment exchange (within the meaning thereof given for the purposes of section 285 of the Financial Services and Markets Act 2000, and shall include, without limitation, AIM or NASDAQ;
Register	the register of persons for the time being entitled to the benefit of the Warrants to be maintained pursuant to the Conditions;
Registrars	the registrars of the Company for the time being;
Subscription Price	the subscription price per Warrant Share such price being equal to:
	(a) in respect of the Initial Warrants, £2.95; and
	(b) in respect of the 2020 Warrants, $0.4144 (being the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Amendment Date converted into USD at an exchange rate of 1 GBP = 1.3226 USD (being the GBP-USD opening exchange rate published in the Wall Street Journal on the business day (being a day on which banks are open for commercial business in New York) immediately preceding the Amendment Date);

Subscription Rights	the rights of the Warrantholder(s) to subscribe for Warrant Shares under clause 6;
Warrant Certificate	a certificate evidencing a Warrantholder's entitlement to Warrants in the form set out in Schedule 1;
Warrant Shares	Ordinary Shares to be issued pursuant to the terms of the Warrants;
Warrantholder	in relation to a Warrant, the person whose name appears in the Register as the holder of the Warrant; and
Warrants	the Initial Warrants and the 2020 Warrants and all rights conferred by this Instrument relating thereto (including the Subscription Rights).

1.2 In this instrument, unless the context otherwise requires:

1.2.1 words and expressions defined in the Companies Act or the Articles shall have the same meanings in this instrument (unless otherwise expressly defined in this instrument);

1.2.2 headings are used for convenience only and shall be ignored in interpreting this instrument;

1.2.3 reference to a clause or schedule is a reference to a clause of, or schedule to, this instrument;

1.2.4 reference to (or to any specific provision of) this instrument or any other document or instrument shall be construed as a reference to this instrument, that provision or that document or instrument as in force for the time being and as amended from time to time in accordance with its terms and the prior sanction of a Consent (where consent is required by the terms of this instrument as a condition to such amendment being made);

1.2.5 reference to any gender includes all genders, references to the singular includes the plural (and vice versa) and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of the same have a separate legal personality);

1.2.6 reference to a statutory provision includes reference to:

(a) the statute or statutory provision as modified or re-enacted from time to time; and

(b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out in clause 1.2.6(a) above);

1.2.7 any words following the terms ‘including’, ‘include’, ‘in particular’, ‘for example’ or any other similar expression shall be construed as illustrative and shall not limit the sense of the words, description, phrase or term preceding those words; and

1.2.8 references to statutory obligations include obligations arising under articles of the Treaty establishing the European Community, and regulations, directives and decisions of the European Union as well as United Kingdom Acts of Parliament and subordinate legislation.

1.3 Unless otherwise specifically provided, where any notice, resolution or document is required by this instrument to be signed by any person, the reproduction of the signature of such person by fax or email shall suffice, provided that confirmation by first class letter is despatched by close of business on the next following Business Day, in which case the effective notice, resolution or document shall be that sent by fax or email (served in accordance with paragraphs 11 and 12 of Schedule 2), not the confirmatory letter.

1.4 This instrument incorporates the schedules to it.

2 CONSTITUTION AND FORM OF WARRANTS

2.1 This instrument constitutes the Warrants, which in aggregate give the Warrantholder(s) the right, upon the terms and subject to the conditions set out in this instrument, to subscribe in cash (subject to clause 6.3.2) at a price per share equal to the Subscription Price for such number of Warrant Shares calculated in accordance with clause 3.

2.2 Subject to clause 6.3.2, each Warrantholder shall be entitled to subscribe in cash at the Subscription Price for that number of Warrant Shares in respect of which it is entitled to be recorded as the holder in the Register on the terms set out in this instrument.

2.3 The Warrants shall be in registered form.

2.4 The Warrants are issued subject to the Articles and otherwise on the terms of this instrument (including the Conditions).

2.5 The Company agrees with the Warrantholder(s) and, in consideration of being issued a Warrant Certificate, each Warrantholder agrees with the Company that the Articles (insofar as they relate to the Warrants) and the terms of this instrument shall be binding upon the Company and each Warrantholder and all persons claiming through or under either of them.

2.6 No application will be made for the Warrants to be listed or dealt on any Recognised Investment Exchange (as that term is defined in the Financial Services and Markets Act 2000 (as amended)).

3 CALCULATION OF NUMBER OF WARRANT SHARES

3.1 The number of Warrant Shares over which the Initial Warrants have been issued is 939,150 Warrant Shares.

3.2 The number of Warrant Shares over which the 2020 Warrants will be issued is 939,150 Warrant Shares.

3.3 The 2020 Warrants shall be issued to Silicon Valley Bank and Kreos Capital V (Expert Fund) LP in equal proportions.

4 CERTIFICATES

4.1 The Company shall issue to each Warrantholder a Warrant Certificate in respect of that number of Warrants to which it is entitled as soon as reasonably practicable following a Warrantholder becoming entitled to such Warrants in accordance with clause 3.1.1 and/or 3.1.2.

4.2 If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, the Company will replace it on such terms as to evidence and indemnity as the Company may reasonably require and subject to the Warrantholder who is seeking the replacement paying the Company's reasonable costs (if any) in connection with the issue of the replacement.

4.3 Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

5 TIMING FOR EXERCISE OF SUBSCRIPTION RIGHTS

5.1 The Subscription Rights may be exercised at any time from the date of this instrument until 17:00 GMT on the Final Date and shall be exercised in accordance with clause 6.

5.2 Subject to clause 7, a failure by any Warrantholder to exercise its Subscription Rights ahead of such time on the Final Date shall mean that such Warrantholder's outstanding Warrants shall immediately lapse and be cancelled and such Warrantholder shall have no further rights under this instrument.

5.3 Without prejudice to clauses 12, 13 and 14, if the Final Date is likely to occur before the last date for approval of or acceptance of a liquidation, share buyback, takeover or reorganisation event (that is in each case subject to an existing proposal) such as described in the said clauses, the Final Date shall be extended until such last date for approval or acceptance of such event as aforesaid.

6 EXERCISE OF SUBSCRIPTION RIGHTS

6.1 The Subscription Rights may be exercised in whole or in part. If exercised in part, the Subscription Rights must be exercised in tranches of 50,000 Warrants, or in respect of the last tranche of Warrants attached to the outstanding Subscription Rights held by the Warrantholder concerned, such lesser balancing number of Warrants as may be outstanding.

6.2 In order to exercise its Subscription Rights validly, a Warrantholder must deliver the following items to the registered office of the Company:

6.2.1 the Warrant Certificate for the Warrants in respect of which Subscription Rights are being exercised, together with the Notice of Subscription duly completed;

6.2.2 if required pursuant to clause 6.3.1, a remittance by banker's draft, drawn on a UK clearing bank, (or such other mode of payment as the Company and the Warrantholder shall agree);

6.2.3 the name and address of the Warrantholder to which the Warrant Shares arising on exercise of Subscription Rights are to be issued; and

6.2.4 if and to the extent that the Ordinary Shares issued are to be delivered as ADSs, a completed Issuance and Delivery Instruction in the form set out at Schedule 3 hereto (as such form may be amended from time to time by notice to the Warrantholder) duly completed and executed by the Warrantholder.

6.3 The Subscription Price for each of the Warrant Shares shall, at the absolute discretion of the Warrantholder, be satisfied by any of the following:

6.3.1 the payment by banker's draft for each of the Warrant Shares at the Subscription Price; or

6.3.2 in lieu of a cash payment in respect of the aggregate Subscription Price for the Warrant Shares, the Warrantholder may elect for a reduced number of Warrant Shares (as calculated below) ("**Reduced Warrant Shares**") to be issued than the number to which it would be entitled on exercise of the Subscription Rights in full, payment for such Reduced Warrant Shares being satisfied by waiver by the Warrantholder of the right to receive the balance of Warrant Shares to which the Warrantholder is entitled over and above the Reduced Warrant Shares ("**Balance Warrant Shares**"). In doing so, the Company agrees and acknowledges that, subject to the payment of the par value of the Reduced Warrant Shares pursuant to this clause 6.3.2, the Reduced Warrant Shares to be issued to the Warrantholder (or, in the case of a Warrantholder which has specified in the Notice of Subscription in respect of such Reduced Warrant Shares that it requires to have such Reduced Warrant Shares delivered as ADSs and has delivered a duly completed Issuance and Delivery Instruction to the Company in respect of the same, issued to, deposited with (and otherwise registered in the name of) the custodian of the Depositary (or its nominee)) as fully paid up at the Subscription Price, and the Warrantholder agrees and acknowledges that it waives its Subscription Rights to the Balance Warrant Shares used as consideration for payment of the aggregate Subscription Price. The number of Reduced Warrant Shares the Warrantholder (or Depositary, as applicable) will receive shall be determined as follows:

$$X = Y (A – B) / A$$

where:

X = the number of Reduced Warrant Shares to be issued to the Warrantholder or Depositary (as applicable).

Y = the number of Warrant Shares with respect to which the Warrant is being exercised by the Warrantholder (without application of the reduction).

A = the Fair Market Value of one Warrant Share

B = the Subscription Price (provided that, where the relevant Warrants being exercised have a Subscription Price denominated in USD, the Company shall convert such Subscription Price to pounds sterling for the purpose of calculating the aggregate nominal value of such Reduced Warrant Shares using the Exchange Rate on the trading day prior to service of the Notice of Subscription or Automatic Exercise Notice, as the case may be)

Provided always that the Warrantholder shall nevertheless be required to subscribe in cash for the par value of the Reduced Warrant Shares to the extent that if it did not do so the Reduced Warrant Shares would be issued at a discount to the Warrantholder. It being understood that if Warrant Shares are issued pursuant to this clause 6.3.2, notwithstanding that such Warrant Shares are issued at nominal value, the Warrantholder shall be deemed to have paid the relevant Subscription Price per Warrant Share for the purposes of calculating any distribution or share of sale proceeds in each case attributable to the Warrant Shares and to other issued shares of the class for the purposes of the Articles and for all other purposes.

6.4 Delivery of the items specified in clause 6.2 to the Company shall, unless the Company expressly consents otherwise, be an irrevocable election by the Warrantholder to exercise the relevant Subscription Rights.

7 AUTOMATIC EXERCISE OF SUBSCRIPTION RIGHTS

7.1 If, on the Final Date, the Fair Market Value of one Warrant Share is greater than the Subscription Price on such date, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights, on a conditional basis, in respect of all unexercised Warrants on such date on a net issuance basis as set out in Clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall (subject at all times to the Company's obligations under all applicable law and any other regulations, send a notice to the Warrantholder(s)within ten (10) Business Days of the Final Date (such notice being the Automatic Exercise Notice for the purposes of this clause 7) requiring them to pay up a cash amount equal to the aggregate nominal value of the Warrant Shares (such payment being the "**Nominal Value Payment**") to be issued pursuant to clause 6.3.2 ("**Exercise of Subscription Rights**") and this clause 7.1, and to specify whether such Warrantholder requires any such Warrant Shares to be delivered as ADSs.

7.2 The Warrantholder shall, within ten (10) Business Days of receipt of the Automatic Exercise Notice (the "**Nominal Value Payment Period**") provide the Company with the Nominal Value Payment to an account notified by the Company to the Warrantholder, and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed Issuance and Delivery Instruction in respect of such Warrant Shares. Upon receipt of such Nominal Value Payment (and, if applicable, such Issuance and Delivery Instruction) the Warrant Shares to be issued to the Warrantholder (or in the case of a Warrantholder who has delivered an Issuance and Delivery Instruction, the custodian of the Depositary) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, as applicable) credited as fully paid up in accordance with clause 6.3.2 (Exercise of Subscription Rights) and clause 8.3.1 (Completion). Any failure by a Warrantholder to pay the Nominal ValuePayment (or deliver a duly completed Issuance and Delivery Instruction, if applicable) within the Nominal Value Payment Period shall result in the automatic lapse of any Warrants over Warrant Shares for which the Nominal Value Payment was not made or Issuance and Delivery Instruction not delivered.

8 COMPLETION

8.1 Following a valid exercise of Subscription Rights by a Warrantholder or an automatic exercise of Subscription Rights pursuant to clause 7 or clause 13.2.2, the Company shall in accordance with clause 8.3:

8.1.1 allot and issue credited as fully paid to the Warrantholder; or in the event that the Warrantholder has required pursuant to clause 6.2 that Ordinary Shares to be issued from the Exercise of Subscription Rights are to be delivered as ADSs, delivered a duly completed Issuance and Delivery Instruction, and there is an effective registration statement covering the Ordinary Shares to be issued on such exercise, issue to, deposit with (and otherwise register in the name of) the custodian of the Depositary (or its nominee) ("**Allotted Shares**") and following such issuance and deposit the Company will direct the Depositary to issue an amount of ADSs via DTC (with such ADSs being eligible for listing on Nasdaq) in accordance with the corresponding Issuance and Delivery Instruction;

8.1.2 immediately following allotment and issue in accordance with clause 8.1.1, enter, or procure that the Company's Registrars enter the Warrantholder's name (or (i) its nominee's or trustee's name, or (ii) in the case of any Ordinary Shares to be delivered as ADSs, the custodian of the Depositary's name) in the register of members of the Company as the holder of the Allotted Shares;

8.1.3 immediately following registration in accordance with clause 8.1.2, either: send to the person identified by the Warrantholder pursuant to clause 8.1.1, free of charge, share certificate(s) in respect of the Allotted Shares; and

8.1.4 apply for the admission of the Warrant Shares to trading on any recognised investment exchange on which the Warrant Shares are listed at the time of the allotment and issue pursuant to clause 8.1.1, and shall use its reasonable endeavours to secure such admission to trading no later than ten (10) Business Days after such application.

8.2 The obligations of the Company under clause 8.1 shall be fulfilled within ten (10) days after the Notice of Subscription is lodged at the registered office of the Company.

8.3 The Allotted Shares shall:

8.3.1 be allotted and issued fully paid;

8.3.2 rank pari passu with the relevant class of fully paid Warrant Shares then in issue;

8.3.3 rank for any dividend or other distribution which has previously been announced or declared if the date by which the holder of Warrant Shares must be registered to participate in such dividend or other distribution is after the Exercise Date pursuant to which the Subscription Rights have been exercised; and

8.3.4 be free from all claims, liens, charges, encumbrances, equities and third party rights.

8.4 If following allotment of shares pursuant to the exercise of some of the Subscription Rights, some Subscription Rights remain, the Company shall issue a Warrant Certificate to the Warrantholder within 15 Business Days for the balance of the Warrantholder's Subscription Rights.

9 TRANSFER OF WARRANTS

9.1 Subject to clause 9.2, the Warrants may be transferred in whole or in part by any Warrantholder to any person, provided that the Company has given its prior written consent to such transfer.

9.2 A Warrantholder has the right, with prior written notice, but without the consent of the Company, to transfer the Warrants in whole or in part to a Permitted Transferee, subject to compliance with the provisions of Schedule 2 hereto.

9.3 Notwithstanding any other provisions of this instrument, no transfer shall be made to any person which is a Competitor of the Company or any other Group Company.

9.4 The provisions of Schedule 2 to this instrument shall regulate any transfer of a Warrant.

10 MODIFICATION AND CESSATION OF RIGHTS

10.1 This instrument may be modified only with the prior sanction of Consent.

10.2 This instrument ceases to have effect on the earlier of:

10.2.1 the date upon which all Subscription Rights have been exercised in full; and

10.2.2 the Final Date.

11 ADJUSTMENT OF WARRANT

11.1 Upon the occurrence of an Adjustment after the date of this Instrument but prior to the Final Date, the number and/or nominal value of Warrant Shares to be, or capable of being subscribed on any subsequent exercise of the Subscription Rights conferred by each issued Warrant and/or the Subscription Price will be adjusted in such manner as the Auditors shall certify to be fair and reasonable so that the Warrants shall, after such adjustment, entitle the Warrantholder(s) on exercise to receive the same percentage of the share capital of the Company in issue or capable of being issued following the implementation of the Adjustment, carrying the same proportion of votes exercisable at a general meeting of shareholders, for the same Aggregate Subscription Price, in each case as nearly as practicable, as would have been the case if no Adjustment had occurred, provided that the Subscription Price shall not in any event be reduced so that, upon exercise of the Subscription Rights, Warrant Shares would fall to be issued at a discount to their nominal value.

11.2 Within ten (10) days after days after an Adjustment, or, if later, within 10 days after the response of the auditors to any certification required by clause 11.1, notice of such adjustments will be given to the Warrantholder(s) detailing the number of Warrant Shares for which the Warrantholder(s) are entitled to subscribe in consequence of any such adjustment. Replacement Warrant Certificates shall be issued accordingly.

12 LIQUIDATION

12.1 If an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected whilst any Subscription Rights remain exercisable, then the provisions of clause 12.2 or, as the case may be, clause 12.3 shall apply.

12.2 If the winding-up or dissolution is for the purpose of a reconstruction, amalgamation or merger the Warrantholder shall be entitled to be granted by the reconstructed, amalgamated or merged company a substituted warrant of the value of the Warrant immediately prior to such reconstruction, amalgamation or merger.

12.3 If clause 12.2 does not apply, the Company shall immediately notify the Warrantholder(s) in writing that such an order has been made or resolution has been passed or other dissolution is to be effected. The Warrantholder(s) shall be entitled at any time within three (3) months after the date such notice is given to elect by notice in writing to the Company to be treated as if they had, immediately before the date of

the making of the order or passing of the resolution or other dissolution, exercised the Subscription Rights and they shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Warrant Shares, such a sum, if any, as they would have received had they been the holders of and paid for the Warrant Shares to which they would have become entitled by virtue of such exercise, after deducting from such sum the amount which would have been payable by them in respect of the Warrant Shares if they had exercised the Subscription Rights. Nothing contained in this clause 12.3 shall have the effect of requiring the Warrantholder(s) to make any actual payment to the Company.

13 TAKEOVERS

13.1 Subject to clause 13.6, if at any time an offer or invitation is made by the Company to the holders of the Ordinary Shares for the purchase by the Company of any of its Ordinary Shares, the Company shall promptly and without delay give notice thereof to each Warrantholder who shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise its Subscription Rights to the extent that such rights have not been exercised or lapsed prior to the record date of such offer or invitation so as to take effect, in so far as is reasonably practicable, as if it had exercised its rights immediately prior to the record date of such offer or invitation.

13.2 Subject to clause 13.6, if at any time an offer is made to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company may, if such offer becomes unconditional in all respects, become vested in the offeror and/or such persons or companies (the "**Buyer**") as aforesaid (the "**Offer**"):

13.2.1 The Company shall, give notice to each Warrantholder within ten (10) Business Days of its becoming so aware, and each Warrantholder shall be entitled to exercise its Subscription Rights, conditional upon the Offer being declared unconditional in all respects, within thirty (30) days of such notice having been given by the Company (to the extent that such rights have not lapsed or been exercised prior to the record date of such Offer), and to accept or otherwise participate in such Offer on the same terms as made to all holders of Ordinary Shares.

13.2.2 If the Company fails to give notice as required by clause 13.2.1 (subject at all times to the Company's obligations under applicable law and any other regulations) then, provided that immediately prior to the date that the Offer is made the offer price under the Offer is greater than the Subscription Price on such date and conditional upon the Offer being declared or becoming unconditional in all respects, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights in respect of all unexercised Warrants on such date at the Subscription Price on a net

issuance basis as set out in clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall send a notice to the Warrantholder(s) promptly and without delay (such notice being the "**Exercise Notice**" for the purposes of this clause 13.2.2) upon either a Warrantholder notifying the Company of its failure to give notice as required by clause 13.2.1 or the Company or the Buyer becoming aware of the Company's failure to give such notice requiring the Warrantholder(s) to provide the Company with the Nominal Value Payment to an account notified by the Company to the Warrantholder, and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed issuance and delivery instruction in respect of such Warrant Shares. Upon receipt of such Nominal Value Payment and Issuance and Delivery Instruction (if applicable), subject to clause 13.3 the Warrant Shares to be issued to the Warrantholder (or to the custodian of the Depositary, if applicable) on a net issuance basis pursuant to clause 6.3.2 (Exercise of Subscription Rights) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, if applicable) credited as fully paid up in accordance with clause 6.3.2 (*Exercise of Subscription Rights*) and clause 8.3.1.

13.2.3 Nothing in this clause 13.2 shall oblige the Warrantholder(s) to accept any Offer made hereunder, save to the extent that such Offer, whether by court order or otherwise, shall have become binding on all shareholders and the offer price under such Offer is greater than the Subscription Price, in which case the Warrantholder(s) shall be deemed to have accepted it on the terms set out herein.

13.3 [*Not used*]

13.4 [*Not used*]

13.5 For the avoidance of doubt, publication of a compromise or scheme of arrangement under the Companies Act providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an Offer for the purposes of this clause 13.

13.6 If, for whatever reason, a Warrantholder fails, refuses or declines to exercise its Subscription Rights within sixty (60) days of an Offer having become unconditional in all respects, the Warrants held by such Warrantor shall automatically lapse and no Warrant Shares shall be issued to the Warrantholder thereunder.

14 COMPANY REORGANISATIONS – EXCHANGE OF WARRANTS

14.1 A company reorganisation occurs if the Company merges with or transfers all or substantially all of its assets and undertaking to a new company ("**Newco**") and the shareholders of Newco are substantially the same as the shareholders of the Company immediately before the Company reorganisation, with shares having the same rights as those of the Company.

14.2 If there is a company reorganisation, the Company shall, save to the extent proposed by the Company and sanctioned by a Consent, use reasonable endeavours to procure that new warrants over the share capital of the Newco are granted with equivalent rights and on terms applying in this instrument mutatis mutandis and on such grant the existing Warrants shall lapse.

15 INFORMATION AND RIGHTS OF WARRANTHOLDER(S)

15.1 The Company shall:

15.1.1 send to each Warrantholder a copy of its annual reports and audited accounts together with all documents required by law to be annexed to that report at the same time they are provided to the holders of the Ordinary Shares;

15.1.2 send to each Warrantholder copies of any statements, notices or circulars sent to the holders of the Ordinary Shares; and

15.1.3 give to each Warrantholder not less than 30 days' prior written notice of its intention to declare or pay a dividend or other distribution on the Ordinary Shares.

15.2 The Warrantholder(s) may attend all general meetings of members of the Company and meetings of the holders of Ordinary Shares but may not vote at those meetings by virtue of or in respect of their holdings of Warrants.

15.3 Each Warrantholder shall keep confidential any information received by it in its capacity as a Warrantholder which is of a confidential nature except:

15.3.1 as required by law or any applicable regulations;

15.3.2 to the extent the information is in the public domain through no default of the Warrantholder; and

15.3.3 each Warrantholder will be entitled to divulge such information to any other Warrantholder and any proposed transferee of Warrants on the same terms as to confidentiality.

16 RESTRICTIONS ON AND UNDERTAKINGS OF THE COMPANY

16.1 For so long as the Warrants are outstanding, the Company will:

16.1.1 to the extent that the Company has a limit on its authorised share capital, keep available for issue and free from pre-emptive rights, out of its authorised but unissued share capital, such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full;

16.1.2 ensure that the Directors have all necessary authorisations and disapplications of pre-emption (including under the Companies Act) to allot such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full at any time;

16.1.3 [*Not used*]

16.1.4 not make any issue, grant or distribution or take any other action the effect of which would be that on exercise of any of the Subscription Rights it would be required to issue Warrant Shares at a discount to their nominal value; and

16.1.5 not buy any Warrants unless it offers to buy Warrants from all Warrantholders in proportion to their respective holdings of Warrants.

17 WARRANTIES

17.1 The Company warrants to the Warrantholder(s) that:

17.1.1 it has the power to execute and to perform its obligations under this instrument;

17.1.2 it has taken all action necessary to authorise the execution of, and the performance of its obligations under this instrument;

17.1.3 all Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will be, upon issuance, be duly authorised, validly issued and fully paid and free of any liens and encumbrances;

17.1.4 it and the Directors have, and have obtained all necessary shareholder and third party consents (which consents are subsisting and remain sufficient and have not been revoked at the Issue Date), to grant the Warrant to the Warrantholder(s) on the Issue Date on the terms of this Warrant; and

17.1.5 [*Not used*]

18 NOTICES

Any notice to the Warrantholder(s) required for the purposes of any provision of this instrument shall be given in accordance with the provisions of paragraphs 10 to 13 (inclusive) of Schedule 2.

19 COSTS AND EXPENSES

19.1 The Company shall promptly pay to the Warrantholder(s) on the Warrantholder's demand, the reasonable legal expenses plus applicable VAT and disbursements incurred by the Warrantholder in connection with:

19.1.1 any amendment or supplement to this instrument, or any proposal for such an amendment to be made, provided such amendment or supplement has been requested or necessitated by the Company; and

19.1.2 any consent or waiver by the Warrantholder(s) concerned under or in connection with this instrument or any request for such a consent or waiver, provided that such consent or waiver has been requested or necessitated by the Company; and

19.1.3 any step taken reasonably and properly by the Warrantholder with a view to the protection, exercise or enforcement of any right or interest created by this instrument.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this instrument shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

21 FURTHER ASSURANCE

The Company shall, at its own cost and expense, execute all such deeds and documents and do all such acts and things as may reasonably be required in order to give effect to this instrument, including vesting on issue the full legal and beneficial title to the Warrant Shares in the Warrantholder.

22 SEVERABILITY

Each of the provisions of this instrument is distinct and severable from the others and if at any time one or more of such provisions is or becomes valid, unlawful or unenforceable (whether wholly or to any extent), the validity, lawfulness and enforceability of the remaining provisions (or the same provision to any other extent) of this instrument shall not in any way be affected or impaired.

23 GOVERNING LAW

The provisions of this instrument and the Conditions and any dispute or claim arising out of or in connection with them (including any dispute or claim relating to non- contractual obligations) shall be subject to and governed by English law and the Company and the Warrantholder(s) submit to the exclusive jurisdiction of the English Courts in relation to any such dispute or claim.

The Company intends this instrument to be a deed poll and accordingly it or its duly authorised representatives execute and deliver it as such.

SCHEDULE 1
Form Of Warrant Certificate

MEREO BIOPHARMA GROUP PLC ("COMPANY")
A company registered in England and Wales
under Company number 09481161

WARRANT CERTIFICATE

This certificate is issued pursuant to the warrant instrument issued by the Company on _____ 2017 ("**Warrant Instrument**"). Words and expressions used in this certificate which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

Certificate number: [•]

Date of issue: _____ 2017

Name and address of Warrantholder: [**Silicon Valley Bank** of 3003 Tasman Drive, Santa Clara, California 95054 US (UK branch at Alphabeta 14-18 Finsbury Square, London EC2A 1BR)]

[**Kreos Capital V (Expert Fund) LP** of 47 Esplanade, St. Helier, Jersey JE1 0BD]

Number of [Initial/2020] Warrant Shares for which the Warrantholder may subscribe [•]

Subscription price: [£2.95/$0.4316]

This is to certify that the Warrantholder named above is the registered holder of the right to subscribe in cash for Warrant Shares at the subscription price set out above subject to the Articles and otherwise on the terms and conditions set out in the Warrant Instrument (a copy of which is available for inspection at the registered office of the Company).

EXECUTED as a **DEED** by

MEREO BIOPHARMA GROUP PLC

_____ Signature of Director

_____ Name of Director

_____ Signature of Secretary

_____ Name of Secretary

Schedule to the Warrant Certificate

Notice of Subscription

To: The Directors

MEREO BIOPHARMA GROUP PLC ("Company")

This notice is issued pursuant to the warrant instrument issued by the Company on _____ ("**Warrant Instrument**"). Words and expressions used in this notice which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

We hereby irrevocably elect to exercise [*number*] [Initial/2020]Warrants issued to us by the Company pursuant to the Warrant Instrument and purchase thereunder (and surrender herewith the relevant warrant certificate) as follows:

(1)

(A) _____ Warrant Shares to be issued to the Warrantholder (or its nominee or trustee) as Ordinary Shares pursuant to the Warrant Instrument;

(B) _____ Warrant Shares to be issued to the custodian of the Depositary for delivery to the Warrantholder as ADSs pursuant to the Warrant Instrument.

(2) We wish to satisfy the aggregate Subscription Price for the Warrant Shares in respect of the Subscription Rights we are exercising as follows [*delete options as necessary*]:

(A) [by payment by banker's draft, we attach a banker's draft to this notice];

(B) [by cash payment by wire transfer of immediately available funds to the following account of the Company:

[*Use in case of an aggregate Subscription Price denominated in GBP:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150636

Sort Code: 62-10-00

BIC/SWIFT: SVBKGB2L

IBAN: GB18 SVBK62 1000 2015 0636]

[*Use in case of an aggregate Subscription Price denominated in USD:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150644

Sort Code: 62-10-00

IBAN: GB93SVBK62100020150644]]

(C) [by satisfying the aggregate Subscription Price by electing to receive a reduced number of Warrant Shares, in accordance with clause 6.3.2].

We direct the Company:

[*use for a request under option (1)(A) above*] to issue [*number*] of Ordinary Shares to be issued pursuant to this exercise in the following numbers to the following proposed allottees, each of which is either a Warrantholder, a nominee or trustee of a Warrantholder or a transferee of one of those persons approved in accordance with clause 9.1 of the Warrant Instrument]

Number/percentage of shares	**Name of proposed allottee**	**Address of proposed allottee**
1		

[*OR*] *use for a request under option (1)(B) above*] to issue, allot, and deposit [*number*] of Ordinary Shares to be issued pursuant to this exercise to the custodian (or its nominee) of the Depositary and that following such issuance and deposit, to direct the Depositary to issue an amount of ADSs via DTC in accordance with the Issuance and Delivery Instruction corresponding to this Notice of Subscription.

The Warrantholder represents and warrants that this Notice of Subscription has been duly signed and constitutes a valid and binding act to exercise the said Warrants.

Place and date:

Name of Warrantholder:

_____

By:

Title:

The above exercise is acknowledged and accepted. Place and date:

MEREO BIOPHARMA GROUP PLC

_____

By:

SCHEDULE 2
Conditions

1 An accurate Register will be kept and maintained at all times by the Company at its registered office and there shall be entered in the Register:

1.1 the names and addresses of the persons for the time being entitled to be registered as the holders of the Warrants;

1.2 the number of Warrants held for the time being by every registered holder; and

1.3 the date on which the name of every registered holder is entered in the Register in respect of the Warrants in its name.

2 Any change in the name or address of any Warrantholder shall promptly be notified to the Company which shall cause the Register to be altered accordingly. The Warrantholders or any of them and any person authorised by any Warrantholder shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.

3 The Company shall be entitled to treat each Warrantholder as the absolute owner of a Warrant and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in a Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.

4 Each Warrantholder will be recognised by the Company as entitled to the Warrants free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Warrants.

5 Each transfer of a Warrant shall be made by an instrument of transfer in the usual or common form or in any other form which may be approved for the time being by the Directors.

6 The instrument of transfer of a Warrant shall be executed by or on behalf of the transferor but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Warrant until the name of the transferee is entered in the Register in respect of the Warrant being transferred.

7 The Directors may decline to recognise any instrument of transfer of a Warrant unless the instrument is deposited at the registered office of the Company accompanied by the Warrant Certificate for the Warrant to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may waive production of any Warrant Certificate upon production to them of satisfactory evidence of the loss or destruction of the Warrant Certificate together with such indemnity as they may require.

8 No fee shall be charged for any registration of a transfer of a Warrant or for the registration of any other documents which in the opinion of the Directors require registration.

9 The registration of a transfer shall be conclusive evidence of the approval by the Directors of such a transfer.

10 Each Warrantholder shall register with the Company an address in the United Kingdom to which notices can be sent. If any Warrantholder fails to register an address with the Company, notice may be given to that Warrantholder by sending it by any of the methods referred to in paragraph 11 of this Schedule 2 to that Warrantholder's last known place of business or residence or, if none, by exhibiting it for three days at the registered office for the time being of the Company.

11 Notices and other communications to Warrantholders may be given by personal delivery, prepaid letter by first class post or, subject to clause 1.3 of this instrument, fax or email. In proving service of any notice or other communication sent by post, it shall be sufficient to prove that the envelope containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.

12 A notice or other communication given pursuant to the provisions of paragraph 11 of this Schedule 2 shall be deemed to have been served:

12.1 at the time of delivery, if delivered personally to the registered address;

12.2 on the second Business Day following its posting, if sent by prepaid letter by first class post to an address in the United Kingdom; and

12.3 at 09:00 hours on the Business Day following the despatch of the fax, if sent by fax.

13 All notices and other communications with respect to Warrants standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Warrants.

14 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Warrant, shall be bound by every notice in respect of such Warrant which, prior to its name and address being entered on the Register, shall have been duly given to the person from which it derives its title to such Warrant.

15 When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be included but the day upon which such notice will expire shall not be included in such number of days or other period. The signature to any notice to be given by the Company may be written or printed.

16 Meetings of Warrantholders shall be convened and conducted in the same way as meeting of shareholders of the Company are convened and conducted. Accordingly, the provisions of Articles shall apply to meetings of the Warrantholders mutatis mutandis.

SCHEDULE 3

ADS Issuance and Delivery Instruction

[DATE]

Citibank, N.A., as Depositary

388 Greenwich Street

New York, New York 10013

Attn.: Mr. Brian M. Teitelbaum (brian.m.teitelbaum@citi.com)

With a copy simultaneously delivered to:

Citibank, N.A., London Branch

25 Canada Square

Canary Wharf

London E14 5LB, England

Attn.: UK Custody Settlements

Custody Team (uksettlements@citi.com)

Re: Issuance and Delivery Instruction - Mereo BioPharma Group plc (CUSIP No.: 589492107) – Deposit & Hold

Dear Sirs:

Reference is made to the Deposit Agreement, dated as of April 23, 2018, as amended and supplemented from time to time (the "Deposit Agreement"), by and among Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales and its successors (the "Company"), Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, as Depositary (the "Depositary"), and all Holders and Beneficial Owners of American Depositary Shares (the "ADSs") issued thereunder. All capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Deposit Agreement.

In accordance with the terms and subject to the limitations set forth in the Deposit Agreement, promptly following the Depositary's receipt of confirmation from the Custodian that the Custodian has received a deposit of the number of Shares specified below made by the Company for the benefit of the undersigned holder thereof (the "Holder" and together with the Company, the "Undersigned"), the Undersigned hereby jointly instruct the Depositary, and the Depositary hereby agrees:

(i) to promptly accept for deposit the number of Shares and issue the number of ADSs as specified below:

Number of Shares deposited: _____Shares

Number of ADSs (CUSIP No.: 589492107; each ADS representing five (5) Shares to be issued:

_____ADSs

and (ii) to promptly deliver such Program ADSs, as follows:

Name of DTC Participant to which the ADSs are to be delivered: _____

DTC Participant Account No.: _____

Account No. for recipient of ADSs at DTC Participant (f/b/o/ information): _____

_____

Name on whose behalf the above number of ADSs are to be issued and delivered: _____

Contact person at DTC Participant: _____

Daytime telephone number of contact person at DTC: _____

_____

The Company hereby confirms and certifies that (i) the registration statement on Form F-3 (File No. 333-239708) (the "Registration Statement"), filed with the U.S. Securities and Exchange Commission (the "Commission") on July 6, 2020, registers the resale of the above Shares represented by ADSs, such ADSs will be freely transferable following the issuance thereof by the Depositary, and there are no legal restrictions on subsequent transfers of the ADSs to be issued hereunder under the laws of England and Wales or the United States, (ii) the Registration Statement is effective under the Securities Act of 1933, as amended (the "Securities Act"), and (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

The Holder hereby represents and covenants to, and for the benefit of, the Depositary and Citibank, N.A.—London Branch (the "Custodian"), that (i) the Holder is not an "affiliate" of the Company as that term is defined in Rule 144 promulgated by the Commission under the Securities Act and has not been an affiliate at any time during the 90 days immediately preceding the date hereof, and (ii) all stamp duty taxes, including, without limitation, the U.K. Stamp Duty Reserve Tax ("SDRT"), will be paid in full and on a timely basis to the extent such taxes are payable in respect of the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein.

Each of the Holder and, to the extent it is not unlawful for the Company to do so under the applicable laws of England and Wales, the Company agrees to indemnify the Depositary and the Custodian for, and to hold the Depositary and the Custodian harmless against, all losses, liabilities, taxes, charges, penalties or expenses (including reasonable legal fees and disbursements), incurred by the Depositary and/or by the Custodian or to which the Depositary and/or the Custodian may become subject to and arising directly or indirectly from the failure by any person to pay (or discharge) any applicable stamp duty taxes, including, without limitation, SDRT, or any other similar duty or tax in connection with the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein, save to the extent that such losses, liabilities, taxes, charges, penalties or expenses are due to the negligence or bad faith of the Custodian or the Depositary.

[HOLDER]

By: _____

Name:

Title:

MEREO BIOPHARMA GROUP PLC

By: _____

Name:

Title:

SIGNATURE PAGE

EXECUTED and delivered as a **DEED** by
MEREO BIOPHARMA GROUP PLC

Signature of Director

Name of Director

Signature of Secretary

Name of Secretary

Schedule 3

2018 Warrant Instrument (marked changes)

EXECUTION VERSION

DATED DECEMBER 2020 ~~2018~~

MEREO BIOPHARMA GROUP PLC

AMENDED WARRANT INSTRUMENT
DATED 1 OCTOBER 2018

relating to the issue of warrants entitling the holders to
subscribe for Warrant Shares in the capital of
MEREO BIOPHARMA GROUP PLC

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5 Fleet Place London EC4M 7RD
Tel: +44 (0)20 7203 5000 · **Fax:** +44 (0)20 7203 0200 · **DX:** 19 London/Chancery Lane
www.charlesrussellspeechlys.com

CONTENTS

THIS WARRANT INSTRUMENT is made on ~~2018~~ 1 October 2018, as amended on December 2020

(0) BY:

(1) MEREO BIOPHARMA GROUP PLC, a company incorporated in England and Wales with number 09481161 whose registered office is at 4th Floor, 1 Cavendish Place, London, England, W1G 0QF ("**Company**").

BACKGROUND:

(A) The Company, by resolution of its directors, has agreed to issue Warrants to subscribe for Warrant Shares in the capital of the Company on the terms set out in this instrument, subject to adjustment as set out in this instrument.

(B) Either all of the registered holders of shares in the Company have irrevocably waived all pre-emption rights conferred on them (whether by the Companies Act, the Articles or otherwise) or such pre-emption rights have been validly disapplied in relation to the number of Warrants and shares in the Company issued pursuant to this instrument.

(C) This instrument has been executed by the Company as a deed in favour of the Warrantholder.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 In this instrument the following words and expressions shall (unless the context requires otherwise) have the following meanings:

2020 Warrants	means any warrants issued on the Amendment Date, by way of adjustment to the Initial Warrants;
Adjustment	means any sub-division or ~~all~~consolidation of Equity Securities by the ~~following~~Company, at any time, after issue of the relevant Warrant, or by reference to any record date, while the Warrants remain exercisable~~:~~
	~~(a) any allotment or issue of Equity Securities by the Company by way of capitalisation of profits or reserves;~~
	~~(b) any cancellation, purchase or redemption of Equity Securities, or any reduction or repayment of Equity Securities, by the Company;~~
	~~(c) any sub-division or consolidation of Equity Securities by the Company; and~~

	~~(d) any issue of securities or other instruments convertible into shares in, or Equity Securities of, the Company or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue of, shares in, or Equity Securities of, the Company,~~ ~~but excluding any issue of Equity Securities of the Company pursuant to (i) the exercise of any options granted to employees, consultants or directors of the Company, or (ii) the loan notes in the Company currently held by Novartis Pharma AG pursuant to a convertible loan note instrument dated 3 June 2016, as amended;~~
~~AIM~~ADS	~~the AIM market operated by the London Stock Exchange~~means American Depositary Shares representing interests in the Ordinary Shares pursuant to a sponsored American Depositary Receipt facility with the Depositary;
~~AIM Rules~~ADS Exchange Ratio	~~the AIM Rules for Companies published by the London Stock Exchange~~means the ratio applicable to the exchange of Ordinary Shares for ADSs from time to time, currently being a ratio of 5 Ordinary Shares for each ADS;
Amendment Date	means 15 December 2020;
Articles	the articles of association of the Company for the time being;
Auditors	the Company's auditors;
Business	means the research, development, production, trading and licensing of rights, intellectual property and/or products within the life sciences industry (or any of the foregoing or any activities connected thereto);
Business Day	a day (which for these purposes ends at 5.30 pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;
Companies Act	the Companies Act 2006;
Competitor	means any entity (other than a reputable financial institution) whose business directly competes with the Business carried out by a Group Company;

Conditions	the terms and conditions set out in Schedule 2 (subject to any alterations made in accordance with the provisions of this instrument);
Consent	either: (a) a resolution passed at a meeting of the Warrantholders duly convened and held and carried by a majority consisting of not less than 75 per cent. of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent of the votes cast on a poll; or (b) the consent in writing of Warrantholders entitled to the right to subscribe for at least 75 per cent of the Warrant Shares in respect of which Subscription Rights are granted pursuant to this instrument;
~~**CREST**~~	~~the system of paperless settlement of trades and the holding of uncertificated shares administered by Euroclear UK & Ireland Limited or any other relevant paperless settlement system used in relation to the holding of uncertificated shares in the Company;~~
Directors	the board of directors of the Company (and/or, where relevant, a Group Company) for the time being;
Equity Securities	has the meaning given in section 560(1) of the Companies Act;
Exercise Date	the date of delivery to the registered office of the Company of the items specified in clause 6.2 (and the date of such delivery shall be the date on which such items are received at the Company's registered office);
Fair Market Value	either: (a) if the Ordinary Shares are then traded on a Recognised Investment Exchange the fair market value of a Warrant Share shall be the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Exercise Date; or

(b) if the Ordinary Shares are not traded on a Recognised Investment Exchange~~, the fair~~ but ADSs are listed on Nasdaq, the implied price of One Ordinary Share in pounds sterling, which shall be determined as follows:

(i) dividing (x) being the volume weighted average price of one ADS during the ten (10) consecutive trading day period immediately preceding the Exercise Date by (y) being the number of Ordinary Shares currently represented by a single ADS in accordance with the ADS Exchange Ratio in effect on such date (Implied USD Price); and

(ii) converting the Implied USD Price to pounds sterling at the Exchange Rate on the trading day immediately preceding the Exercise Date; or

(c) if the Ordinary Shares are not traded on a Recognised Investment Exchange and ADSs are not listed on Nasdaq, the fair market value a Warrant Share shall be the Fair Price;

Fair Price unless otherwise agreed by the board of Directors and the Warrantholder(s) prior to service of the Notice of Subscription, the price per Warrant Share which the Auditors (acting as an expert (the **Expert**)) shall certify to be in its opinion a fair price for the Warrant Shares. In arriving at his opinion the Expert will value the Warrant Shares as at the date the Notice of Subscription is to be given on the basis that the Company operates as a going concern, as between a willing seller and a willing buyer, subject always to the provisions of the Articles. The decision of the Expert as to the fair price for the Warrant Shares shall be final and binding and his costs shall be borne by the Company;

Final Date subject to clause 5 (Timing for exercise of Subscription Rights), 10 years from the date of this instrument (which date, for the avoidance of doubt, shall be 1 October 2028);

~~**London Stock Exchange**~~ ~~London Stock Exchange plc;~~

Group (i) the Company and its subsidiaries (if any), (ii) any holding company of the Company, and (iii) any subsidiaries of such holding companies from time to time and **Group Company** means any member of the Group;

~~Market Abuse Regulation~~**Initial Warrants**	~~Market Abuse Regulation (Regulation 596/2014/EU)~~means the warrants of the Company constituted by this Instrument on 1 October 2018, and any further warrants issued prior to the Amendment Date as an adjustment thereto;
Issuance and Delivery Instruction	means an issuance and delivery instruction in such form as notified from the Company to the Warrantholders from time to time, the current form of which is attached hereto at Schedule 3;
Marketable Securities	means securities in the acquiring entity traded on a Recognised Investment Exchange where the Warrantolder(s) (were it to receive such securities on completion of an Offer having exercised this Warrant) would not be subject to any restrictions on re-sale of such securities;
Member of the same Fund Group	is if the Warrantholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "**Investment Fund**") or a nominee of that person: (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund but only in connection with the dissolution of Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business, (b) any Investment Fund managed or exclusively advised by that Fund Manager, (c) a parent undertaking or subsidiary undertaking of that Investment Fund or Fund Manager, or any subsidiary undertaking of any parent undertaking of that Investment Fund or Fund Manager, or (d) any trustee, nominee or custodian of such Investment Fund and vice versa;
Notice of Subscription	the notice addressed to the Company by a Warrantholder exercising its Subscription Rights in the form, or substantially in the form, set out in the schedule to the Warrant Certificate;

Ordinary Shares	ordinary shares in the capital of the Company and having the rights and privileges set out in the Articles;
Permitted Transferee	are: (a) a nominee of the Warrantholders; (b) a regulated, reputable financial institution; (c) a member of the SVB Financial Group of companies; and/or (d) a Member of the same Fund Group;
Recognised Investment Exchange	a recognised investment exchange or overseas investment exchange (within the meaning thereof given for the purposes of section 285 of the Financial Services and Markets Act 2000, and shall include, without limitation, AIM or NASDAQ;
Register	the register of persons for the time being entitled to the benefit of the Warrants to be maintained pursuant to the Conditions;
Registrars	the registrars of the Company for the time being;
Subscription Price	the subscription price per Warrant Share, such price being equal to: (a) ~~£;~~ in respect of the Initial Warrants £2.95; and (b) in respect of the 2020 Warrants, $0.4144 (being the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Amendment Date converted into USD at an exchange rate of 1 GBP = 1.3226 USD (being the GBP-USD opening exchange rate published in the Wall Street Journal on the business day (being a day on which banks are open for commercial business in New York) immediately preceding the Amendment Date)
Subscription Rights	the rights of the Warrantholder(s) to subscribe for Warrant Shares under clause 6 (*Exercise of Subscription Rights*);
~~**Takeover Code**~~	~~the UK City Code on Takeovers and Mergers (as amended from time to time);~~

~~**UKLA**~~	~~the United Kingdom Listing Authority;~~
Warrant Certificate	a certificate evidencing a Warrantholder's entitlement to Warrants in the form set out in Schedule 1;
Warrant Shares	Ordinary Shares to be issued pursuant to the terms of the Warrants;
Warrantholder	in relation to a Warrant, the person whose name appears in the Register as the holder of the Warrant; and
Warrants	the ~~warrants of the Company constituted by this instrument~~Initial Warrants and the 2020 Warrants and all rights conferred by ~~it~~this Instrument relating thereto (including the Subscription Rights).

1.2 In this instrument, unless the context otherwise requires:

1.2.1 words and expressions defined in the Companies Act or the Articles shall have the same meanings in this instrument (unless otherwise expressly defined in this instrument);

1.2.2 headings are used for convenience only and shall be ignored in interpreting this instrument;

1.2.3 reference to a clause or schedule is a reference to a clause of, or schedule to, this instrument;

1.2.4 reference to (or to any specific provision of) this instrument or any other document or instrument shall be construed as a reference to this instrument, that provision or that document or instrument as in force for the time being and as amended from time to time in accordance with its terms and the prior sanction of a Consent (where consent is required by the terms of this instrument as a condition to such amendment being made);

1.2.5 reference to any gender includes all genders, references to the singular includes the plural (and vice versa) and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of the same have a separate legal personality);

1.2.6 reference to a statutory provision includes reference to:

(a) the statute or statutory provision as modified or re-enacted from time to time; and

(b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out in clause 1.2.6(a) above);

1.2.7 any words following the terms ‘including’, ‘include’, ‘in particular’, ‘for example’ or any other similar expression shall be construed as illustrative and shall not limit the sense of the words, description, phrase or term preceding those words; and

1.2.8 references to statutory obligations include obligations arising under articles of the Treaty establishing the European Community, and regulations, directives and decisions of the European Union as well as United Kingdom Acts of Parliament and subordinate legislation.

1.3 Unless otherwise specifically provided, where any notice, resolution or document is required by this instrument to be signed by any person, the reproduction of the signature of such person by fax or email shall suffice, provided that confirmation by first class letter is despatched by close of business on the next following Business Day, in which case the effective notice, resolution or document shall be that sent by fax or email (served in accordance with paragraphs 11 and 12 of Schedule 2), not the confirmatory letter.

1.4 This instrument incorporates the schedules to it.

2 CONSTITUTION AND FORM OF WARRANTS

2.1 This instrument constitutes the Warrants, which in aggregate give the Warrantholder(s) the right, upon the terms and subject to the conditions set out in this instrument, to subscribe in cash (subject to clause 6.3.2) at a price per share equal to the Subscription Price for such number of Warrant Shares calculated in accordance with clause 3 (*Calculation of number of Warrant Shares*).

2.2 Subject to clause 6.3.2 (*Exercise of Subscription Rights*), each Warrantholder shall be entitled to subscribe in cash at the Subscription Price for that number of Warrant Shares in respect of which it is entitled to be recorded as the holder in the Register on the terms set out in this instrument.

2.3 The Warrants shall be in registered form.

2.4 The Warrants are issued subject to the Articles and otherwise on the terms of this instrument (including the Conditions).

2.5 The Company agrees with the Warrantholder(s) and, in consideration of being issued a Warrant Certificate, each Warrantholder agrees with the Company that the Articles (insofar as they relate to the Warrants) and the terms of this instrument shall be binding upon the Company and each Warrantholder and all persons claiming through or under either of them.

2.6 No application will be made for the Warrants to be listed or dealt on any Recognised Investment Exchange (as that term is defined in the Financial Services and Markets Act 2000 (as amended)).

3 CALCULATION OF NUMBER OF WARRANT SHARES

3.1 The number of Warrant Shares over which the Initial Warrants ~~will be issued at the date of this instrument (the **Issue Date**) shall be~~ have been issued is 304,758 Warrant Shares.

3.2 The number of Warrant Shares over which the 2020 Warrants shall be issued is 304,758 Warrant Shares~~, such~~.

3.3 The 2020 Warrants ~~to~~shall be issued to Silicon Valley Bank and Kreos Capital V (Expert Fund) LP in equal proportions.

4 CERTIFICATES

4.1 The Company shall issue to each Warrantholder a Warrant Certificate in respect of that number of Warrants to which it is entitled as soon as reasonably practicable following a Warrantholder becoming entitled to such Warrants in accordance with clause 3 (*Calculation of number of Warrant Shares*).

4.2 If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, the Company will replace it on such terms as to evidence and indemnity as the Company may reasonably require and subject to the Warrantholder who is seeking the replacement paying the Company's reasonable costs (if any) in connection with the issue of the replacement.

4.3 Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

5 TIMING FOR EXERCISE OF SUBSCRIPTION RIGHTS

5.1 The Subscription Rights may be exercised at any time from the date of this instrument until 17:00 GMT on the Final Date and shall be exercised in accordance with clause 6 (*Exercise of Subscription Rights*).

5.2 Subject to clause 7 (*Automatic Exercise of Subscription Rights*), a failure by any Warrantholder to exercise its Subscription Rights ahead of such time on the Final Date shall mean that such Warrantholder's outstanding Warrants shall immediately lapse and be cancelled and such Warrantholder shall have no further rights under this instrument.

5.3 Without prejudice to clauses 12 (*Liquidation*), 13 (*Takeovers*) and 14 (*Company reorganisations – Exchange of Warrants*), if the Final Date is likely to occur before the last date for approval of or acceptance of a liquidation, share buyback, takeover or reorganisation event (that is in each case subject to an existing proposal) such as described in the said clauses, the Final Date shall be extended until such last date for approval or acceptance of such event as aforesaid.

6 EXERCISE OF SUBSCRIPTION RIGHTS

6.1 The Subscription Rights may be exercised in whole or in part. If exercised in part, the Subscription Rights must be exercised in tranches of 50,000 Warrants, or in respect of the last tranche of Warrants attached to the outstanding Subscription Rights held by the Warrantholder concerned, such lesser balancing number of Warrants as may be outstanding.

6.2 In order to exercise its Subscription Rights validly, a Warrantholder must deliver the following items to the registered office of the Company:

6.2.1 the Warrant Certificate for the Warrants in respect of which Subscription Rights are being exercised, together with the Notice of Subscription duly completed;

6.2.2 if required pursuant to clause 6.3.1, a remittance by banker's draft, drawn on a UK clearing bank, (or such other mode of payment as the Company and the Warrantholder shall agree); ~~and~~

6.2.3 the name and address of the Warrantholder to which the Warrant Shares arising on exercise of Subscription Rights are to be issued; and

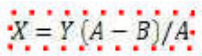
6.2.4 if and to the extent that the Ordinary Shares issued are to be delivered as ADSs, a completed Issuance and Delivery Instruction in the form set out at Schedule 3 hereto (as such form may be amended from time to time by notice to the Warrantholder) duly completed and executed by the Warrantholder.

6.3 The Subscription Price for each of the Warrant Shares shall, at the absolute discretion of the Warrantholder, be satisfied by any of the following:

6.3.1 the payment by banker's draft for each of the Warrant Shares at the Subscription Price; or

6.3.2 in lieu of a cash payment in respect of the aggregate Subscription Price for the Warrant Shares, the Warrantholder may elect ~~to receive~~for a reduced number of Warrant Shares (as calculated below) ("**Reduced Warrant Shares**") to be issued than the number to which it would be entitled on exercise of the Subscription ~~Right~~Rights in full, payment for such Reduced Warrant Shares being satisfied by waiver by the Warrantholder of the right to receive the balance of Warrant Shares to which the Warrantholder is entitled over and above the Reduced Warrant Shares ("**Balance Warrant Shares**"). In doing so, the Company agrees and acknowledges that, subject to the payment of the par value of the Reduced Warrant Shares pursuant to this clause ~~6.3.2~~,6.3.2, the Reduced Warrant Shares to be issued to the Warrantholder ~~shall be issued~~(or, in the case of a Warrantholder which has specified in the Notice of Subscription in respect

of such Reduced Warrant Shares that it requires to have such Reduced Warrant Shares delivered as ADSs and has delivered a duly completed Issuance and Delivery Instruction to the Company in respect of the same, issued to, deposited with (and otherwise registered in the name of) the custodian of the Depositary (or its nominee)) as fully paid up at the Subscription Price, and the Warrantholder agrees and acknowledges that it waives its Subscription Rights to the Balance Warrant Shares used as consideration for ~~the~~ payment of the aggregate Subscription Price. The number of Reduced Warrant Shares the Warrantholder (or Depositary, as applicable) will receive shall be determined as follows:



X = Y (A – B) / A

where:

X = the number of Reduced Warrant Shares to be issued to the Warrantholder or Depositary (as applicable).

Y = the number of Warrant Shares with respect to which the Warrant is being exercised by the Warrantholder (without application of the reduction).

A = the Fair Market Value of one Warrant Share

B = the Subscription Price. (provided that, where the relevant Warrants being exercised have a Subscription Price denominated in USD, the Company shall convert such Subscription Price to pounds sterling for the purpose of calculating the aggregate nominal value of such Reduced Warrant Shares using the Exchange Rate on the trading day prior to service of the Notice of Subscription or Automatic Exercise Notice, as the case may be)

Provided always that the Warrantholder shall nevertheless be required to subscribe in cash for the par value of the Reduced Warrant Shares to the extent that if it did not do so the Reduced Warrant Shares would be issued at a discount to the Warrantholder. It being understood that if Warrant Shares are issued pursuant to this clause 6.3.2, notwithstanding that such Warrant Shares are issued at nominal value, the Warrantholder shall be deemed to have paid the relevant Subscription Price per Warrant Share for the purposes of calculating any distribution or share of sale proceeds in each case attributable to the Warrant Shares and to other issued shares of the class for the purposes of the Articles and for all other purposes.

6.4 Delivery of the items specified in clause 6.2 to the Company shall, unless the Company expressly consents otherwise, be an irrevocable election by the Warrantholder to exercise the relevant Subscription Rights.

7 AUTOMATIC EXERCISE OF SUBSCRIPTION RIGHTS

7.1 If, on the Final Date, the Fair Market Value of one Warrant Share is greater than the Subscription Price on such date, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights, on a conditional basis, in respect of all unexercised Warrants on such date on a net issuance basis as set out in ~~clause~~Clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall (subject at all times to the Company's obligations under ~~the Takeover Code, the AIM Rules, and~~ all applicable law and any other regulations ~~including the Market Abuse Regulation)~~, send a notice to the Warrantholder(s) within ten (10) Business Days of the Final Date (such notice being the "Automatic Exercise Notice" for the purposes of this clause 7) requiring them to pay up a cash amount equal to the aggregate nominal value of the Warrant Shares (such payment being the "**Nominal Value Payment**") to be issued pursuant to clause 6.3.2 ("**Exercise of Subscription Rights**") and this clause ~~7.1.~~ 7.1, and to specify whether such Warrantholder requires any such Warrant Shares to be delivered as ADSs.

7.2 The Warrantholder shall, within ten (10) Business Days of receipt of the Automatic Exercise Notice (the "**Nominal Value Payment Period**"), provide the Company with the Nominal Value Payment, to an account notified by the Company to the Warrantholder. Warrantholder, and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed Issuance and Delivery Instruction in respect of such Warrant Shares. Upon receipt of such ~~the~~ Nominal Value Payment, (and, if applicable, such Issuance and Delivery Instruction) the Warrant Shares to be issued to the Warrantholder ~~on a net issuance basis pursuant to clause 6.3.2 (*Exercise of Subscription Rights*~~(or in the case of a Warrantholder who has delivered an Issuance and Delivery Instruction, the custodian of the Depositary) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, as applicable) credited as fully paid up in accordance with clause 6.3.2 (Exercise of Subscription Rights) and clause 8.3.1 (Completion). Any failure by a Warrantholder to pay the Nominal ~~Value Payment~~ValuePayment (or deliver a duly completed Issuance and Delivery Instruction, if applicable) within the Nominal Value Payment Period shall result in the automatic lapse of any Warrants over Warrant Shares for which the Nominal Value Payment was not made or Issuance and Delivery Instruction not delivered.

8 COMPLETION

8.1 Following a valid exercise of Subscription Rights by a Warrantholder or an automatic exercise of Subscription Rights pursuant to clause 7 (*Automatic exercise of Subscription Rights*) or clause 13.2.2 (*Takeovers*), the Company shall in accordance with clause 8.3:

8.1.1 allot and issue credited as fully paid to the Warrantholder; ~~(or to its nominee or trustee as notified to the Company in the Notice of Subscription) the Warrant Shares to which the Warrantholder is entitled by exercising the Subscription Rights ("**Allotted Shares**")~~or in the event that

the Warrantholder has required pursuant to clause 6.2 that Ordinary Shares to be issued from the Exercise of Subscription Rights are to be delivered as ADSs, delivered a duly completed Issuance and Delivery Instruction, and there is an effective registration statement covering the Ordinary Shares to be issued on such exercise, issue to, deposit with (and otherwise register in the name of) the custodian of the Depositary (or its nominee) ("**Allotted Shares**") and following such issuance and deposit the Company will direct the Depositary to issue an amount of ADSs via DTC (with such ADSs being eligible for listing on Nasdaq) in accordance with the corresponding Issuance and Delivery Instruction;

8.1.2 immediately following allotment and issue in accordance with clause ~~8.1.1,~~8.1.1, enter, or procure that the Company's Registrars enter the Warrantholder's name (or (i) its nominee's or trustee's name, ~~as appropriate~~or (ii) in the case of any Ordinary Shares to be delivered as ADSs, the custodian of the Depositary's name) in the register of members of the Company as the holder of the Allotted Shares;

8.1.3 immediately following registration in accordance with clause ~~8.1.2,~~8.1.2, either: send to the person identified by the Warrantholder pursuant to clause ~~8.1.1,~~8.1.1, free of charge, share certificate(s) in respect of the Allotted Shares ~~or credit such aggregate number of Allotted Shares to the Warrantholder's (or its nominee's or trustee's) CREST stock account~~; and

8.1.4 apply for the admission of the Warrant Shares to trading on ~~(i) AIM, insofar as the Warrant Shares are listed on AIM or, (ii) on any other~~any recognised investment exchange on which the Warrant Shares are listed, at the time of the allotment and issue pursuant to clause 8.1.1, and shall use its reasonable endeavours to secure such admission to trading no later than ten (10) Business Days after such application.

8.2 The obligations of the Company under clause 8.1 shall be fulfilled within ten (10) days after the Notice of Subscription is lodged at the registered office of the Company.

8.3 The Allotted Shares shall:

8.3.1 be allotted and issued fully paid;

8.3.2 rank pari passu with the relevant class of fully paid Warrant Shares then in issue;

8.3.3 rank for any dividend or other distribution which has previously been announced or declared if the date by which the holder of Warrant Shares must be registered to participate in such dividend or other distribution is after the Exercise Date pursuant to which the Subscription Rights have been exercised; and

8.3.4 be free from all claims, liens, charges, encumbrances, equities and third party rights.

8.4 If following allotment of shares pursuant to the exercise of some of the Subscription Rights, some Subscription Rights remain, the Company shall issue a Warrant Certificate to the Warrantholder within 15 Business Days for the balance of the Warrantholder's Subscription Rights.

9 TRANSFER OF WARRANTS

9.1 Subject to clause 9.2, the Warrants may be transferred in whole or in part by any Warrantholder to any person, provided that the Company has given its prior written consent to such transfer.

9.2 A Warrantholder has the right, with prior written notice, but without the consent of the Company, to transfer the Warrants in whole or in part to a Permitted Transferee, subject to compliance with the provisions of Schedule 2 hereto.

9.3 Notwithstanding any other provisions of this instrument, no transfer shall be made to any person which is a Competitor of the Company or any other Group Company.

9.4 The provisions of Schedule 2 to this instrument shall regulate any transfer of a Warrant.

10 MODIFICATION AND CESSATION OF RIGHTS

10.1 This instrument may be modified only with the prior sanction of Consent.

10.2 This instrument ceases to have effect on the earlier of:

10.2.1 the date upon which all Subscription Rights have been exercised in full; and

10.2.2 the Final Date.

11 ADJUSTMENT OF WARRANT

11.1 Upon the occurrence of an Adjustment after the date of this Instrument but prior to the Final Date, the number and/or nominal value of Warrant Shares to be, or capable of being subscribed on any subsequent exercise of the Subscription Rights conferred by each issued Warrant and/or the Subscription Price will be adjusted in such manner as the Auditors shall certify to be fair and reasonable so that the Warrants shall, after such adjustment, entitle the Warrantholder(s) on exercise to receive the same percentage of the share capital of the Company in issue or capable of being issued following the implementation of the Adjustment, carrying the same proportion of votes exercisable at a general meeting of shareholders, for the same ~~price~~Aggregate Subscription Price, in each case as nearly as practicable, as would have been the case if no Adjustment had occurred, provided that the Subscription Price shall not in any event be reduced so that, upon exercise of the Subscription Rights, Warrant Shares would fall to be issued at a discount to their nominal value.

11.2 Within ten (10) days after days after an Adjustment, or, if later, within 10 days after the response of the auditors to any certification required by clause 11.1, notice of such adjustments will be given to the Warrantholder(s) detailing the number of Warrant Shares for which the Warrantholder(s) are entitled to subscribe in consequence of any such adjustment. Replacement Warrant Certificates shall be issued accordingly.

12 LIQUIDATION

12.1 If an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected whilst any Subscription Rights remain exercisable, then the provisions of clause 12.2 or, as the case may be, clause 12.3 shall apply.

12.2 If the winding-up or dissolution is for the purpose of a reconstruction, amalgamation or merger the Warrantholder shall be entitled to be granted by the reconstructed, amalgamated or merged company a substituted warrant of the value of the Warrant immediately prior to such reconstruction, amalgamation or merger.

12.3 If clause 12.2 does not apply, the Company shall immediately notify the Warrantholder(s) in writing that such an order has been made or resolution has been passed or other dissolution is to be effected. The Warrantholder(s) shall be entitled at any time within three (3) months after the date such notice is given to elect by notice in writing to the Company to be treated as if they had, immediately before the date of the making of the order or passing of the resolution or other dissolution, exercised the Subscription Rights and they shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Warrant Shares, such a sum, if any, as they would have received had they been the holders of and paid for the Warrant Shares to which they would have become entitled by virtue of such exercise, after deducting from such sum the amount which would have been payable by them in respect of the Warrant Shares if they had exercised the Subscription Rights. Nothing contained in this clause 12.3 shall have the effect of requiring the Warrantholder(s) to make any actual payment to the Company.

13 TAKEOVERS

13.1 Subject to clause 13.6, if at any time an offer or invitation is made by the Company to the holders of the Ordinary Shares for the purchase by the Company of any of its Ordinary Shares, the Company shall promptly and without delay give notice thereof to each Warrantholder who shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise its Subscription Rights to the extent that such rights have not been exercised or lapsed prior to the record date of such offer or invitation so as to take effect, in so far as is reasonably practicable, as if it had exercised its rights immediately prior to the record date of such offer or invitation.

13.2 Subject to clause 13.6, if at any time an offer is made to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company may, if such offer becomes unconditional in all respects, become vested in the offeror and/or such persons or companies (the "Buyer") as aforesaid (the "Offer"):

13.2.1 The Company shall, ~~subject to compliance with the Takeover Code,~~ give notice to each Warrantholder within ten (10) Business Days of its becoming so aware, and each Warrantholder shall be entitled to exercise its Subscription Rights, conditional upon the Offer being declared unconditional in all respects, within thirty (30) days of such notice having been given by the Company (to the extent that such rights have not lapsed or been exercised prior to the record date of such Offer), and to accept or otherwise participate in such Offer on the same terms as made to all holders of Ordinary Shares.

13.2.2 If the Company fails to give notice as required by clause 13.2.1 (subject at all times to the Company's obligations under ~~the Takeover Code, the AIM Rules, and all~~ applicable law and any other regulations ~~including the Market Abuse Regulation~~) then, provided that immediately prior to the date that the Offer is made the offer price under the Offer is greater than the Subscription Price on such date and conditional upon the Offer being declared or becoming unconditional in all respects, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights in respect of all unexercised Warrants on such date at the Subscription Price on a net issuance basis as set out in clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall send a notice to the Warrantholder(s) promptly and without delay (such notice being the "**Exercise Notice**" for the purposes of this clause 13.2.2) upon either a Warrantholder notifying the Company of its failure to give notice as required by clause 13.2.1 or the Company or the Buyer becoming aware of the Company''s failure to give such notice requiring the Warrantholder(s) to ~~pay the Nominal Value Payment. The Warrantholder shall, within ten (10) Business Days of receipt of the Exercise Notice,~~ provide the Company with the Nominal Value Payment, to an account notified by the Company to the Warrantholder ~~.~~ , and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed issuance and delivery instruction in respect of such Warrant Shares. Upon receipt of such ~~the~~ Nominal Value Payment and Issuance and Delivery Instruction (if applicable), subject to clause 13.3 the Warrant Shares to be issued to the Warrantholder (or to the custodian of the Depositary, if applicable) on a net issuance basis pursuant to clause 6.3.2 (Exercise of Subscription Rights) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, if applicable) credited as fully paid up in accordance with clause 6.3.2 (Exercise of Subscription Rights) and clause ~~8.3.1.~~ 8.3.1.

13.2.3 Nothing in this clause 13.2 shall oblige the Warrantholder(s) to accept any Offer made hereunder, save to the extent that such Offer, whether by court order or otherwise, shall have become binding on all shareholders and the offer price under such Offer is greater than the Subscription Price, in which case the Warrantholder(s) shall be deemed to have accepted it on the terms set out herein.

13.3 ~~The Company undertakes to the Warrantholders that in the event of an exercise of Subscription Rights during the course of an Offer (or before the date of an Offer if the Directors of the Company have reason to believe that a bona fide offer might be imminent) it will consult with the Panel on Takeover and Mergers without delay to get confirmation that the issue of shares represents the exercise of the Subscription Rights pursuant to a pre-existing contractual obligation. In the event that the Panel of Takeover and Mergers does not give such confirmation, the Company will undertake without delay to call a general meeting of the Company to approve the issue of shares pursuant to the Subscription Rights.~~ [*Not used*]

13.4 ~~The Company shall use reasonable endeavours to procure that any Buyer extends the Offer to the Warrantholders in accordance with Rule 15 and Practice Statement 24 of the Takeover Code.~~[*Not used*]

13.5 For the avoidance of doubt, publication of a compromise or scheme of arrangement under the Companies Act providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an Offer for the purposes of this clause 13.

13.6 If, for whatever reason, a Warrantholder fails, refuses or declines to exercise its Subscription Rights within sixty (60) days of an Offer having become unconditional in all respects, the Warrants held by such Warrantor shall automatically lapse and no Warrant Shares shall be issued to the Warrantholder thereunder.

14 COMPANY REORGANISATIONS – EXCHANGE OF WARRANTS

14.1 A company reorganisation occurs if the Company merges with or transfers all or substantially all of its assets and undertaking to a new company ("**Newco**") and the shareholders of Newco are substantially the same as the shareholders of the Company immediately before the Company reorganisation, with shares having the same rights as those of the Company.

14.2 If there is a company reorganisation, the Company shall, save to the extent proposed by the Company and sanctioned by a Consent, use reasonable endeavours to procure that new warrants over the share capital of the Newco are granted with equivalent rights and on terms applying in this instrument mutatis mutandis and on such grant the existing Warrants shall lapse.

15 INFORMATION AND RIGHTS OF WARRANTHOLDER(S)

15.1 The Company shall:

15.1.1 send to each Warrantholder a copy of its annual reports and audited accounts together with all documents required by law to be annexed to that report at the same time they are provided to the holders of the Ordinary Shares;

15.1.2 send to each Warrantholder copies of any statements, notices or circulars sent to the holders of the Ordinary Shares; and

15.1.3 give to each Warrantholder not less than 30 days' prior written notice of its intention to declare or pay a dividend or other distribution on the Ordinary Shares.

15.2 The Warrantholder(s) may attend all general meetings of members of the Company and meetings of the holders of Ordinary Shares but may not vote at those meetings by virtue of or in respect of their holdings of Warrants.

15.3 Each Warrantholder shall keep confidential any information received by it in its capacity as a Warrantholder which is of a confidential nature except:

15.3.1 as required by law or any applicable regulations;

15.3.2 to the extent the information is in the public domain through no default of the Warrantholder; and

15.3.3 each Warrantholder will be entitled to divulge such information to any other Warrantholder and any proposed transferee of Warrants on the same terms as to confidentiality.

16 RESTRICTIONS ON AND UNDERTAKINGS OF THE COMPANY

16.1 For so long as the Warrants are outstanding, the Company will:

16.1.1 to the extent that the Company has a limit on its authorised share capital, keep available for issue and free from pre-emptive rights, out of its authorised but unissued share capital, such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full;

16.1.2 ensure that the Directors have all necessary authorisations and disapplications of pre-emption (including under the Companies Act) to allot such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full at any time;

16.1.3 ~~maintain the admission to trading of the Ordinary Shares on AIM, or any other Recognised Investment Exchange on which the Ordinary Shares are traded from time to time;~~ [*Not used*]

16.1.4 not make any issue, grant or distribution or take any other action the effect of which would be that on exercise of any of the Subscription Rights it would be required to issue Warrant Shares at a discount to their nominal value; and

16.1.5 not buy any Warrants unless it offers to buy Warrants from all Warrantholders in proportion to their respective holdings of Warrants.

17 WARRANTIES

17.1 The Company warrants to the Warrantholder(s) that:

17.1.1 it has the power to execute and to perform its obligations under this instrument;

17.1.2 it has taken all action necessary to authorise the execution of, and the performance of its obligations under this instrument;

17.1.3 all Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will be, upon issuance, be duly authorised, validly issued and fully paid and free of any liens and encumbrances;

17.1.4 it and the Directors have, and have obtained all necessary shareholder and third party consents (which consents are subsisting and remain sufficient and have not been revoked at the Issue Date), to grant the Warrant to the Warrantholder(s) on the Issue Date on the terms of this Warrant; and

17.1.5 ~~the Ordinary Shares are duly admitted to trading on AIM or on another Recognised Investment Exchange and no circumstances exist which may cause the suspension or cancellation of such admission.~~ *[Not used]*.

18 NOTICES

Any notice to the Warrantholder(s) required for the purposes of any provision of this instrument shall be given in accordance with the provisions of paragraphs 10 to 13 (inclusive) of Schedule 2.

19 COSTS AND EXPENSES

19.1 The Company shall promptly pay to the Warrantholder(s) on the Warrantholder's demand, the reasonable legal expenses plus applicable VAT and disbursements incurred by the Warrantholder in connection with:

19.1.1 any amendment or supplement to this instrument, or any proposal for such an amendment to be made, provided such amendment or supplement has been requested or necessitated by the Company; and

19.1.2 any consent or waiver by the Warrantholder(s) concerned under or in connection with this instrument or any request for such a consent or waiver, provided that such consent or waiver has been requested or necessitated by the Company; and

19.1.3 any step taken reasonably and properly by the Warrantholder with a view to the protection, exercise or enforcement of any right or interest created by this instrument.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this instrument shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

21 FURTHER ASSURANCE

The Company shall, at its own cost and expense, execute all such deeds and documents and do all such acts and things as may reasonably be required in order to give effect to this instrument, including vesting on issue the full legal and beneficial title to the Warrant Shares in the Warrantholder.

22 SEVERABILITY

Each of the provisions of this instrument is distinct and severable from the others and if at any time one or more of such provisions is or becomes valid, unlawful or unenforceable (whether wholly or to any extent), the validity, lawfulness and enforceability of the remaining provisions (or the same provision to any other extent) of this instrument shall not in any way be affected or impaired.

23 GOVERNING LAW

The provisions of this instrument and the Conditions and any dispute or claim arising out of or in connection with them (including any dispute or claim relating to non-contractual obligations) shall be subject to and governed by English law and the Company and the Warrantholder(s) submit to the exclusive jurisdiction of the English Courts in relation to any such dispute or claim.

The Company intends this instrument to be a deed poll and accordingly it or its duly authorised representatives execute and deliver it as such.

SCHEDULE 1
Form Of Warrant Certificate

MEREO BIOPHARMA GROUP PLC ("COMPANY")

A company registered in England and Wales

under Company number 09481161

WARRANT CERTIFICATE

This certificate is issued pursuant to the warrant instrument issued by the Company on _____2018 ("**Warrant Instrument**"). Words and expressions used in this certificate which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

Certificate number: [•]

Date of issue: _____2018

Name and address of Warrantholder: [**Silicon Valley Bank** of 3003 Tasman Drive, Santa Clara, California 95054 US (UK branch at Alphabeta 14-18 Finsbury Square, London EC2A 1BR)]

[**Kreos Capital V (Expert Fund) LP** of 47 Esplanade, St. Helier, Jersey JE1 0BD]

Number of [Initial/2020] Warrant Shares for which the Warrantholder may subscribe ~~such number as is [number], as adjusted in accordance with terms of the Warrant Instrument, if appropriate~~[•].

Subscription Price: [£2.95/$0.4316]

This is to certify that the Warrantholder named above is the registered holder of the right to subscribe in cash for Warrant Shares at the subscription price set out above subject to the Articles and otherwise on the terms and conditions set out in the Warrant Instrument (a copy of which is available for inspection at the registered office of the Company).

EXECUTED as a deed, but not delivered until the date specified on this certificate, by)
)
)
MEREO BIOPHARMA GROUP PLC)

by_____a director in the presence of a witness:

_____
Director

Witness Signature: _____

Witness Name (block capitals): _____

Witness Address: _____

_____

Witness Occupation: _____

Schedule to the Warrant Certificate

Notice of Subscription

To: The Directors

MEREO BIOPHARMA GROUP PLC ("Company")

This notice is issued pursuant to the warrant instrument issued by the Company on 2018_____("**Warrant Instrument**"). Words and expressions used in this notice which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

~~By this notice we exercise the Subscription Rights appertaining to [all] [*number*] of the Warrants evidenced by this certificate.~~

We hereby irrevocably elect to exercise [*number*] [Initial/2020] Warrants issued to us by the Company pursuant to the Warrant Instrument and purchase thereunder (and surrender herewith the relevant warrant certificate) as follows:

(1)

(A) Warrant Shares to be issued to the Warrantholder (or its nominee or trustee) as Ordinary Shares pursuant to the Warrant Instrument;

(B) Warrant Shares to be issued to the custodian of the Depositary for delivery to the Warrantholder as ADSs pursuant to the Warrant Instrument.

(2) We wish to satisfy the aggregate Subscription Price for the Warrant Shares in respect of the Subscription Rights we are exercising as follows [*delete options as necessary*]:

~~1~~(A) [by payment by banker's draft, we attach a banker's draft to this notice];

(B) [by cash payment by wire transfer of immediately available funds to the following account of the Company:

[*Use in case of an aggregate Subscription Price denominated in GBP:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150636

Sort Code: 62-10-00

BIC/SWIFT: SVBKGB2L

IBAN: GB18 SVBK62 1000 2015 0636]

[*Use in case of an aggregate Subscription Price denominated in USD:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150644

Sort Code: 62-10-00

IBAN: GB93SVBK62100020150644]]

~~2~~(C) [by satisfying the aggregate Subscription Price by electing to receive a reduced number of Warrant Shares, in accordance with clause 6.3.2 ~~(*Exercise of Subscription Rights*)~~].

[We direct the Company ~~to allot conditional only on the above the~~:

[use for a request under option (1)(A) above] to issue [number] of Ordinary Shares to be issued pursuant to this exercise in the following numbers to the following proposed allottees, each of which is either a Warrantholder, a nominee or trustee of a Warrantholder, or a transferee of one of those persons approved in accordance with clause 9.1 of the Warrant Instrument.]

Number/percentage of shares	Name of proposed allottee	Address of	~~CREST Details~~
			proposed allott ee
~~1~~			~~Participant ID: [•]~~ ~~Member account ID: [•]~~ ~~INSP Custodian Client Ref: [•]~~ ~~Custodian Name: [•]~~
~~2~~ 1			~~Participant ID: [•]~~ ~~Member account ID: [•]~~ ~~INSP Custodian Client Ref: [•]~~ ~~Custodian Name: [•]~~

~~We request that certificate(s) for such Ordinary Shares be sent by post at our risk to us at the first address shown above or to the agent lodging this certificate as mentioned below.~~

~~OR~~

~~We hereby request that you register our Warrant Shares in uncertificated form to the CREST account detailed [below][above]:~~

~~CREST Details~~	~~Participant ID~~
	~~Member Account ID~~
	~~INSP Custodian Client Ref:~~
	~~Custodian Name~~

~~We agree that such shares are issued and accepted subject to the memorandum and articles of association of the Company.~~

~~Signature of Warrantholder:~~

~~Full name:~~

~~Address:~~

~~Lodged by: (agent to whom certificate(s) should be sent)~~

[*OR*] *use for a request under option (1)(B) above*] to issue, allot, and deposit [*number*] of Ordinary Shares to be issued pursuant to this exercise to the custodian (or its nominee) of the Depositary and that following such issuance and deposit, to direct the Depositary to issue an amount of ADSs via DTC in accordance with the Issuance and Delivery Instruction corresponding to this Notice of Subscription.

The Warrantholder represents and warrants that this Notice of Subscription has been duly signed and constitutes a valid and binding act to exercise the said Warrants.

Place and date:

Name of Warrantholder:

By:
Title:

The above exercise is acknowledged and accepted. Place and date:

MEREO BIOPHARMA GROUP PLC

By:
Title:

~~Name of agent:~~ _____

~~Address:~~ _____

SCHEDULE 2
Conditions

1 An accurate Register will be kept and maintained at all times by the Company at its registered office and there shall be entered in the Register:

1.1 the names and addresses of the persons for the time being entitled to be registered as the holders of the Warrants;

1.2 the number of Warrants held for the time being by every registered holder; and

1.3 the date on which the name of every registered holder is entered in the Register in respect of the Warrants in its name.

2 Any change in the name or address of any Warrantholder shall promptly be notified to the Company which shall cause the Register to be altered accordingly. The Warrantholders or any of them and any person authorised by any Warrantholder shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.

3 The Company shall be entitled to treat each Warrantholder as the absolute owner of a Warrant and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in a Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.

4 Each Warrantholder will be recognised by the Company as entitled to the Warrants free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Warrants.

5 Each transfer of a Warrant shall be made by an instrument of transfer in the usual or common form or in any other form which may be approved for the time being by the Directors.

6 The instrument of transfer of a Warrant shall be executed by or on behalf of the transferor but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Warrant until the name of the transferee is entered in the Register in respect of the Warrant being transferred.

7 The Directors may decline to recognise any instrument of transfer of a Warrant unless the instrument is deposited at the registered office of the Company accompanied by the Warrant Certificate for the Warrant to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may waive production of any Warrant Certificate upon production to them of satisfactory evidence of the loss or destruction of the Warrant Certificate together with such indemnity as they may require.

8 No fee shall be charged for any registration of a transfer of a Warrant or for the registration of any other documents which in the opinion of the Directors require registration.

9 The registration of a transfer shall be conclusive evidence of the approval by the Directors of such a transfer.

10 Each Warrantholder shall register with the Company an address in the United Kingdom to which notices can be sent. If any Warrantholder fails to register an address with the Company, notice may be given to that Warrantholder by sending it by any of the methods referred to in paragraph 11 of this Schedule 2 to that Warrantholder's last known place of business or residence or, if none, by exhibiting it for three days at the registered office for the time being of the Company.

11 Notices and other communications to Warrantholders may be given by personal delivery, prepaid letter by first class post or, subject to clause 1.3 of this instrument, fax or email. In proving service of any notice or other communication sent by post, it shall be sufficient to prove that the envelope containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.

12 A notice or other communication given pursuant to the provisions of paragraph 11 of this Schedule 2 shall be deemed to have been served:

12.1 at the time of delivery, if delivered personally to the registered address;

12.2 on the second Business Day following its posting, if sent by prepaid letter by first class post to an address in the United Kingdom; and

12.3 at 09:00 hours on the Business Day following the despatch of the fax, if sent by fax.

13 All notices and other communications with respect to Warrants standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Warrants.

14 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Warrant, shall be bound by every notice in respect of such Warrant which, prior to its name and address being entered on the Register, shall have been duly given to the person from which it derives its title to such Warrant.

15 When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be included but the day upon which such notice will expire shall not be included in such number of days or other period. The signature to any notice to be given by the Company may be written or printed.

16 Meetings of Warrantholders shall be convened and conducted in the same way as meeting of shareholders of the Company are convened and conducted. Accordingly, the provisions of Articles shall apply to meetings of the Warrantholders mutatis mutandis.

SCHEDULE 3

ADS Issuance and Delivery Instruction

[DATE]

Citibank, N.A., as Depositary

388 Greenwich Street

New York, New York 10013

Attn.: Mr. Brian M. Teitelbaum (brian.m.teitelbaum@citi.com)

With a copy simultaneously delivered to:

Citibank, N.A., London Branch

25 Canada Square

Canary Wharf

London E14 5LB, England

Attn.: UK Custody Settlements

Custody Team (uksettlements@citi.com)

Re: Issuance and Delivery Instruction—Mereo BioPharma Group plc (CUSIP No.: 589492107) – Deposit & Hold

Dear Sirs:

Reference is made to the Deposit Agreement, dated as of April 23, 2018, as amended and supplemented from time to time (the "Deposit Agreement"), by and among Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales and its successors (the "Company"), Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, as Depositary (the "Depositary"), and all Holders and Beneficial Owners of American Depositary Shares (the "ADSs") issued thereunder. All capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Deposit Agreement.

In accordance with the terms and subject to the limitations set forth in the Deposit Agreement, promptly following the Depositary's receipt of confirmation from the Custodian that the Custodian has received a deposit of the number of Shares specified below made by the Company for the benefit of the undersigned holder thereof (the "Holder"

and together with the Company, the "Undersigned"), the Undersigned hereby jointly instruct the Depositary, and the Depositary hereby agrees:

(i) to promptly accept for deposit the number of Shares and issue the number of ADSs as specified below:

Number of Shares deposited: Shares

Number of ADSs (CUSIP No.: 589492107; each

ADS representing five (5) Shares to be issued:

ADSs

and (ii) to promptly deliver such Program ADSs, as follows:

Name of DTC Participant to which the ADSs are

to be delivered:

DTC Participant Account No.:

Account No. for recipient of ADSs at DTC

Participant (f/b/o/ information):

Name on whose behalf the above number of ADSs

are to be issued and delivered:

Contact person at DTC Participant:

Daytime telephone number of contact person at

DTC:

The Company hereby confirms and certifies that (i) the registration statement on Form F-3 (File No. 333-239708) (the "Registration Statement"), filed with the U.S. Securities and Exchange Commission (the "Commission") on July 6, 2020, registers the resale of the above Shares represented by ADSs, such ADSs will be freely transferable following the issuance thereof by the Depositary, and there are no legal restrictions on subsequent transfers of the ADSs to be issued hereunder under the laws of England and Wales or the United States, (ii) the Registration Statement is effective under the Securities Act of 1933, as amended (the "Securities Act"), and (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

The Holder hereby represents and covenants to, and for the benefit of, the Depositary and Citibank, N.A.—London Branch (the "Custodian"), that (i) the Holder is not an "affiliate" of the Company as that term is defined in Rule 144 promulgated by the Commission under the Securities Act and has not been an affiliate at any time during the 90 days immediately preceding the date hereof, and (ii) all stamp duty taxes, including, without limitation, the U.K. Stamp Duty Reserve Tax ("SDRT"), will be paid in full and on a timely basis to the extent such taxes are payable in respect of the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein.

Each of the Holder and, to the extent it is not unlawful for the Company to do so under the applicable laws of England and Wales, the Company agrees to indemnify the Depositary and the Custodian for, and to hold the Depositary and the Custodian harmless against, all losses, liabilities, taxes, charges, penalties or expenses (including reasonable legal fees and disbursements), incurred by the Depositary and/or by the Custodian or to which the Depositary and/or the Custodian may become subject to and arising directly or indirectly from the failure by any person to pay (or discharge) any applicable stamp duty taxes, including, without limitation, SDRT, or any other similar duty or tax in connection with the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein, save to the extent that such losses, liabilities, taxes, charges, penalties or expenses are due to the negligence or bad faith of the Custodian or the Depositary.

[HOLDER]

By: _____
Name:
Title:

MEREO BIOPHARMA GROUP PLC

By: _____
Name:
Title:

SIGNATURE PAGE

EXECUTED and delivered as a DEED by
MEREO BIOPHARMA GROUP PLC

Signature of Director

Name of Director

Signature of Secretary

Name of Secretary

~~EXECUTED as a deed, but not delivered until the date specified on this instrument, by~~)
)
)
~~MEREO BIOPHARMA GROUP PLC~~)
~~by a director in the presence of a witness:~~

_____
~~Director~~

~~Witness Signature:~~ _____
~~Witness Name (block capitals):~~ _____
~~Witness Address:~~ _____
_____
~~Witness Occupation:~~ _____

Schedule 4

2018 Warrant Instrument (clean copy)

EXECUTION VERSION

DATED _____ DECEMBER 2020

MEREO BIOPHARMA GROUP PLC

AMENDED WARRANT INSTRUMENT DATED 1 OCTOBER 2018

relating to the issue of warrants entitling the holders to subscribe for Warrant Shares in the capital of

MEREO BIOPHARMA GROUP PLC

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5 Fleet Place London EC4M 7RD
Tel: +44 (0)20 7203 5000 • Fax: +44 (0)20 7203 0200 • **DX:** 19 London/Chancery Lane
www.charlesrussellspeechlys.com

CONTENTS

THIS WARRANT INSTRUMENT is made on 1 October 2018, as amended on __ December 2020

BY:

(1) **MEREO BIOPHARMA GROUP PLC,** a company incorporated in England and Wales with number 09481161 whose registered office is at 4th Floor, 1 Cavendish Place, London, England, W1G 0QF ("**Company**").

BACKGROUND:

(A) The Company, by resolution of its directors, has agreed to issue Warrants to subscribe for Warrant Shares in the capital of the Company on the terms set out in this instrument, subject to adjustment as set out in this instrument.

(B) Either all of the registered holders of shares in the Company have irrevocably waived all pre-emption rights conferred on them (whether by the Companies Act, the Articles or otherwise) or such pre-emption rights have been validly disapplied in relation to the number of Warrants and shares in the Company issued pursuant to this instrument.

(C) This instrument has been executed by the Company as a deed in favour of the Warrantholder.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 In this instrument the following words and expressions shall (unless the context requires otherwise) have the following meanings:

2020 Warrants	means any warrants issued on the Amendment Date, by way of adjustment to the Initial Warrants;
Adjustment	means any sub-division or consolidation of Equity Securities by the Company, at any time, after issue of the relevant Warrant, or by reference to any record date, while the Warrants remain exercisable;
ADS	means American Depositary Shares representing interests in the Ordinary Shares pursuant to a sponsored American Depositary Receipt facility with the Depositary;
ADS Exchange Ratio	means the ratio applicable to the exchange of Ordinary Shares for ADSs from time to time, currently being a ratio of 5 Ordinary Shares for each ADS;
Amendment Date	means 15 December 2020;

Articles	the articles of association of the Company for the time being;
Auditors	the Company's auditors;
Business	means the research, development, production, trading and licensing of rights, intellectual property and/or products within the life sciences industry (or any of the foregoing or any activities connected thereto);
Business Day	a day (which for these purposes ends at 5.30 pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;
Companies Act	the Companies Act 2006;
Competitor	means any entity (other than a reputable financial institution) whose business directly competes with the Business carried out by a Group Company;
Conditions	the terms and conditions set out in Schedule 2 (subject to any alterations made in accordance with the provisions of this instrument);
Consent	either: (a) a resolution passed at a meeting of the Warrantholders duly convened and held and carried by a majority consisting of not less than 75 per cent. of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent of the votes cast on a poll; or (b) the consent in writing of Warrantholders entitled to the right to subscribe for at least 75 per cent of the Warrant Shares in respect of which Subscription Rights are granted pursuant to this instrument;
Directors	the board of directors of the Company (and/or, where relevant, a Group Company) for the time being;
Equity Securities	has the meaning given in section 560(1) of the Companies Act;

Exercise Date	the date of delivery to the registered office of the Company of the items specified in clause 6.2 (and the date of such delivery shall be the date on which such items are received at the Company's registered office);
Fair Market Value	either:

(a) if the Ordinary Shares are then traded on a Recognised Investment Exchange the fair market value of a Warrant Share shall be the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Exercise Date; or

(b) if the Ordinary Shares are not traded on a Recognised Investment Exchange but ADSs are listed on Nasdaq, the implied price of One Ordinary Share in pounds sterling, which shall be determined as follows:

(i) dividing (x) being the volume weighted average price of one ADS during the ten (10) consecutive trading day period immediately preceding the Exercise Date by (y) being the number of Ordinary Shares currently represented by a single ADS in accordance with the ADS Exchange Ratio in effect on such date (**Implied USD Price**); and

(ii) converting the Implied USD Price to pounds sterling at the Exchange Rate on the trading day immediately preceding the Exercise Date; or

(c) if the Ordinary Shares are not traded on a Recognised Investment Exchange and ADSs are not listed on Nasdaq, the fair market value a Warrant Share shall be the Fair Price;

Fair Price	unless otherwise agreed by the board of Directors and the Warrantholder(s) prior to service of the Notice of Subscription, the price per Warrant Share which the Auditors (acting as an expert (the Expert)) shall certify to be in its opinion a fair price for the Warrant Shares. In arriving at his opinion the Expert will value the Warrant Shares as at the date the Notice of Subscription is to be given on the basis that the Company operates as a going concern, as between a willing seller and a willing buyer, subject always to the provisions of the Articles. The decision of the Expert as to the fair price for the Warrant Shares shall be final and binding and his costs shall be borne by the Company;
Final Date	subject to clause 5 (Timing for exercise of Subscription Rights), 10 years from the date of this instrument (which date, for the avoidance of doubt, shall be 1 October 2028);
Group	(i) the Company and its subsidiaries (if any), (ii) any holding company of the Company, and (iii) any subsidiaries of such holding companies from time to time and **Group Company** means any member of the Group;
Initial Warrants	means the warrants of the Company constituted by this Instrument on 1 October 2018, and any further warrants issued prior to the Amendment Date as an adjustment thereto;
Issuance and Delivery Instruction	means an issuance and delivery instruction in such form as notified from the Company to the Warrantholders from time to time, the current form of which is attached hereto at Schedule 3;
Marketable Securities	means securities in the acquiring entity traded on a Recognised Investment Exchange where the Warrantolder(s) (were it to receive such securities on completion of an Offer having exercised this Warrant) would not be subject to any restrictions on re-sale of such securities;
Member of the same Fund Group	is if the Warrantholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "**Investment Fund**") or a nominee of that person:

(a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund but only in connection with the dissolution of Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business,

(b) any Investment Fund managed or exclusively advised by that Fund Manager,

(c) a parent undertaking or subsidiary undertaking of that Investment Fund or Fund Manager, or any subsidiary undertaking of any parent undertaking of that Investment Fund or Fund Manager, or

(d) any trustee, nominee or custodian of such Investment Fund and vice versa;

Notice of Subscription the notice addressed to the Company by a Warrantholder exercising its Subscription Rights in the form, or substantially in the form, set out in the schedule to the Warrant Certificate;

Ordinary Shares ordinary shares in the capital of the Company and having the rights and privileges set out in the Articles;

Permitted Transferee are:

(a) a nominee of the Warrantholders;

(b) a regulated, reputable financial institution;

(c) a member of the SVB Financial Group of companies; and/or

(d) a Member of the same Fund Group;

Recognised Investment Exchange a recognised investment exchange or overseas investment exchange (within the meaning thereof given for the purposes of section 285 of the Financial Services and Markets Act 2000, and shall include, without limitation, AIM or NASDAQ;

Register the register of persons for the time being entitled to the benefit of the Warrants to be maintained pursuant to the Conditions;

Registrars the registrars of the Company for the time being;

Subscription Price	the subscription price per Warrant Share, such price being equal to: (a) in respect of the Initial Warrants £2.95; and (b) in respect of the 2020 Warrants, $0.4144 (being the volume weighted average price of one (1) Ordinary Share during the ten (10) consecutive trading day period immediately preceding the Amendment Date converted into USD at an exchange rate of 1 GBP = 1.3226 USD (being the GBP-USD opening exchange rate published in the Wall Street Journal on the business day (being a day on which banks are open for commercial business in New York) immediately preceding the Amendment Date)
Subscription Rights	the rights of the Warrantholder(s) to subscribe for Warrant Shares under clause 6 (Exercise of Subscription Rights);
Warrant Certificate	a certificate evidencing a Warrantholder's entitlement to Warrants in the form set out in Schedule 1;
Warrant Shares	Ordinary Shares to be issued pursuant to the terms of the Warrants;
Warrantholder	in relation to a Warrant, the person whose name appears in the Register as the holder of the Warrant; and
Warrants	the Initial Warrants and the 2020 Warrants and all rights conferred by this Instrument relating thereto (including the Subscription Rights).

1.2 In this instrument, unless the context otherwise requires:

1.2.1 words and expressions defined in the Companies Act or the Articles shall have the same meanings in this instrument (unless otherwise expressly defined in this instrument);

1.2.2 headings are used for convenience only and shall be ignored in interpreting this instrument;

1.2.3 reference to a clause or schedule is a reference to a clause of, or schedule to, this instrument;

1.2.4 reference to (or to any specific provision of) this instrument or any other document or instrument shall be construed as a reference to this instrument, that provision or that document or instrument as in force for the time being and as amended from time to time in accordance with its terms and the prior sanction of a Consent (where consent is required by the terms of this instrument as a condition to such amendment being made);

1.2.5 reference to any gender includes all genders, references to the singular includes the plural (and vice versa) and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of the same have a separate legal personality);

1.2.6 reference to a statutory provision includes reference to:

(a) the statute or statutory provision as modified or re-enacted from time to time; and

(b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out in clause 1.2.6(a) above);

1.2.7 any words following the terms 'including', 'include', 'in particular', 'for example' or any other similar expression shall be construed as illustrative and shall not limit the sense of the words, description, phrase or term preceding those words; and

1.2.8 references to statutory obligations include obligations arising under articles of the Treaty establishing the European Community, and regulations, directives and decisions of the European Union as well as United Kingdom Acts of Parliament and subordinate legislation.

1.3 Unless otherwise specifically provided, where any notice, resolution or document is required by this instrument to be signed by any person, the reproduction of the signature of such person by fax or email shall suffice, provided that confirmation by first class letter is despatched by close of business on the next following Business Day, in which case the effective notice, resolution or document shall be that sent by fax or email (served in accordance with paragraphs 11 and 12 of Schedule 2), not the confirmatory letter.

1.4 This instrument incorporates the schedules to it.

2 CONSTITUTION AND FORM OF WARRANTS

2.1 This instrument constitutes the Warrants, which in aggregate give the Warrantholder(s) the right, upon the terms and subject to the conditions set out in this instrument, to subscribe in cash (subject to clause 6.3.2) at a price per share equal to the Subscription Price for such number of Warrant Shares calculated in accordance with clause 3 (*Calculation of number of Warrant Shares*).

2.2 Subject to clause 6.3.2 (*Exercise of Subscription Rights*), each Warrantholder shall be entitled to subscribe in cash at the Subscription Price for that number of Warrant Shares in respect of which it is entitled to be recorded as the holder in the Register on the terms set out in this instrument.

2.3 The Warrants shall be in registered form.

2.4 The Warrants are issued subject to the Articles and otherwise on the terms of this instrument (including the Conditions).

2.5 The Company agrees with the Warrantholder(s) and, in consideration of being issued a Warrant Certificate, each Warrantholder agrees with the Company that the Articles (insofar as they relate to the Warrants) and the terms of this instrument shall be binding upon the Company and each Warrantholder and all persons claiming through or under either of them.

2.6 No application will be made for the Warrants to be listed or dealt on any Recognised Investment Exchange (as that term is defined in the Financial Services and Markets Act 2000 (as amended)).

3 CALCULATION OF NUMBER OF WARRANT SHARES

3.1 The number of Warrant Shares over which the Initial Warrants have been issued is 304,758 Warrant Shares.

3.2 The number of Warrant Shares over which the 2020 Warrants shall be issued is 304,758 Warrant Shares.

3.3 The 2020 Warrants shall be issued to Silicon Valley Bank and Kreos Capital V (Expert Fund) LP in equal proportions.

4 CERTIFICATES

4.1 The Company shall issue to each Warrantholder a Warrant Certificate in respect of that number of Warrants to which it is entitled as soon as reasonably practicable following a Warrantholder becoming entitled to such Warrants in accordance with clause 3 (*Calculation of number of Warrant Shares*).

4.2 If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, the Company will replace it on such terms as to evidence and indemnity as the Company may reasonably require and subject to the Warrantholder who is seeking the replacement paying the Company's reasonable costs (if any) in connection with the issue of the replacement.

4.3 Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

5 TIMING FOR EXERCISE OF SUBSCRIPTION RIGHTS

5.1 The Subscription Rights may be exercised at any time from the date of this instrument until 17:00 GMT on the Final Date and shall be exercised in accordance with clause 6 (*Exercise of Subscription Rights*).

5.2 Subject to clause 7 (*Automatic Exercise of Subscription Rights*), a failure by any Warrantholder to exercise its Subscription Rights ahead of such time on the Final Date shall mean that such Warrantholder's outstanding Warrants shall immediately lapse and be cancelled and such Warrantholder shall have no further rights under this instrument.

5.3 Without prejudice to clauses 12 (*Liquidation*), 13 (*Takeovers*) and 14 (*Company reorganisations – Exchange of Warrants*), if the Final Date is likely to occur before the last date for approval of or acceptance of a liquidation, share buyback, takeover or reorganisation event (that is in each case subject to an existing proposal) such as described in the said clauses, the Final Date shall be extended until such last date for approval or acceptance of such event as aforesaid.

6 EXERCISE OF SUBSCRIPTION RIGHTS

6.1 The Subscription Rights may be exercised in whole or in part. If exercised in part, the Subscription Rights must be exercised in tranches of 50,000 Warrants, or in respect of the last tranche of Warrants attached to the outstanding Subscription Rights held by the Warrantholder concerned, such lesser balancing number of Warrants as may be outstanding.

6.2 In order to exercise its Subscription Rights validly, a Warrantholder must deliver the following items to the registered office of the Company:

6.2.1 the Warrant Certificate for the Warrants in respect of which Subscription Rights are being exercised, together with the Notice of Subscription duly completed;

6.2.2 if required pursuant to clause 6.3.1, a remittance by banker's draft, drawn on a UK clearing bank, (or such other mode of payment as the Company and the Warrantholder shall agree);

6.2.3 the name and address of the Warrantholder to which the Warrant Shares arising on exercise of Subscription Rights are to be issued; and

6.2.4 if and to the extent that the Ordinary Shares issued are to be delivered as ADSs, a completed Issuance and Delivery Instruction in the form set out at Schedule 3 hereto (as such form may be amended from time to time by notice to the Warrantholder) duly completed and executed by the Warrantholder.

6.3 The Subscription Price for each of the Warrant Shares shall, at the absolute discretion of the Warrantholder, be satisfied by any of the following:

6.3.1 the payment by banker's draft for each of the Warrant Shares at the Subscription Price; or

6.3.2 in lieu of a cash payment in respect of the aggregate Subscription Price for the Warrant Shares, the Warrantholder may elect for a reduced number of Warrant Shares (as calculated below) ("**Reduced Warrant Shares**") to be issued than the number to which it would be entitled on exercise of the Subscription Rights in full, payment for such Reduced Warrant Shares being satisfied by waiver by the Warrantholder of the right to receive the balance of Warrant Shares to which the Warrantholder is entitled over and above the Reduced Warrant Shares ("Balance Warrant Shares"). In doing so, the Company agrees and acknowledges that, subject to the payment of the par value of the Reduced Warrant Shares pursuant to this clause 6.3.2, the Reduced Warrant Shares to be issued to the Warrantholder (or, in the case of a Warrantholder which has specified in the Notice of Subscription in respect of such Reduced Warrant Shares that it requires to have such Reduced Warrant Shares delivered as ADSs and has delivered a duly completed Issuance and Delivery Instruction to the Company in respect of the same, issued to, deposited with (and otherwise registered in the name of) the custodian of the Depositary (or its nominee)) as fully paid up at the Subscription Price, and the Warrantholder agrees and acknowledges that it waives its Subscription Rights to the Balance Warrant Shares used as consideration for payment of the aggregate Subscription Price. The number of Reduced Warrant Shares the Warrantholder (or Depositary, as applicable) will receive shall be determined as follows:

$$X = Y (A – B) / A$$

where:

X = the number of Reduced Warrant Shares to be issued to the Warrantholder or Depositary (as applicable).

Y = the number of Warrant Shares with respect to which the Warrant is being exercised by the Warrantholder (without application of the reduction).

A = the Fair Market Value of one Warrant Share

B = the Subscription Price (provided that, where the relevant Warrants being exercised have a Subscription Price denominated in USD, the Company shall convert such Subscription Price to pounds sterling for the purpose of calculating the aggregate nominal value of such Reduced Warrant Shares using the Exchange Rate on the trading day prior to service of the Notice of Subscription or Automatic Exercise Notice, as the case may be)

Provided always that the Warrantholder shall nevertheless be required to subscribe in cash for the par value of the Reduced Warrant Shares to the extent that if it did not do so the Reduced Warrant Shares would be issued at a discount to the Warrantholder. It being understood that if Warrant

Shares are issued pursuant to this clause 6.3.2, notwithstanding that such Warrant Shares are issued at nominal value, the Warrantholder shall be deemed to have paid the relevant Subscription Price per Warrant Share for the purposes of calculating any distribution or share of sale proceeds in each case attributable to the Warrant Shares and to other issued shares of the class for the purposes of the Articles and for all other purposes.

6.4 Delivery of the items specified in clause 6.2 to the Company shall, unless the Company expressly consents otherwise, be an irrevocable election by the Warrantholder to exercise the relevant Subscription Rights.

7 AUTOMATIC EXERCISE OF SUBSCRIPTION RIGHTS

7.1 If, on the Final Date, the Fair Market Value of one Warrant Share is greater than the Subscription Price on such date, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights, on a conditional basis, in respect of all unexercised Warrants on such date on a net issuance basis as set out in Clause

6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall (subject at all times to the Company's obligations under all applicable law and any other regulations, send a notice to the Warrantholder(s)within ten (10) Business Days of the Final Date (such notice being the Automatic Exercise Notice for the purposes of this clause 7) requiring them to pay up a cash amount equal to the aggregate nominal value of the Warrant Shares (such payment being the "Nominal Value Payment") to be issued pursuant to clause 6.3.2 ("Exercise of Subscription Rights") and this clause 7.1, and to specify whether such Warrantholder requires any such Warrant Shares to be delivered as ADSs.

7.2 The Warrantholder shall, within ten (10) Business Days of receipt of the Automatic Exercise Notice (the "**Nominal Value Payment Period**") provide the Company with the Nominal Value Payment to an account notified by the Company to the Warrantholder, and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed Issuance and Delivery Instruction in respect of such Warrant Shares. Upon receipt of such Nominal Value Payment (and, if applicable, such Issuance and Delivery Instruction) the Warrant Shares to be issued to the Warrantholder (or in the case of a Warrantholder who has delivered an Issuance and Delivery Instruction, the custodian of the Depositary) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, as applicable) credited as fully paid up in accordance with clause 6.3.2 (Exercise of Subscription Rights) and clause 8.3.1 (Completion). Any failure by a Warrantholder to pay the Nominal ValuePayment (or deliver a duly completed Issuance and Delivery Instruction, if applicable) within the Nominal Value Payment Period shall result in the automatic lapse of any Warrants over Warrant Shares for which the Nominal Value Payment was not made or Issuance and Delivery Instruction not delivered.

8 COMPLETION

8.1 Following a valid exercise of Subscription Rights by a Warrantholder or an automatic exercise of Subscription Rights pursuant to clause 7 (Automatic exercise of *Subscription Rights*) or clause 13.2.2 (*Takeovers*), the Company shall in accordance with clause 8.3:

8.1.1 allot and issue credited as fully paid to the Warrantholder; or in the event that the Warrantholder has required pursuant to clause 6.2 that Ordinary Shares to be issued from the Exercise of Subscription Rights are to be delivered as ADSs, delivered a duly completed Issuance and Delivery Instruction, and there is an effective registration statement covering the Ordinary Shares to be issued on such exercise, issue to, deposit with (and otherwise register in the name of) the custodian of the Depositary (or its nominee) ("**Allotted Shares**") and following such issuance and deposit the Company will direct the Depositary to issue an amount of ADSs via DTC (with such ADSs being eligible for listing on Nasdaq) in accordance with the corresponding Issuance and Delivery Instruction;

8.1.2 immediately following allotment and issue in accordance with clause 8.1.1, enter, or procure that the Company's Registrars enter the Warrantholder's name (or (i) its nominee's or trustee's name, or (ii) in the case of any Ordinary Shares to be delivered as ADSs, the custodian of the Depositary's name) in the register of members of the Company as the holder of the Allotted Shares;

8.1.3 immediately following registration in accordance with clause 8.1.2, either: send to the person identified by the Warrantholder pursuant to clause 8.1.1, free of charge, share certificate(s) in respect of the Allotted Shares; and

8.1.4 apply for the admission of the Warrant Shares to trading on any recognised investment exchange on which the Warrant Shares are listed at the time of the allotment and issue pursuant to clause 8.1.1, and shall use its reasonable endeavours to secure such admission to trading no later than ten (10) Business Days after such application.

8.2 The obligations of the Company under clause 8.1 shall be fulfilled within ten (10) days after the Notice of Subscription is lodged at the registered office of the Company.

8.3 The Allotted Shares shall:

8.3.1 be allotted and issued fully paid;

8.3.2 rank pari passu with the relevant class of fully paid Warrant Shares then in issue;

8.3.3 rank for any dividend or other distribution which has previously been announced or declared if the date by which the holder of Warrant Shares must be registered to participate in such dividend or other distribution is after the Exercise Date pursuant to which the Subscription Rights have been exercised; and

8.3.4 be free from all claims, liens, charges, encumbrances, equities and third party rights.

8.4 If following allotment of shares pursuant to the exercise of some of the Subscription Rights, some Subscription Rights remain, the Company shall issue a Warrant Certificate to the Warrantholder within 15 Business Days for the balance of the Warrantholder's Subscription Rights.

9 TRANSFER OF WARRANTS

9.1 Subject to clause 9.2, the Warrants may be transferred in whole or in part by any Warrantholder to any person, provided that the Company has given its prior written consent to such transfer.

9.2 A Warrantholder has the right, with prior written notice, but without the consent of the Company, to transfer the Warrants in whole or in part to a Permitted Transferee, subject to compliance with the provisions of Schedule 2 hereto.

9.3 Notwithstanding any other provisions of this instrument, no transfer shall be made to any person which is a Competitor of the Company or any other Group Company.

9.4 The provisions of Schedule 2 to this instrument shall regulate any transfer of a Warrant.

10 MODIFICATION AND CESSATION OF RIGHTS

10.1 This instrument may be modified only with the prior sanction of Consent.

10.2 This instrument ceases to have effect on the earlier of:

10.2.1 the date upon which all Subscription Rights have been exercised in full; and

10.2.2 the Final Date.

11 ADJUSTMENT OF WARRANT

11.1 Upon the occurrence of an Adjustment after the date of this Instrument but prior to the Final Date, the number and/or nominal value of Warrant Shares to be, or capable of being subscribed on any subsequent exercise of the Subscription Rights conferred by each issued Warrant and/or the Subscription Price will be adjusted in such manner as the Auditors shall certify to be fair and reasonable so that the Warrants shall, after such adjustment, entitle the Warrantholder(s) on exercise to receive the same percentage of the share capital of the Company in issue or capable of being issued following the implementation of the Adjustment, carrying the same proportion of votes exercisable at a general meeting of shareholders, for the same Aggregate Subscription Price, in each case as nearly as practicable, as would have been the case if no Adjustment had occurred, provided that the Subscription Price shall not in any event be reduced so that, upon exercise of the Subscription Rights, Warrant Shares would fall to be issued at a discount to their nominal value.

11.2 Within ten (10) days after days after an Adjustment, or, if later, within 10 days after the response of the auditors to any certification required by clause 11.1, notice of such adjustments will be given to the Warrantholder(s) detailing the number of Warrant Shares for which the Warrantholder(s) are entitled to subscribe in consequence of any such adjustment. Replacement Warrant Certificates shall be issued accordingly.

12 LIQUIDATION

12.1 If an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected whilst any Subscription Rights remain exercisable, then the provisions of clause 12.2 or, as the case may be, clause 12.3 shall apply.

12.2 If the winding-up or dissolution is for the purpose of a reconstruction, amalgamation or merger the Warrantholder shall be entitled to be granted by the reconstructed, amalgamated or merged company a substituted warrant of the value of the Warrant immediately prior to such reconstruction, amalgamation or merger.

12.3 If clause 12.2 does not apply, the Company shall immediately notify the Warrantholder(s) in writing that such an order has been made or resolution has been passed or other dissolution is to be effected. The Warrantholder(s) shall be entitled at any time within three (3) months after the date such notice is given to elect by notice in writing to the Company to be treated as if they had, immediately before the date of the making of the order or passing of the resolution or other dissolution, exercised the Subscription Rights and they shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Warrant Shares, such a sum, if any, as they would have received had they been the holders of and paid for the Warrant Shares to which they would have become entitled by virtue of such exercise, after deducting from such sum the amount which would have been payable by them in respect of the Warrant Shares if they had exercised the Subscription Rights. Nothing contained in this clause 12.3 shall have the effect of requiring the Warrantholder(s) to make any actual payment to the Company.

13 TAKEOVERS

13.1 Subject to clause 13.6, if at any time an offer or invitation is made by the Company to the holders of the Ordinary Shares for the purchase by the Company of any of its Ordinary Shares, the Company shall promptly and without delay give notice thereof to each Warrantholder who shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise its Subscription Rights to the extent that such rights have not been exercised or lapsed prior to the record date of such offer or invitation so as to take effect, in so far as is reasonably practicable, as if it had exercised its rights immediately prior to the record date of such offer or invitation.

13.2 Subject to clause 13.6, if at any time an offer is made to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company may, if such offer becomes unconditional in all respects, become vested in the offeror and/or such persons or companies (the "Buyer") as aforesaid (the "Offer"):

13.2.1 The Company shall, give notice to each Warrantholder within ten (10) Business Days of its becoming so aware, and each Warrantholder shall be entitled to exercise its Subscription Rights, conditional upon the Offer being declared unconditional in all respects, within thirty (30) days of such notice having been given by the Company (to the extent that such rights have not lapsed or been exercised prior to the record date of such Offer), and to accept or otherwise participate in such Offer on the same terms as made to all holders of Ordinary Shares.

13.2.2 If the Company fails to give notice as required by clause 13.2.1 (subject at all times to the Company's obligations under applicable law and any other regulations) then, provided that immediately prior to the date that the Offer is made the offer price under the Offer is greater than the Subscription Price on such date and conditional upon the Offer being declared or becoming unconditional in all respects, the Warrantholder shall be deemed to have automatically exercised its Subscription Rights in respect of all unexercised Warrants on such date at the Subscription Price on a net issuance basis as set out in clause 6.3.2 (Exercise of Subscription Rights). In such circumstances, the Company shall send a notice to the Warrantholder(s) promptly and without delay (such notice being the "**Exercise Notice**" for the purposes of this clause 13.2.2) upon either a Warrantholder notifying the Company of its failure to give notice as required by clause 13.2.1 or the Company or the Buyer becoming aware of the Company's failure to give such notice requiring the Warrantholder(s) to provide the Company with the Nominal Value Payment to an account notified by the Company to the Warrantholder, and, if such Warrantholder requires any Warrant Shares to be delivered as ADSs, a duly completed issuance and delivery instruction in respect of such Warrant Shares. Upon receipt of such Nominal Value Payment and Issuance and Delivery Instruction (if applicable), subject to clause 13.3 the Warrant Shares to be issued to the Warrantholder (or to the custodian of the Depositary, if applicable) on a net issuance basis pursuant to clause 6.3.2 (Exercise of Subscription Rights) shall be allotted and issued to the Warrantholder (or the custodian of the Depositary, if applicable) credited as fully paid up in accordance with clause 6.3.2 (Exercise of Subscription Rights) and clause 8.3.1.

13.2.3 Nothing in this clause 13.2 shall oblige the Warrantholder(s) to accept any Offer made hereunder, save to the extent that such Offer, whether by court order or otherwise, shall have become binding on all shareholders and the offer price under such Offer is greater than the Subscription Price, in which case the Warrantholder(s) shall be deemed to have accepted it on the terms set out herein.

13.3 [*Not used*]

13.4 [*Not used*]

13.5 For the avoidance of doubt, publication of a compromise or scheme of arrangement under the Companies Act providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an Offer for the purposes of this clause 13.

13.6 If, for whatever reason, a Warrantholder fails, refuses or declines to exercise its Subscription Rights within sixty (60) days of an Offer having become unconditional in all respects, the Warrants held by such Warrantor shall automatically lapse and no Warrant Shares shall be issued to the Warrantholder thereunder.

14 COMPANY REORGANISATIONS – EXCHANGE OF WARRANTS

14.1 A company reorganisation occurs if the Company merges with or transfers all or substantially all of its assets and undertaking to a new company ("**Newco**") and the shareholders of Newco are substantially the same as the shareholders of the Company immediately before the Company reorganisation, with shares having the same rights as those of the Company.

14.2 If there is a company reorganisation, the Company shall, save to the extent proposed by the Company and sanctioned by a Consent, use reasonable endeavours to procure that new warrants over the share capital of the Newco are granted with equivalent rights and on terms applying in this instrument mutatis mutandis and on such grant the existing Warrants shall lapse.

15 INFORMATION AND RIGHTS OF WARRANTHOLDER(S)

15.1 The Company shall:

15.1.1 send to each Warrantholder a copy of its annual reports and audited accounts together with all documents required by law to be annexed to that report at the same time they are provided to the holders of the Ordinary Shares;

15.1.2 send to each Warrantholder copies of any statements, notices or circulars sent to the holders of the Ordinary Shares; and

15.1.3 give to each Warrantholder not less than 30 days' prior written notice of its intention to declare or pay a dividend or other distribution on the Ordinary Shares.

15.2 The Warrantholder(s) may attend all general meetings of members of the Company and meetings of the holders of Ordinary Shares but may not vote at those meetings by virtue of or in respect of their holdings of Warrants.

15.3 Each Warrantholder shall keep confidential any information received by it in its capacity as a Warrantholder which is of a confidential nature except:

15.3.1 as required by law or any applicable regulations;

15.3.2 to the extent the information is in the public domain through no default of the Warrantholder; and

15.3.3 each Warrantholder will be entitled to divulge such information to any other Warrantholder and any proposed transferee of Warrants on the same terms as to confidentiality.

16 RESTRICTIONS ON AND UNDERTAKINGS OF THE COMPANY

16.1 For so long as the Warrants are outstanding, the Company will:

16.1.1 to the extent that the Company has a limit on its authorised share capital, keep available for issue and free from pre-emptive rights, out of its authorised but unissued share capital, such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full;

16.1.2 ensure that the Directors have all necessary authorisations and disapplications of pre-emption (including under the Companies Act) to allot such number of Warrant Shares as will enable the Subscription Rights of the Warrantholder(s) to be satisfied in full at any time;

16.1.3 [*Not used*]

16.1.4 not make any issue, grant or distribution or take any other action the effect of which would be that on exercise of any of the Subscription Rights it would be required to issue Warrant Shares at a discount to their nominal value; and

16.1.5 not buy any Warrants unless it offers to buy Warrants from all Warrantholders in proportion to their respective holdings of Warrants.

17 WARRANTIES

17.1 The Company warrants to the Warrantholder(s) that:

17.1.1 it has the power to execute and to perform its obligations under this instrument;

17.1.2 it has taken all action necessary to authorise the execution of, and the performance of its obligations under this instrument;

17.1.3 all Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will be, upon issuance, be duly authorised, validly issued and fully paid and free of any liens and encumbrances;

17.1.4 it and the Directors have, and have obtained all necessary shareholder and third party consents (which consents are subsisting and remain sufficient and have not been revoked at the Issue Date), to grant the Warrant to the Warrantholder(s) on the Issue Date on the terms of this Warrant; and

17.1.5 [*Not used*].

18 NOTICES

Any notice to the Warrantholder(s) required for the purposes of any provision of this instrument shall be given in accordance with the provisions of paragraphs 10 to 13 (inclusive) of Schedule 2.

19 COSTS AND EXPENSES

19.1 The Company shall promptly pay to the Warrantholder(s) on the Warrantholder's demand, the reasonable legal expenses plus applicable VAT and disbursements incurred by the Warrantholder in connection with:

19.1.1 any amendment or supplement to this instrument, or any proposal for such an amendment to be made, provided such amendment or supplement has been requested or necessitated by the Company; and

19.1.2 any consent or waiver by the Warrantholder(s) concerned under or in connection with this instrument or any request for such a consent or waiver, provided that such consent or waiver has been requested or necessitated by the Company; and

19.1.3 any step taken reasonably and properly by the Warrantholder with a view to the protection, exercise or enforcement of any right or interest created by this instrument.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this instrument shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

21 FURTHER ASSURANCE

The Company shall, at its own cost and expense, execute all such deeds and documents and do all such acts and things as may reasonably be required in order to give effect to this instrument, including vesting on issue the full legal and beneficial title to the Warrant Shares in the Warrantholder.

22 SEVERABILITY

Each of the provisions of this instrument is distinct and severable from the others and if at any time one or more of such provisions is or becomes valid, unlawful or unenforceable (whether wholly or to any extent), the validity, lawfulness and enforceability of the remaining provisions (or the same provision to any other extent) of this instrument shall not in any way be affected or impaired.

23 GOVERNING LAW

The provisions of this instrument and the Conditions and any dispute or claim arising out of or in connection with them (including any dispute or claim relating to non- contractual obligations) shall be subject to and governed by English law and the Company and the Warrantholder(s) submit to the exclusive jurisdiction of the English Courts in relation to any such dispute or claim.

The Company intends this instrument to be a deed poll and accordingly it or its duly authorised representatives execute and deliver it as such.

SCHEDULE 1
Form Of Warrant Certificate

MEREO BIOPHARMA GROUP PLC ("COMPANY")
A company registered in England and Wales under Company number 09481161

WARRANT CERTIFICATE

This certificate is issued pursuant to the warrant instrument issued by the Company on_____ 2018 ("**Warrant Instrument**"). Words and expressions used in this certificate which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

Certificate number: [•]

Date of issue: _____ 2018

Name and address of Warrantholder: **[Silicon Valley Bank** of 3003 Tasman Drive, Santa Clara, California 95054 US (UK branch at Alphabeta 14-18 Finsbury Square, London EC2A 1BR)]

[Kreos Capital V (Expert Fund) LP of 47 Esplanade, St. Helier, Jersey JE1 0BD]

Number of [Initial/2020] Warrant Shares for which the Warrantholder may subscribe [•].

Subscription Price: [£2.95/$0.4316]

This is to certify that the Warrantholder named above is the registered holder of the right to subscribe in cash for Warrant Shares at the subscription price set out above subject to the Articles and otherwise on the terms and conditions set out in the Warrant Instrument (a copy of which is available for inspection at the registered office of the Company).

EXECUTED as a deed, but not delivered until the date specified on this certificate, by **MEREO BIOPHARMA GROUP PLC** by_____a director in the presence of a witness:

_____
Director

Witness Signature: _____

Witness Name (block capitals): _____

Witness Address: _____

_____

Witness Occupation: _____

Schedule to the Warrant Certificate

Notice of Subscription

To: The Directors

MEREO BIOPHARMA GROUP PLC ("Company")

This notice is issued pursuant to the warrant instrument issued by the Company on _____ ("**Warrant Instrument**"). Words and expressions used in this notice which are defined in the Warrant Instrument have the meanings given to them in the Warrant Instrument.

We hereby irrevocably elect to exercise [number] [Initial/2020] Warrants issued to us by the Company pursuant to the Warrant Instrument and purchase thereunder (and surrender herewith the relevant warrant certificate) as follows:

(1)

(A)____ Warrant Shares to be issued to the Warrantholder (or its nominee or trustee) as Ordinary Shares pursuant to the Warrant Instrument;

(B)____ Warrant Shares to be issued to the custodian of the Depositary for delivery to the Warrantholder as ADSs pursuant to the Warrant Instrument.

(2) We wish to satisfy the aggregate Subscription Price for the Warrant Shares in respect of the Subscription Rights we are exercising as follows [*delete options as necessary*]:

(A) [by payment by banker's draft, we attach a banker's draft to this notice];

(B) [by cash payment by wire transfer of immediately available funds to the following account of the Company:

[*Use in case of an aggregate Subscription Price denominated in GBP:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150636

Sort Code: 62-10-00

BIC/SWIFT: SVBKGB2L

IBAN: GB18 SVBK62 1000 2015 0636]

[*Use in case of an aggregate Subscription Price denominated in USD:*

Account Name: Mereo BioPharma Group plc

Bank: Silicon Valley Bank

Account No: 20150644

Sort Code: 62-10-00

IBAN: GB93SVBK62100020150644]]

(C) [by satisfying the aggregate Subscription Price by electing to receive a reduced number of Warrant Shares, in accordance with clause 6.3.2].

We direct the Company:

[use for a request under option (1)(A) above] to issue [number] of Ordinary Shares to be issued pursuant to this exercise in the following numbers to the following proposed allottees, each of which is either a Warrantholder, a nominee or trustee of a Warrantholder or a transferee of one of those persons approved in accordance with clause 9.1 of the Warrant Instrument]

Number/percentage of shares	**Name of proposed allottee**	**Address of proposed allottee**
1		

[OR] use for a request under option (1)(B) above] to issue, allot, and deposit [number] of Ordinary Shares to be issued pursuant to this exercise to the custodian (or its nominee) of the Depositary and that following such issuance and deposit, to direct the Depositary to issue an amount of ADSs via DTC in accordance with the Issuance and Delivery Instruction corresponding to this Notice of Subscription.

The Warrantholder represents and warrants that this Notice of Subscription has been duly signed and constitutes a valid and binding act to exercise the said Warrants.

Place and date:

Name of Warrantholder:

_____

By:
Title:

The above exercise is acknowledged and accepted. Place and date:

MEREO BIOPHARMA GROUP PLC

_____

By:
Title:

SCHEDULE 2
Conditions

1 An accurate Register will be kept and maintained at all times by the Company at its registered office and there shall be entered in the Register:

1.1 the names and addresses of the persons for the time being entitled to be registered as the holders of the Warrants;

1.2 the number of Warrants held for the time being by every registered holder; and

1.3 the date on which the name of every registered holder is entered in the Register in respect of the Warrants in its name.

2 Any change in the name or address of any Warrantholder shall promptly be notified to the Company which shall cause the Register to be altered accordingly. The Warrantholders or any of them and any person authorised by any Warrantholder shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.

3 The Company shall be entitled to treat each Warrantholder as the absolute owner of a Warrant and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in a Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.

4 Each Warrantholder will be recognised by the Company as entitled to the Warrants free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Warrants.

5 Each transfer of a Warrant shall be made by an instrument of transfer in the usual or common form or in any other form which may be approved for the time being by the Directors.

6 The instrument of transfer of a Warrant shall be executed by or on behalf of the transferor but need not be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Warrant until the name of the transferee is entered in the Register in respect of the Warrant being transferred.

7 The Directors may decline to recognise any instrument of transfer of a Warrant unless the instrument is deposited at the registered office of the Company accompanied by the Warrant Certificate for the Warrant to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may waive production of any Warrant Certificate upon production to them of satisfactory evidence of the loss or destruction of the Warrant Certificate together with such indemnity as they may require.

8 No fee shall be charged for any registration of a transfer of a Warrant or for the registration of any other documents which in the opinion of the Directors require registration.

9 The registration of a transfer shall be conclusive evidence of the approval by the Directors of such a transfer.

10 Each Warrantholder shall register with the Company an address in the United Kingdom to which notices can be sent. If any Warrantholder fails to register an address with the Company, notice may be given to that Warrantholder by sending it by any of the methods referred to in paragraph 11 of this Schedule 2 to that Warrantholder's last known place of business or residence or, if none, by exhibiting it for three days at the registered office for the time being of the Company.

11 Notices and other communications to Warrantholders may be given by personal delivery, prepaid letter by first class post or, subject to clause 1.3 of this instrument, fax or email. In proving service of any notice or other communication sent by post, it shall be sufficient to prove that the envelope containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.

12 A notice or other communication given pursuant to the provisions of paragraph 11 of this Schedule 2 shall be deemed to have been served:

12.1 at the time of delivery, if delivered personally to the registered address;

12.2 on the second Business Day following its posting, if sent by prepaid letter by first class post to an address in the United Kingdom; and

12.3 at 09:00 hours on the Business Day following the despatch of the fax, if sent by fax.

13 All notices and other communications with respect to Warrants standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Warrants.

14 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Warrant, shall be bound by every notice in respect of such Warrant which, prior to its name and address being entered on the Register, shall have been duly given to the person from which it derives its title to such Warrant.

15 When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be included but the day upon which such notice will expire shall not be included in such number of days or other period. The signature to any notice to be given by the Company may be written or printed.

16 Meetings of Warrantholders shall be convened and conducted in the same way as meeting of shareholders of the Company are convened and conducted. Accordingly, the provisions of Articles shall apply to meetings of the Warrantholders mutatis mutandis.

SCHEDULE 3

ADS Issuance and Delivery Instruction

[DATE]

Citibank, N.A., as Depositary

388 Greenwich Street

New York, New York 10013

Attn.: Mr. Brian M. Teitelbaum (brian.m.teitelbaum@citi.com)

With a copy simultaneously delivered to:

Citibank, N.A., London Branch

25 Canada Square

Canary Wharf

London E14 5LB, England

Attn.: UK Custody Settlements

Custody Team (uksettlements@citi.com)

Re: Issuance and Delivery Instruction - Mereo BioPharma Group plc (CUSIP No.: 589492107) – Deposit & Hold

Dear Sirs:

Reference is made to the Deposit Agreement, dated as of April 23, 2018, as amended and supplemented from time to time (the "Deposit Agreement"), by and among Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales and its successors (the "Company"), Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, as Depositary (the "Depositary"), and all Holders and Beneficial Owners of American Depositary Shares (the "ADSs") issued thereunder. All capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Deposit Agreement.

In accordance with the terms and subject to the limitations set forth in the Deposit Agreement, promptly following the Depositary's receipt of confirmation from the Custodian that the Custodian has received a deposit of the number of Shares specified below made by the Company for the benefit of the undersigned holder thereof (the "Holder" and together with the Company, the "Undersigned"), the Undersigned hereby jointly instruct the Depositary, and the Depositary hereby agrees:

(i) to promptly accept for deposit the number of Shares and issue the number of ADSs as specified below:

Number of Shares deposited: _____ Shares

Number of ADSs (CUSIP No.: 589492107; each ADS representing five (5) Shares to be issued:

_____ ADSs

and (ii) to promptly deliver such Program ADSs, as follows:

Name of DTC Participant to which the ADSs are to be delivered: _____

DTC Participant Account No.: _____

Account No. for recipient of ADSs at DTC Participant (f/b/o/ information): _____

Name on whose behalf the above number of ADSs are to be issued and delivered: _____

Contact person at DTC Participant: _____

Daytime telephone number of contact person at DTC: _____

The Company hereby confirms and certifies that (i) the registration statement on Form F-3 (File No. 333-239708) (the "Registration Statement"), filed with the U.S. Securities and Exchange Commission (the "Commission") on July 6, 2020, registers the resale of the above Shares represented by ADSs, such ADSs will be freely transferable following the issuance thereof by the Depositary, and there are no legal restrictions on subsequent transfers of the ADSs to be issued hereunder under the laws of England and Wales or the United States, (ii) the Registration Statement is effective under the Securities Act of 1933, as amended (the "Securities Act"), and (iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

The Holder hereby represents and covenants to, and for the benefit of, the Depositary and Citibank, N.A.—London Branch (the "Custodian"), that (i) the Holder is not an "affiliate" of the Company as that term is defined in Rule 144 promulgated by the Commission under the Securities Act and has not been an affiliate at any time during the 90 days immediately preceding the date hereof, and (ii) all stamp duty taxes, including, without limitation, the U.K. Stamp Duty Reserve Tax ("SDRT"), will be paid in full and on a timely basis to the extent such taxes are payable in respect of the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein.

Each of the Holder and, to the extent it is not unlawful for the Company to do so under the applicable laws of England and Wales, the Company agrees to indemnify the Depositary and the Custodian for, and to hold the Depositary and the Custodian harmless against, all losses, liabilities, taxes, charges, penalties or expenses (including reasonable legal fees and disbursements), incurred by the Depositary and/or by the Custodian or to which the Depositary and/or the Custodian may become subject to and arising directly or indirectly from the failure by any person to pay (or discharge) any applicable stamp duty taxes, including, without limitation, SDRT, or any other similar duty or tax in connection with the deposit of the Shares and the issuance and delivery of the ADSs as contemplated herein, save to the extent that such losses, liabilities, taxes, charges, penalties or expenses are due to the negligence or bad faith of the Custodian or the Depositary.

[HOLDER]

By: _____
Name:
Title:

MEREO BIOPHARMA GROUP PLC

By: _____
Name:
Title:

EXECUTED and delivered as a **DEED by**
MEREO BIOPHARMA GROUP PLC

Signature of Director

Name of Director

Signature of Secretary

Name of Director

IN WITNESS WHEREOF this agreement has been executed as a deed and delivered by the parties on the date first above written.

EXECUTED and delivered as a **DEED** by
MEREO BIOPHARMA GROUP PLC

Signature of Director

Name of Director

Signature of Secretary

Name of Secretary

Executed and delivered
as a **DEED** by **KREOS CAPITAL V (UK) LIMITED**
acting by two directors

a director

Director

a director

Director

Executed and delivered

as a DEED by **SILICON VALLEY BANK**

a California corporation acting by

an authorised signatory, being a person who, in accordance with the laws of that territory, is acting under the authority of the corporation

Authorised Signatory

Authorised Signatory

Exhibit 5.1

Mayer Brown International LLP
201 Bishopsgate
London EC2M 3AF

Telephone: +44 20 3130 3000
Fax: +44 20 3130 3001
www.mayerbrown.com
DX 556 London and City

Mereo BioPharma Group plc
Fourth Floor
One Cavendish Place
London
W1G 0QF

5 August 2021

Our ref: 19623354

Dear Sirs

Registration Statement on Form F-3

1. **Background**

We have acted for Mereo BioPharma Group plc, a public limited company incorporated under the laws of England and Wales (the **"Company"**), as its legal advisers in England in connection with the registration statement on Form F-3 (the **"Registration Statement"**) to be filed on or about 5 August 2021 by the Company with the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), and the rules and regulations promulgated thereunder (the **"Rules"**). The Registration Statement relates to (i) the offering, issuance and sale by the Company from time to time of up to $250,000,000 of indeterminate numbers of ordinary shares of £0.003 each in the Company (**"Ordinary Shares"**), as may from time to time be offered and sold at indeterminate prices pursuant to the Registration Statement and (ii) the resale by the selling shareholders named in the Registration Statement of 24,493,416 Ordinary Shares from time to time to be sold by such selling shareholders from time to time in the manner set forth in the Registration Statement. The Ordinary Shares are to be offered or sold in the form of American Depositary Shares (**"ADSs"**). Each ADS represents 5 Ordinary Shares. Up to $50,000,000 of ADSs may be offered, issued and sold by the Company, inter alia, under a open market sale agreement dated 5 August 2021 by and between the Company and Jefferies LLC (the **"Sales Agreement"**).

In connection with the Registration Statement, we have been asked to provide an opinion on certain matters, as set out below.

This is a legal communication, not a financial communication. Neither this nor any other communication from this firm is intended to be, or should be construed as, an invitation or inducement (direct or indirect) to any person to engage in investment activity.

Mayer Brown International LLP is a limited liability partnership (registered in England and Wales number OC303359), which is authorised and regulated by the Solicitors Regulation Authority with SRA number 369822. Mayer Brown is a global services provider comprising an association of legal practices that are separate entities including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England), Mayer Brown (a Hong Kong partnership) and Tauil & Chequer Advogados (a Brazilian partnership).

We use the term "partner" to refer to a member of Mayer Brown International LLP, or an employee or consultant who is a lawyer with equivalent standing and qualifications and to a partner of or lawyer with equivalent status in another Mayer Brown entity. A list of the names of members of Mayer Brown International LLP and their respective professional qualifications may be inspected at our registered office, 201 Bishopsgate, London EC2M 3AF, England or on www.mayerbrown.com.

2. **Examination and enquiries**

(a) For the purpose of giving this opinion, we have examined:

(i) a copy of the Registration Statement (excluding its exhibits and any documents incorporated by reference into the Registration Statement);

(ii) a certificate dated 5 August 2021 signed by the company secretary of the Company relating to certain factual matters and having annexed thereto copies (certified by the company secretary as being true, complete, accurate and up-to-date in each case) of the following documents:

(A) the Company's certificate of incorporation, certificate of incorporation on re-registration, memorandum of association and articles of association; and

(B) written resolutions of the directors of the Company passed on 2 August 2021 pursuant to which it was resolved, inter alia, to approve the filing of the Registration Statement with the U.S. Securities and Exchange Commission; and

(iii) a copy of the Sales Agreement.

(b) For the purpose of giving this opinion, we have:

(i) arranged for our agents to make on 5 August 2021 an online search of the register kept by the Registrar of Companies in respect of the Company (the **"Company Search"**); and

(ii) arranged for our agents to make on 5 August 2021 at approximately 10a.m. (BST) an online search in respect of the Company of the Central Registry of Winding Up Petitions (the **"Central Registry Enquiry"** and, together with the Company Search, the **"Searches"**),

and reviewed the information we received from our agents from the Searches (the **"Search Results"**).

(c) For the purposes of giving this opinion, we have only examined and relied on those documents referred to in paragraphs 2(a) and arranged or obtained the Searches and reviewed the Search Results. We have made no further enquiries concerning the Company or any other matter in connection with the giving of this opinion.

(d) We have made no enquiry, and express no opinion, as to any matter of fact. As to matters of fact which are material to this opinion, we have relied entirely and without further enquiry on statements made in the documents listed in paragraph 2(a).

3. **Assumptions**

(a) In giving this opinion we have assumed:

(i) the genuineness of all signatures, seals and stamps;

(ii) that each of the individuals who signs as, or otherwise claims to be, an officer of the Company is the individual whom he or she claims to be and holds the office he or she claims to hold;

(iii) the authenticity and completeness of all documents submitted to us as originals;

(iv) the conformity with the original documents of all documents reviewed by us as drafts, specimens, pro formas or copies and the authenticity and completeness of all such original documents;

(v) that in relation to each written resolution referred to in paragraph 2(a)(ii)(B) (*Examination and enquiries*) such resolution was duly passed in accordance with all applicable laws and regulations, including compliance with the articles of association of the Company; and that in particular, but without limitation, in relation to each written resolution of the directors each provision contained in the Companies Act 2006 or the articles of association of the Company relating to the declaration of directors' interests or the power of interested directors to vote was duly observed;

(vi) that in relation to each written resolution referred to in paragraph 2(a)(ii)(B) (*Examination and enquiries*) such resolution has not been amended or rescinded and remains in full force and effect;

(vii) that the directors of the Company acted in accordance with ss171 to 174 Companies Act 2006 in approving the written resolutions referred to in paragraph 2(a)(ii)(B) (*Examination and enquiries*); and that all actions to be carried out by the Company pursuant to those resolutions are in its commercial interests;

(viii) that, in relation to any document examined by us which is governed by the laws of any jurisdiction outside England and Wales, that document and the obligations created by it constitute the legal, valid, binding and enforceable obligations of each of the parties to it under the laws by which it is expressed to be governed;

(ix) that there are no provisions of the laws of any jurisdiction outside England and Wales that would have any implication for the opinions we express and that, insofar as the laws of any jurisdiction outside England and Wales may be relevant to this opinion letter, such laws have been and will be complied with;

(x) that each consent, licence, approval, authorisation or order of any governmental authority or other person which is required under any applicable law in connection with the transactions contemplated by the Sales Agreement and the Registration Statement, has been or will have been obtained and is or will be in full force and effect;

(xi) that the Company is and will at all relevant times remain in compliance with all applicable anti-corruption, anti-money laundering, anti-terrorism, sanctions, exchange control and human rights laws and regulations of any applicable jurisdiction;

(xii) that no agreement, document or obligation to or by which the Company (or its assets) is a party or bound and no injunction or other court order against or affecting the Company would be breached or infringed by the performance of actions to be carried out pursuant to, or any other aspect of the transactions contemplated, by the Sales Agreement and the Registration Statement;

(xiii) that the information included in the Search Results is true, accurate, complete and up-to-date and that there is no information which, for any reason, should have been disclosed by those Searches and was not;

(xiv) that all applicable laws (for the avoidance of doubt, as in force at all relevant times) will be complied with respect to anything done in relation to the offering, sale, issue and (where applicable) allotment of the Ordinary Shares, including without limitation the Financial Services and Markets Act 2000;

(xv) that the Ordinary Shares will be duly allotted by a valid resolution of the board of directors of the Company duly passed, in accordance with the Company's articles of association (for the avoidance of doubt, as in force at all relevant times) and the Companies Act 2006, and pursuant to (A) a valid authorisation under s551 Companies Act 2006 and (B) a valid power under s570 Companies Act 2006 to allot the Ordinary Shares as if s561 of that Act did not apply to the allotment; and that those sections of the Companies Act 2006 will continue in force unamended at all relevant times;

(xvi) that no pre-emptive rights or similar rights exist or have been created over or in respect of any Ordinary Shares other than pre-emption rights arising under s561 Companies Act 2006, or any such rights that exist or have been created have been or will be validly disapplied or waived;

(xvii) that as at each date on which the Company allots and issues any Ordinary Shares the documents examined, and the results of the searches and enquiries made, as set out in paragraph 2 (*Examination and enquiries*), would not be rendered untrue, inaccurate, incomplete or out-of-date in any relevant respect by reference to subsequent facts, matters, circumstances or events;

(xviii) that as at each date on which the Company allots and issues any Ordinary Shares, the Company will have received the aggregate consideration payable for those Ordinary Shares as "cash consideration" (as defined in s583(3) Companies Act 2006), such aggregate consideration being not less than the nominal value of those Ordinary Shares; and that s583 Companies Act 2006 will continue in force unamended at all relevant times;

(xix) that there is and will be no fact or matter (such as bad faith, coercion, duress, undue influence or a mistake or misrepresentation before or at the time any agreement or instrument is entered into, a subsequent breach, release, waiver or variation of any right or provision, an entitlement to rectification or circumstances giving rise to an estoppel) and no additional document between any relevant parties which in either case would or might affect this opinion and which was not revealed to us by the documents examined or the searches and enquiries made by us in connection with the giving of this opinion;

(xx) that no allotment of Ordinary Shares will result in a requirement to make a mandatory offer under rule 9 of the City Code on Takeovers and Mergers; and

(xxi) that resolutions of the board of directors of the Company referred to paragraph 3(a)(xv) will be passed in accordance with all applicable laws and regulations; in particular, but without limitation, that each provision contained in the Companies Act 2006 or the articles of association of the Company relating to the declaration of directors' interests or the power of interested directors to vote will be duly observed; that in approving those resolutions the directors will act in accordance with ss171 to 174 Companies Act 2006; that actions to be carried out by the Company pursuant to those resolutions will be in its commercial interests; and that such resolutions will not be amended or rescinded and will remain in full force and effect.

(b) In relation to paragraph 3(a)(xiii), it should be noted that this information included in the Search Results may not be true, accurate, complete or up-to-date. In particular, but without limitation:

(i) there may be matters which should have been registered but which have not been registered or there may be a delay between the registration of those matters and the relevant entries appearing on the register of the relevant party;

(ii) there is no requirement to register with the Registrar of Companies notice of a petition for the winding-up of, or application for an administration order in respect of, a company. Such a notice or notice of a winding-up or administration order having been made, a resolution having been passed for the winding-up of a company or a receiver, manager, administrative receiver, administrator or liquidator having been appointed may not be filed with the Registrar of Companies immediately and there may be a delay in any notice appearing on the register of the relevant party;

(iii) the results of the Central Registry Enquiry relate only to petitions for the compulsory winding up of, or applications for an administration order in respect of, the Company presented prior to the enquiry and entered on the records of the Central Registry of Winding Up Petitions. The presentation of such a petition, or the making of such an application, may not have been notified to the Central Registry or entered on its records immediately or, if presented to a County Court or Chancery District Registry, at all; and

(iv) in each case, further information might have become available on the relevant register after the Searches were made.

4. **Opinions**

(a) On the basis of the examination and enquiries referred to in paragraph 2 (*Examination and enquiries*) and the assumptions made in paragraph 3 (*Assumptions*) and subject to the qualifications set out in paragraph 5 (*Qualifications*), we are of the opinion that:

(i) the Company is a public limited company duly incorporated under English law;

(ii) the Company Search indicates that the Company is validly existing and does not reveal any order or resolution for its winding up or any notice of the appointment of a receiver, administrative receiver or administrator in respect of it or any of its assets. The Central Registry Enquiry does not reveal that any petition for the winding-up of the Company has been presented, that any application for administration of the Company has been made or that any notice of appointment, or of intention to appoint an administrator, has been filed in respect of the Company; and

(iii) in connection with a relevant issuance, upon receipt of the aggregate consideration for Ordinary Shares and entry of the names of the appropriate persons in the Company's register of members, the relevant Ordinary Shares will be validly issued, fully paid and no further amount may be called thereon.

(b) For the purpose of paragraphs 4(a)(i) and (ii):

(i) **"duly incorporated"** means that the requirements of the Companies Act in force at the date of incorporation of the Company in respect of registration and all matters precedent and incidental to it have been complied with by the Company and that the Company is authorised to be registered and is duly registered under that Act; and

(ii) **"validly existing"** means that the Company is subsisting at the date of this opinion and has not been struck off the register kept by the Registrar of Companies, dissolved or ceased to exist by reason of any merger, consolidation or limitation on the duration of its existence.

(c) For the purpose of paragraphs 4(a)(iii), a **"relevant issuance"** means an allotment and issue after the date of this opinion of Ordinary Shares in accordance with the assumptions made in paragraph 3 (*Assumptions*) and in particular but without limitation those assumptions in paragraphs 3(a)(xv), (xvii) and (xviii).

(d) This opinion is strictly limited to the matters expressly stated in this paragraph 4 and is not to be construed as extending by implication to any other matter.

5. **Qualifications**

(a) The opinions set out in paragraph 4 (*Opinions*) are subject to the qualifications set out in the remainder of this paragraph 5.

(b) We express no opinion as to matters of United Kingdom taxation or any liability to tax (including, without limitation, stamp duty and stamp duty reserve tax) which may arise or be incurred as a result of or in connection with the Ordinary Shares or the transactions contemplated by the Sales Agreement and the Registration Statement, or as to tax matters generally.

(c) The opinion set out in paragraph 4(a)(iii) (*Opinions*) relates only to Ordinary Shares offered or sold from time to time pursuant to the Registration Statement that are new Ordinary Shares issued by the Company from time to time following the date of the Registration Statement. We express no opinion in respect of any securities of the Company existing at the date of this opinion which may be offered or sold from time to time pursuant to the Registration Statement.

6. **Law**

(a) This opinion and any non-contractual obligations arising out of or in connection with this opinion shall be governed by, and construed in accordance with, English law.

(b) This opinion relates only to English law as applied by the English courts as at today's date ("Applicable Law"). By "English law" we mean (except to the extent we make specific reference to an English law "conflict of law" (private international law) rule or principle) English domestic law on the assumption that English domestic law applies to all relevant issues. In construing any European Union directive or regulation, we have read only the English version.

(c) Except to the extent, if any, specifically stated in it, this opinion takes no account of any proposed changes as at today's date in Applicable Law.

(d) We do not undertake or accept any obligation to update this opinion to reflect subsequent changes in English law or factual matters.

(e) We express no opinion as to, and we have not investigated for the purposes of this opinion, the laws of any jurisdiction other than England. It is assumed that no foreign law which may apply to the matters contemplated by the Registration Statement, or any document relating to, or any party to, any transaction contemplated by the Sales Agreement or the Registration Statement, would or might affect this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not admit that we are in the category of persons whose consent is required under section 7 of the Securities Act or the Rules.

Yours faithfully

/s/ Mayer Brown International LLP

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” in the Registration Statement (Form F-3) and related Prospectus of Mereo BioPharma Group plc for the registration of American Depositary Shares representing ordinary shares offered by selling shareholders and to the incorporation by reference therein of our report dated March 31, 2021, with respect to the consolidated financial statements of Mereo BioPharma Group plc included in its Annual Report (Form 20-F) for the year ended December 31, 2020, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Reading, United Kingdom

August 5, 2021